

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
DECEMBER 17, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENT AND AMENDMENTS BY
MEBTEL AND AT&T

EXPLANATION: The following interconnection agreement and amendments were filed for Commission approval between October 2, 2018, and October 9, 2018:

MebTel, Inc. d/b/a CenturyLink

Docket No. P-35, Sub 146 – Agreement with Bullseye Telecom, Inc., filed on October 2, 2018.

BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (AT&T)

Docket No. P-55, Sub 1878 – Amendment filed on October 3, 2018, to an existing interconnection agreement with New Horizons Communications Corp., which the Commission approved on December 18, 2012. With this amendment, the Parties agree to refer to the CLP as NHC Communications, Inc., for billing purposes and as otherwise specified. The amendment also implements changes pursuant to the *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order issued by the Federal Communications Commission (FCC) on November 18, 2011, in FCC 11-161, and as amended on December 23, 2011, in FCC 11-189 (FCC ICC Reform Order).

The changes implement intercarrier compensation rates reflected in the Pricing Sheets in Exhibit B for Local Interconnection (Call Transport and Termination) exchanged between the parties, and supersede the existing rate elements for purposes of reciprocal compensation.

Docket No. P-55, Sub 1869 – Amendment filed on October 3, 2018, to an interconnection agreement with South Carolina Net, Inc., d/b/a Spirit Telecom,

which the Commission approved August 15, 2012. The amendment implements changes pursuant to the *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order issued by the Federal Communications Commission (FCC) on November 18, 2011, in FCC 11-161, and as amended on December 23, 2011, in FCC 11-189 (FCC ICC Reform Order). The amendment also modifies certain provisions related to Customer Information Services (CIS) pursuant to WC Docket No. 16-13, approved March 15, 2016.

The changes implement intercarrier compensation rates reflected in the Pricing Sheets in Exhibit A, for the termination of all Section 251(b)(5) traffic exchanged between the parties, and supersedes the existing rate elements for purposes of reciprocal compensation. In addition, the rates, terms, and conditions pertaining to CIS are deleted (except for the provisions specified regarding AT&T's resale of CIS to South Carolina Net's end users), replaced by terms and conditions for the provision of Operator Services and Directory Assistance services (OS/DA) specified in Exhibit A, at rates reflected in the Exhibit B Pricing Sheets. Additionally, the parties agree to replace Section N, which addresses Notices and the contact information to be used by the companies, with new language.

Docket No. P-55, Sub 1925 – Amendment filed on October 9, 2018, to an interconnection agreement with Airus, Inc., which the Commission approved December 13, 2016. The parties agree to amend the agreement to add the states of South Carolina to the agreement, in addition to adding the Pricing Sheets and state-specific appendices, as applicable.

These filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed these filings and recommends Commission approval.

RECOMMENDATION: (Proffitt) That orders be issued approving the agreement and amendments effective on the date they were filed. The Public Staff has provided copies of the proposed orders to the Commission's Legal Staff.

D. ELECTRIC

P1. DOCKET NO. E-22, SUBS 476 AND 477 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF A REVISED SERVICES AGREEMENT AND APPLICATION FOR APPROVAL OF REVISED AFFILIATE SERVICES AGREEMENTS

EXPLANATION: On October 30, 2018, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed two petitions requesting acceptance of certain revised affiliate agreements. In Docket No. E-22, Sub 476, DENC requested that the Commission accept a revised services agreement under which Dominion Energy Services, Inc. (DES), would continue to provide accounting, legal, human resources, information technology, management, and other centralized services to DENC. In Docket No. E-22, Sub 477, DENC requested acceptance of six revised separate affiliate agreements. DENC also requested acceptance of a form affiliate services agreement for future affiliates subject to monetary limitations and limited services.

N.C. Gen. Stat. § 62-153(a) requires all public utilities to file copies of various types of contracts with affiliates, which the Commission may disapprove, if after hearing, the Commission finds the contract to be unjust or unreasonable and made for the purpose or with the effect of concealing, transferring or dissipating the earnings of the public utility. Under N.C. Gen. Stat. § 62-153(b), a public utility is required to obtain the Commission's approval to pay any fees, commissions, or compensation of any description whatsoever to any affiliated company for services rendered or to be rendered.

DES SERVICES AGREEMENT (SUB 476)

The currently operative revised DES Services Agreement was approved by Commission Order issued on December 20, 2016. In its December 20, 2016, Order, the Commission accepted the agreement effective January 1, 2017, for a period of two years, or through December 31, 2018.

In its October 30, 2018, filing, DENC requests approval to implement the newly Revised DES Services Agreement (Revised DES Agreement) for a two-year term with an effective date of January 1, 2019. The Revised DES Agreement is attached as Attachment A, with a blacklined version attached as Attachment B, which reflects limited, non-substantive revisions. Attachment C is a report from Patrick L. Baryenbruch, an outside consultant engaged by DENC to study the reasonableness of DES and other affiliate charges to the Company. Exhibit I to Attachment A of the Revised DES Agreement contains a list of 22 centralized services offered by DES. Exhibit II to Attachment A shows the services offered by DES and those DENC is willing to accept, and Exhibit III to Attachment A describes the method of cost allocation.

DENC further states that under the Revised DES Agreement, all services will be provided by DES at cost, in compliance with the requirement that services provided to DENC by affiliates be priced at the lower of cost or market value. In addition, the Revised DES Agreement provides that DENC can modify its selection of services at any time on 30 days' written notice to DES (as to the services listed in Exhibit I that it wishes to add or remove), and either party may terminate the Revised DES Agreement on 60 days' written notice to the other party. Should DENC wish to obtain additional services from DES, the Company states that it will seek Commission approval.

The Company is proposing only limited changes to the currently-operative DES Services Agreement as follows: (1) to reflect a new effective date of January 1, 2019, and (2) to institute corporate name changes consistent with the corporate-wide rebranding effort that occurred in May 2017.

REVISED AFFILIATE SERVICES AGREEMENTS (SUB 477)

In its December 20, 2016, Order, the Commission also accepted separate affiliate services agreements between DENC and each of six affiliates (Affiliates) and a form services agreement for affiliates not listed in the petition (Future Affiliates), effective January 1, 2016, for a period of two years, or through December 31, 2018. The six Affiliates are Dominion Generation, Inc. (DGI), Dominion Energy Kewaunee, Inc. (DEK), Dominion Nuclear Connecticut, Inc. (Dominion Energy Nuclear Connecticut), Dominion Energy Technical Solutions, Inc. (Dominion Energy Technical Solutions), Dominion Energy Transmission, Inc. (DETI), and Dominion Energy Fuel Services, Inc. (Dominion Energy Fuel Services).

The revised separate affiliate services agreements (Revised Affiliate Services Agreements) between DENC and each of the Affiliates are in Attachments A through L to the petition, with a clean and black-lined version of each Revised Affiliate Services Agreement. Similarly, a clean and a black-lined version of a Revised Form Affiliate Services Agreement for use with Future Affiliates are provided as Attachments M and N, respectively, to the petition. Exhibit I to the Revised Affiliate Services Agreements contains the list of 14 centralized services offered by the Affiliates to DENC. Exhibit II to the Revised Affiliate Services Agreements shows the services offered by each of the Affiliates and those DENC is willing to accept, and Exhibit III to the Revised Affiliate Services Agreements describes the method of cost allocation.

DENC states that the Revised Affiliate Services Agreements provide that all services will be provided by the Affiliates at the lower of cost or market standard in compliance with the requirement that services provided to DENC by affiliates be priced at the lower of cost or market value. In addition, each Revised Affiliate Services Agreement provides that DENC can modify its selection of services at any time on 30 days' written notice to the Affiliate or Future Affiliate (as to the services listed in Exhibit I that it wishes to add or

remove), and either party may terminate the Revised Affiliate Services Agreement on 60 days' written notice to the other party. Should DENC wish to obtain additional services from the Affiliate or Future Affiliate, the Company states that it will seek Commission approval.

The Company is not proposing substantive changes to the current Revised Affiliate Services Agreements. The limited proposed changes include reflecting corporate name changes consistent with the corporate-wide rebranding effort that occurred in May 2017, and resetting the effective date to January 1, 2019. With regard to affiliates not listed in the petition (Future Affiliates) that would annually bill less than \$500,000 of any one service and less than \$2 million in total services per year to the Company, the Company requests the Commission grant continuation of the same future exemptions granted in Condition (16) of the 2016 Order. The Company proposes that if a Future Affiliate executes the proposed Revised Form Affiliate Services Agreement, such agreement will be filed in Docket No. E-22, Sub 380A, with the Company's next occurring annual affiliates report, along with reporting of any charges occurring under the new agreement. The Company states that it believes approval of the Revised Form Affiliate Services Agreement is in the public interest because no subsidization of affiliates will occur. The Company contends there is no subsidization of affiliates, because the services, processes, and costs will have already been approved by the Commission, and use of the Revised Form Affiliate Services Agreement will reduce the administrative burden on both the Commission and DENC without compromising the receipt of relevant information concerning affiliate transactions.

The Public Staff is in the process of its investigation and review of the Petition to verify the assertions made by the Company, and is also awaiting the final order of the Virginia State Corporation Commission (VSCC) in this matter. However, based on its preliminary review, the Public Staff does not object to allowing the Company to operate under the Revised DES Services Agreement, the six Revised Affiliate Services Agreements, and the Revised Form Affiliate Services Agreement on an interim basis. Once the Public Staff's review is complete, it will bring its final recommendations to the Commission, via either a further filing or placement of the matter on a future Agenda. In the meantime, the Public Staff recommends that the Commission accept the Revised DES Services Agreement, the six Revised Affiliate Services Agreements, and the Revised Form Affiliate Services Agreement for filing and authorize DENC to operate under those agreements as set forth in its petition on an interim basis. The Public Staff further recommends that the Commission's Order state that for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the agreements, and that the authority granted by the Order is without prejudice to the right of any party to take issue with any provision of the agreements in a future proceeding.

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

RECOMMENDATION: (Peedin/Johnson/Holt) That the Commission (1) issue the proposed order accepting for filing the Revised DES Agreement, the six Revised Affiliate Services Agreements, and the Revised Form Affiliates Services Agreement; (2) allow DENC to pay affiliates pursuant to those agreements, on an interim basis, and (3) state that for ratemaking purposes, the Commission's Order does not constitute approval of the amount of compensation paid pursuant to the agreements, and that the authority granted by the Order is without prejudice to the right of any party to take issue with any provision of the agreements in a future proceeding.

E. WATER

P1. DOCKET NO. W-218, SUB 363A – AQUA NORTH CAROLINA, INC. – APPLICATION FOR APPROVAL TO IMPLEMENT SECONDARY WATER QUALITY SYSTEM IMPROVEMENT PROJECTS

EXPLANATION: On December 6, 2018, Aqua North Carolina, Inc. (Aqua), filed an application for approval to implement four secondary water quality system improvement projects pursuant to N.C. Gen. Stat. § 62-133.12 and Commission Rule R7-39. For each project, Aqua plans to use a filter system such as manganese greensand or magnesium oxide. The four projects and their most recent estimated costs are summarized below.

<u>System</u>	<u>County</u>	<u>Well Gallons Per Minute</u>	<u>Aqua Estimated Cost 000's</u>
Carlyle Manor Well 4	Wake	38	\$270-\$295
Forest Glen Well 2	Wake	84	\$340-\$365
Kensington Manor Well 2	Wake	100	\$340-\$365
Seville Well 1	Wake	44	\$270-\$295
		Total	\$1.22-\$1.32 Million

On December 7, 2018, the Public Staff filed its Report and Recommendations regarding the application. The Public Staff stated that it had thoroughly reviewed the four filter projects proposed by Aqua. Based on its review of the application, the Public Staff concluded that for each of these projects, the filters are necessary for Aqua to provide adequate secondary standard water quality. The Public Staff therefore recommended that the Commission approve Aqua's proposed secondary standard water quality projects.

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

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

P2. DOCKET NO. W-218, SUB 479 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 1, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Oliver Pond, Phase 1, Subdivision, which is contiguous to Aqua's Woodvalley service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua filed an amendment to the notification on December 7, 2018. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Oliver Pond, Phase 1, Subdivision. The plans are approved under serial number 16-00641, dated August 23, 2016.

Aqua has entered into an Agreement dated May 26, 2016, and amended on September 1, 2016, January 23, 2017, and February 27, 2017, with Oliver Pond, LLC (Developer), under which Developer is installing the water utility system. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$20,000 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$400 per single family residential equivalent (SFRE), payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Oliver Pond, Phase 1, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

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

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P3. DOCKET NO. W-218, SUB 481 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 1, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Moorlands Ext Subdivision, which is contiguous to Aqua's Moorlands service area, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for the Keith Property (also known as Moorlands Ext Subdivision). The plans are approved under serial number 17-00693, dated October 5, 2017.

Aqua has entered into an Agreement dated June 7, 2017, with Moorelands Ext, LLC (Developer), under which Developer is installing the water utility system. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$69,329 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$700 per single family residential equivalent (SFRE), payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Inlet Moorlands Ext Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

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

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P4. DOCKET NO. W-218, SUB 483 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 29, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Ballentine Place, Phases 1 and 2, Subdivision, which is contiguous to Aqua's Whitetail Farm service area, in Wake County, North Carolina. Aqua filed an amendment to the notification on January 31, 2018 and December 7, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Ballentine Place, Phases 1 and 2, Subdivision. The plans are approved under reissued serial number 17-00796, dated October 18, 2017.

Aqua has entered into an Agreement dated October 16, 2017, and amended on November 9, 2018, with Ballentine Place Developers, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$1,500 per SFRE, payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Ballentine Place, Phases 1 and 2, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-5.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P5. DOCKET NO. W-218, SUB 484 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 13, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water and sewer utility operations in Willow Glen, Phase B, (also known as Willow Glen, Phase 3) Subdivision, which is contiguous to Aqua's Willow Glen, Phase 2, service area, in New Hanover County, North Carolina. Aqua filed an amendment to the notification on December 7, 2018. Aqua proposes to charge the rates currently approved for The Cape Master System service area. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Willow Glen, Phase B, Subdivision. The plans are approved under serial number 16-00601, dated August 11, 2016.

DWR has issued permit number WQ0038610, dated August 17, 2016, for the construction and operation of Willow Glen, Phase B, Subdivision, wastewater collection system extension.

Aqua has entered into a Revised Water Agreement dated January 17, 2006, with Sanders Road Developers, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system for \$1,000 per connection from Developer, payable as each meter is installed.

Aqua has entered into a Revised Wastewater Agreement dated January 17, 2006, under which Developer is installing the wastewater utility system. Aqua is requesting a connection fee of \$500 for sewer service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the sewer system for \$1,000 per connection from Developer, payable as each meter is installed.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water and sewer utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$20,000 bond for the contiguous extension in Willow Glen, Phase B, Subdivision. Aqua currently has

\$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-6.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P6. DOCKET NO. W-218, SUB 485 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 1, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Banks Point, Phase 4, Subdivision, which is contiguous to Aqua's Banks Point, Phase 3, service area, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a tentative plan approval letter for Banks Point, Phase 4, Subdivision. The plans are approved under serial number 17-00571, dated September 29, 2017.

Aqua has entered into an Agreement dated March 6, 2017, with HHHunt Banks Pointe, LLC (Developer), under which Developer is installing the water utility system. Aqua is to pay the Developer \$1,200 per well towards costs associated with well testing and the Department of Labor storage tank inspection costs. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Inlet Banks Point, Phase 4, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-7.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P7. DOCKET NO. W-218, SUB 488 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Ballentine Place, Phase 3, Subdivision, which is contiguous to Aqua's Duncan Ridge service area, in Wake County, North Carolina. Aqua filed an amendment to the notification on November 19, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Ballentine Place, Phase 3, Subdivision. The plans are approved under serial number 17-00919, dated October 18, 2017.

Aqua has entered into an Agreement dated October 16, 2017, and amended on November 9, 2018, with Ballentine Place Developers, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$1,500 per SFRE, payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Ballentine Place, Phase 3, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-8.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P8. DOCKET NO. W-218, SUB 490 – AQUA NORTH CAROLINA, INC. – APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed an application with the Commission seeking a certificate of public convenience and necessity to provide water utility service in Windstone Crossing Subdivision in Iredell County, North Carolina, and approval of rates. Aqua filed an amendment to the notification on December 7, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the application.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Windstone Crossing Subdivision. The plans are approved under serial number 17-00997, dated December 5, 2017.

Aqua has entered into an Agreement dated October 2, 2018, with Pilch Acres Holding, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$500 per lot, payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers in North Carolina. Aqua's record of service is satisfactory.

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 utility service in this franchise location and recommends that the certificate of public convenience and necessity be issued. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the franchise in Windstone Crossing Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A copy of the proposed order is attached as Exhibit No. P-9.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order granting the franchise and approving the proposed rates.

P9. DOCKET NO. W-218, SUB 495 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Wexford Reserve Subdivision, which is contiguous to Aqua's Matherly service area, in Wake County, North Carolina. Aqua filed an amendment to the notification on March 21, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Wexford Reserve Subdivision. The plans are approved under serial number 17-00925, dated December 19, 2017.

Aqua has entered into an Agreement dated July 19, 2017, with Waterstone Partners, LLC (Developer), under which Developer is installing the water utility system. Aqua is to pay the Developer \$1,200 per well towards costs associated with well testing and the Department of Labor storage tank inspection costs. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Inlet Wexford Reserve Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-10.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P10. DOCKET NO. W-218, SUB 499 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On March 15, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in The Sanctuary, Phase 2, Subdivision, which is contiguous to Aqua's The Sanctuary service area, in Wake County. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for The Sanctuary, Phase 2, Subdivision. The plans are approved under serial number 17-01108, dated February 26, 2018.

Aqua has entered into an Agreement dated March 15, 2017, with Sanctuary Partners, LLC (Developer), under which Developer is installing the water utility system. Aqua is to pay the Developer \$1,700 per well towards costs associated with well testing and the Department of Labor storage tank inspection costs. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in The Sanctuary, Phase 2, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-11.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P11. DOCKET NO. W-218, SUB 502 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On April 10, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Mangum Estates Subdivision, which is contiguous to Aqua's Covington Ridge service area, part of the Hasentree Master System, in Wake County. Aqua proposes to charge the rates currently approved for the Hasentree Master System. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Mangum Estates Subdivision. The plans are approved under serial number 17-01209, dated January 30, 2018.

Aqua has entered into an Agreement dated May 30, 2017, with the State of North Carolina, Division of Waste Management, Superfund Section (Division), under which the Division is financially responsible for all costs associated with extending Aqua's existing water facilities to serve up to 31 residential homes located on Mangum Hollow Drive, Ledbury Way, and Mangum Dairy Road, whose private wells have been affected by volatile organic compounds that exceed the maximum contamination limits. For any new connection that is made to the water utility system within the first six (6) months of the engineer's certification of completion of the water utility system's installation, Aqua is requesting a first time only Contribution in Aid of Construction (CIAC) fee of \$500 per single-family residential equivalent (SFRE), including the meter installation fee of \$70 for a meter <1" in size and new customer account fee of \$20. The Division has agreed to pay the \$500 per SFRE CIAC fee to Aqua for the residences listed in Exhibit 7.8.d to the Agreement. For any new connection that is not made to the water utility system within the first six (6) months of the engineer's certification of completion of the water utility system's installation, Aqua is requesting a first time only CIAC fee of \$1,700 per SFRE, plus the meter installation fee of \$70 for a meter <1" in size and new customer account fee of \$20. The owner or person requesting service shall pay the CIAC fee to Aqua. Aqua is acquiring the water system from the Division at no cost.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Mangum Estates Subdivision. Aqua currently has \$13,000,000 of bonds

posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-12.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

P12. DOCKET NO. W-218, SUB 503 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On April 11, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in lot nos. 49-62 and 80-82 of Hampton Park, Phase 2, Subdivision, which are contiguous and an extension to the existing lots in Aqua's Hampton Park, Phase 2, service area, in Wake County, for which water utility service is already in place. Aqua filed an amendment to the notification on April 25, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Hampton Park, Phase 2, Subdivision. The plans are approved under serial number 17-00174, dated June 6, 2018.

Aqua has entered into a Supplemental Water Utility System Agreement dated May 29, 2016, with W-A HP Holdings VII, LLC, which was assigned and assumed by Mungo Homes of North Carolina, Inc. (Developer) on December 21, 2016. Under this agreement, Developer is installing the water utility system to serve lot nos. 49-62 and 80-82. Aqua is purchasing the water system for these lots from Developer for \$600 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter. Aqua is requesting a meter installation fee of \$70

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Hampton Park, Phase 2, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-13.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 476
DOCKET NO. E-22, SUB 477

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Request of Virginia Electric and Power Company)	
d/b/a Dominion Energy North Carolina for Approval)	ORDER ON
of a Revised Services Agreement, and Revised)	AFFILIATE
Affiliate Services Agreements)	AGREEMENTS

BY THE COMMISSION: On October 30, 2018, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed two petitions requesting acceptance of certain revised affiliate agreements. In Docket No. E-22, Sub 476, DENC requested that the Commission accept a revised services agreement under which Dominion Energy Services, Inc. (DES), would continue to provide accounting, legal, human resources, information technology, management, and other centralized services to DENC. In Docket No. E-22, Sub 477, DENC requested acceptance of six revised separate affiliate agreements. DENC also requested acceptance of a form affiliate services agreement for future affiliates subject to monetary limitations and limited services.

N.C. Gen. Stat. § 62-153(a) requires all public utilities to file copies of various types of contracts with affiliates, which the Commission may disapprove, if after hearing, the Commission finds the contract to be unjust or unreasonable and made for the purpose or with the effect of concealing, transferring or dissipating the earnings of the public utility. Under N.C. Gen. Stat. § 62-153(b), a public utility is required to obtain the Commission’s approval to pay any fees, commissions, or compensation of any description whatsoever to any affiliated company for services rendered or to be rendered.

DES SERVICES AGREEMENT (SUB 476)

The currently operative revised DES Services Agreement was approved by Commission Order issued on December 20, 2016. In its December 20, 2016, Order, the Commission accepted the agreement effective January 1, 2017, for a period of two years, or through December 31, 2018.

In its October 30, 2018, filing, DENC requests approval to implement the newly Revised DES Services Agreement (Revised DES Agreement) for a two-year term with an effective date of January 1, 2019. The Revised DES Agreement is attached as Attachment A, with a blacklined version attached as Attachment B, which reflects limited, non-substantive revisions. Attachment C is a report from Patrick L. Baryenbruch, an outside consultant engaged by DENC to study the reasonableness of DES and other affiliate charges to the Company. Exhibit I to Attachment A of the Revised DES Agreement contains a list of 22 centralized services offered by DES. Exhibit II to Attachment A shows the services offered by DES and those DENC is willing to accept, and Exhibit III to Attachment A describes the method of cost allocation.

DENC further states that under the Revised DES Agreement, all services will be provided by DES at cost, in compliance with the requirement that services provided to DENC by affiliates be priced at the lower of cost or market value. In addition, the Revised DES Agreement provides that DENC can modify its selection of services at any time on 30 days' written notice to DES (as to the services listed in Exhibit I that it wishes to add or remove), and either party may terminate the Revised DES Agreement on 60 days' written notice to the other party. Should DENC wish to obtain additional services from DES, the Company states that it will seek Commission approval.

The Company is proposing only limited changes to the currently-operative DES Services Agreement as follows: (1) to reflect a new effective date of January 1, 2019, and (2) to institute corporate name changes consistent with the corporate-wide rebranding effort that occurred in May 2017.

REVISED AFFILIATE SERVICES AGREEMENTS (SUB 477)

In its December 20, 2016, Order, the Commission also accepted separate affiliate services agreements between DENC and each of the six affiliates (Affiliates) and a form services agreement for affiliates not listed in the petition (Future Affiliates), effective January 1, 2016, for a period of two years, or through December 31, 2018. The six Affiliates are Dominion Generation, Inc. (DGI), Dominion Energy Kewaunee, Inc. (DEK), Dominion Nuclear Connecticut, Inc. (Dominion Energy Nuclear Connecticut), Dominion Energy Technical Solutions, Inc. (Dominion Energy Technical Solutions), Dominion Energy Transmission, Inc. (DETI), and Dominion Energy Fuel Services, Inc. (Dominion Energy Fuel Services).

The revised separate affiliate services agreements (Revised Affiliate Services Agreements) between DENC and each of the affiliates are in Attachments A through L to the petition, with a clean and black-lined version of each Revised Affiliate Services Agreement. Similarly, a clean and a black-lined version of a Revised Form Affiliate

Services Agreement for use with Future Affiliates are provided as Attachments M and N, respectively, to the petition. Exhibit I to the Revised Affiliate Services Agreements contains the list of 14 centralized services offered by the Affiliates to DENC. Exhibit II to the Revised Affiliate Services Agreements shows the services offered by each of the Affiliates and those DENC is willing to accept, and Exhibit III to the Revised Affiliate Services Agreements describes the method of cost allocation.

DENC states that the Revised Affiliate Services Agreements provide that all services will be provided by the Affiliates at the lower of cost or market standard in compliance with the requirement that services provided to DENC by affiliates be priced at the lower of cost or market value. In addition, each Revised Affiliate Services Agreement provides that DENC can modify its selection of services at any time on 30 days' written notice to the Affiliate or Future Affiliate (as to the services listed in Exhibit I that it wishes to add or remove), and either party may terminate the Revised Affiliate Services Agreement on 60 days' written notice to the other party. Should DENC wish to obtain additional services from the Affiliate or Future Affiliate, the Company states that it will seek Commission approval.

The Company is not proposing substantive changes to the current Affiliate Services Agreements. The limited proposed changes include reflecting corporate name changes consistent with the corporate-wide rebranding effort that occurred in May 2017, and resetting the effective date to January 1, 2019. With regard to affiliates not listed in the petition (Future Affiliates) that would annually bill less than \$500,000 of any one service and less than \$2 million in total services per year to the Company, the Company requests the Commission grant continuation of the same future exemptions granted in Condition (16) of the 2016 Order. The Company proposes that if a Future Affiliate executes the proposed Revised Form Affiliate Services Agreement, such agreement will be filed in Docket No. E-22, Sub 380A, with the Company's next occurring annual affiliates report, along with reporting of any charges occurring under the new agreement. The Company states that it believes approval of the Revised Form Affiliate Services Agreement is in the public interest because no subsidization of affiliates will occur. The Company contends there is no subsidization of affiliates, because the services, processes, and costs will have already been approved by the Commission, and use of the Revised Form Affiliate Services Agreement will reduce the administrative burden on both the Commission and DENC without compromising the receipt of relevant information concerning affiliate transactions.

The Public Staff is in the process of its investigation and review of the Petition to verify the assertions made by the Company, and is also awaiting the final order of the Virginia State Corporation Commission (VSCC) in this matter. However, based on its preliminary review, the Public Staff does not object to allowing the Company to operate

under the Revised DES Services Agreement, the six Revised Affiliate Services Agreements, and the Revised Form Affiliate Services Agreement on an interim basis. Once the Public Staff's review is complete, it will bring its final recommendations to the Commission, via either a further filing or placement of the matter on a future Agenda. In the meantime, the Public Staff recommends that the Commission accept the Revised DES Services Agreement, the six Revised Affiliate Services Agreements, and the Revised Form Affiliate Services Agreement for filing and authorize DENC to operate under those agreements as set forth in its petition on an interim basis. The Public Staff further recommends that the Commission's Order state that for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the agreements, and that the authority granted by the Order is without prejudice to the right of any party to take issue with any provision of the agreements in a future proceeding.

Based upon the foregoing, the Commission concludes that the Public Staff's recommendations should be accepted.

IT IS, THEREFORE, ORDERED as follows:

- 1) That the Revised DES Services Agreement is accepted for filing on an interim basis;
- 2) That the six Revised Affiliate Services Agreements are accepted for filing on an interim basis;
- 3) That the Revised Form Affiliate Services Agreement is accepted for filing on an interim basis;
- 4) That for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the revised agreements and that the authority granted is without prejudice to the right of any party to take issue with any provision of the revised agreements in a future proceeding.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 363A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Reporting Requirements from Docket No. W-218,)
Sub 363 – Application by Aqua North Carolina, Inc.,)
202 MacKenan Court, Cary, North Carolina 27511,)
for Approval to Implement Secondary Water)
Quality System Improvement Projects Pursuant to)
N.C. Gen. Stat. § 62-133.12)
)

**ORDER APPROVING
SECONDARY WATER
QUALITY IMPROVEMENT
PROJECTS**

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 last general rate case proceeding for Aqua North Carolina, Inc. (Aqua), the Commission approved Aqua’s 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 December 6, 2018, Aqua filed an application for approval to implement four secondary water quality system improvement projects pursuant to N.C. Gen. Stat. § 62-133.12 and Commission Rule R7-39. The four projects and their estimated costs are summarized below.

<u>System</u>	<u>County</u>	<u>Well Gallons Per Minute</u>	<u>Aqua Estimated Cost 000's</u>
Carlyle Manor Well 4	Wake	38	\$270-\$295
Forest Glen Well 2	Wake	84	\$340-\$365
Kensington Manor Well 2	Wake	100	\$340-\$365
Seville Well 1	Wake	44	\$270-\$295
		Total	\$1.22-\$1.32 Million

On December 7, 2018, the Public Staff filed its Report and Recommendations regarding Aqua's application. The Public Staff stated that it had thoroughly reviewed the four filter projects 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 proposed projects.

In recommending approval of the projects, the Public Staff advised that decisions to install filters, such as manganese greensand 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 \$1,220,000 for the filtration systems proposed in Aqua's application is approximately \$157,371 compared to the annual revenue requirement for the chemical cost for sequestration of approximately \$1,240. 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 December 17, 2018. The Public Staff stated that each of the filters is necessary for Aqua to provide adequate secondary standard water quality. The Public Staff therefore recommended that the Commission approve Aqua's four proposed secondary standard water quality projects.

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 projects.

IT IS, THEREFORE, ORDERED that Aqua is authorized to implement the four filtration projects proposed in its December 6, 2018, application to comply with secondary water quality standards.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 479

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina)	
27511, of Intention to Begin Operations in an)	ORDER RECOGNIZING
Area Contiguous to a Present Service Area)	CONTIGUOUS EXTENSION
to Provide Water Utility Service in Oliver)	AND APPROVING RATES
Pond, Phase 1, Subdivision in Wake County,)	
North Carolina)	

BY THE COMMISSION: On November 1, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Oliver Pond, Phase 1, Subdivision, which is contiguous to Aqua’s Woodvalley service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua filed an amendment to the notification on December 7, 2018. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 3 water customers in Oliver Pond, Phase 1, Subdivision. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Oliver Pond, Phase 1, Subdivision. The plans are approved under serial number 16-00641, dated August 23, 2016.

4. Aqua has entered into an Agreement dated May 26, 2016, and amended on September 1, 2016, January 23, 2017, and February 27, 2017, with Oliver Pond, LLC (Developer), under which Developer is installing the water utility system. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$20,000 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$400 per single family residential equivalent (SFRE), payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Oliver Pond, Phase 1, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Oliver Pond, Phase 1, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the Oliver Pond, Phase 1, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Woodvalley service area into Oliver Pond, Phase 1, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Oliver Pond, Phase 1, Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Oliver Pond, Phase 1, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 479

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Oliver Pond, Phase 1, Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 481

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	ORDER RECOGNIZING
of Intention to Begin Operations in an Area)	CONTIGUOUS EXTENSION
Contiguous to a Present Service Area to)	AND APPROVING RATES
Provide Water Utility Service in Moorlands Ext)	
Subdivision in Wake County, North Carolina)	

BY THE COMMISSION: On November 1, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Moorlands Ext Subdivision, which is contiguous to Aqua’s Moorlands service area, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 13 water customers in Moorlands Ext Subdivision. The service area is shown on plans filed with the notification.
3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Moorlands Ext Subdivision. The plans are approved under serial number 17-00693, dated October 5, 2017.

4. Aqua has entered into an Agreement dated June 7, 2017, with Moorelands Ext, LLC (Developer), under which Developer is installing the water utility system. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$69,329 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$700 per single family residential equivalent (SFRE), payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Moorlands Ext Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Moorlands Ext Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; that a water connection fee of \$1,000 per SFRE should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the Moorlands Ext Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Moorlands service area into Moorlands Ext Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Moorlands Ext Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Moorlands Ext Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 481

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Moorlands Ext Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 483

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	
of Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to)	CONTIGUOUS EXTENSION
Provide Water Utility Service in Ballentine)	AND APPROVING RATES
Place, Phases 1 and 2, Subdivision in Wake)	
County, North Carolina)	

BY THE COMMISSION: On November 29, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Ballentine Place, Phases 1 and 2, Subdivision, which is contiguous to Aqua’s Whitetail Farm service area, in Wake County, North Carolina. Aqua filed an amendment to the notification on January 31, 2018 and December 7, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.

2. Aqua expects eventually to serve 49 water customers in Ballentine Place, Phases 1 and 2, Subdivision. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Ballentine Place, Phases 1 and 2, Subdivision. The plans are approved under reissued serial number 17-00796, dated October 18, 2017.

4. Aqua has entered into an Agreement dated October 16, 2017, and amended on November 9, 2018, with Ballentine Place Developers, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$1,500 per SFRE, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Ballentine Place, Phases 1 and 2, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Ballentine Place, Phases 1 and 2, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the Ballentine Place, Phases 1 and 2, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Whitetail Farm service area into Ballentine Place, Phases 1 and 2, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Ballentine Place, Phases 1 and 2, Subdivision.

5. That a meter installation fee of \$70 and a connection fee of \$500 per SFRE for water service are approved for Ballentine Place, Phases 1 and 2, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 483

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Ballentine Place, Phases 1 and 2, Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 484

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	
of Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to)	CONTIGUOUS EXTENSION
Provide Water and Sewer Utility Service in)	AND APPROVING RATES
Willow Glen, Phase B, Subdivision in New)	
Hanover County, North Carolina)	

BY THE COMMISSION: On November 13, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water and sewer utility operations in Willow Glen, Phase B, (also known as Willow Glen, Phase 3) Subdivision, which is contiguous to Aqua’s Willow Glen, Phase 2, service area, in New Hanover County, North Carolina. Aqua filed an amendment to the notification on December 7, 2018. Aqua proposes to charge the rates currently approved for The Cape Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 46 water and sewer customers in Willow Glen, Phase B, Subdivision. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Willow Glen, Phase B, Subdivision. The plans are approved under serial number 16-00601, dated August 11, 2016.

4. DWR has issued permit number WQ0038610, dated August 17, 2016, for the construction and operation of Willow Glen, Phase B, Subdivision, wastewater collection system extension.

5. Aqua has entered into a Revised Water Agreement dated January 17, 2006, with Sanders Road Developers, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system for \$1,000 per connection from Developer, payable as each meter is installed.

6. Aqua has entered into a Revised Wastewater Agreement dated January 17, 2006, under which Developer is installing the wastewater utility system. Aqua is requesting a connection fee of \$500 for sewer service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the sewer system for \$1,000 per connection from Developer, payable as each meter is installed.

7. Aqua has filed all exhibits required with the notification.

8. Aqua has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

9. The Public Staff has recommended that Aqua be required to post a \$20,000 bond for Willow Glen, Phase B, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Willow Glen, Phase B, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; that a water connection fee of \$500 per connection should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$20,000 of Aqua's unassigned surety bond is assigned to the Willow Glen, Phase B, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).
2. That the contiguous extension of water utility service from the Willow Glen, Phase 2, service area into Willow Glen, Phase B, Subdivision in New Hanover County, North Carolina, is recognized as meeting the Commission's criteria for the extension.
3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.
4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Willow Glen, Phase B, Subdivision.
5. That a meter installation fee of \$70 and a connection fee of \$500 per connection for water service are approved for Willow Glen, Phase B, Subdivision.
6. That a connection fee of \$500 per connection for sewer utility service is approved for Willow Glen, Phase B, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 484

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water and sewer utility service

in

Willow Glen, Phase B, Subdivision

New Hanover 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 485

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	
of Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to)	CONTIGUOUS EXTENSION
Provide Water Utility Service in Banks Point,)	AND APPROVING RATES
Phase 4, Subdivision in Wake County, North)	
Carolina)	

BY THE COMMISSION: On November 1, 2017, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Banks Point, Phase 4, Subdivision, which is contiguous to Aqua’s Banks Point, Phase 3, service area, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 54 water customers in Banks Point, Phase 4, Subdivision. The service area is shown on plans filed with the notification.
3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a tentative plan approval letter for Banks Point, Phase 4, Subdivision. The plans are approved under serial number 17-00571, dated September 29, 2017.

4. Aqua has entered into an Agreement dated March 6, 2017, with HHHunt Banks Pointe, LLC (Developer), under which Developer is installing the water utility system. Aqua is to pay the Developer \$1,200 per well towards costs associated with well testing and the Department of Labor storage tank inspection costs. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Banks Point, Phase 4, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Banks Point, Phase 4, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the Banks Point, Phase 4, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Banks Point, Phase 3, service area into Banks Point, Phase 4, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Banks Point, Phase 4, Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Banks Point, Phase 4, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 485

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Banks Point, Phase 4, Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 488

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter

Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	
of Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to)	CONTIGUOUS EXTENSION
Provide Water Utility Service in Ballentine)	AND APPROVING RATES
Place, Phase 3, Subdivision in Wake County,)	
North Carolina)	

BY THE COMMISSION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Ballentine Place, Phase 3, Subdivision, which is contiguous to Aqua’s Duncan Ridge service area, in Wake County, North Carolina. Aqua filed an amendment to the notification on November 19, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.

2. Aqua expects eventually to serve 2 water customers in Ballentine Place, Phase 3, Subdivision. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Ballentine Place, Phase 3, Subdivision. The plans are approved under serial number 17-00919, dated October 18, 2017.

4. Aqua has entered into an Agreement dated October 16, 2017, and amended on November 9, 2018, with Ballentine Place Developers, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$1,500 per SFRE, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Ballentine Place, Phase 3, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Ballentine Place, Phase 3, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the Ballentine Place, Phase 3, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Duncan Ridge service area into Ballentine Place, Phase 3, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Ballentine Place, Phase 3, Subdivision.

5. That a meter installation fee of \$70 and a connection fee of \$500 per SFRE for water service are approved for Ballentine Place, Phase 3, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 488

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Ballentine Place, Phase 3, Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 490

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	ORDER GRANTING
for a Certificate of Public Convenience and)	FRANCHISE AND APPROVING
Necessity to Provide Water Utility Service in)	RATES
Windstone Crossing Subdivision in Iredell)	
County, North Carolina)	

BY THE COMMISSION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed an application with the Commission seeking a certificate of public convenience and necessity to provide water utility service in Windstone Crossing Subdivision in Iredell County, North Carolina, and approval of rates. Aqua filed an amendment to the notification on December 7, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on October 1 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers in North Carolina. Aqua’s record of service is satisfactory.

2. Aqua expects eventually to serve 49 water customers in Windstone Crossing Subdivision. The service area is shown on plans filed with the application.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Windstone Crossing Subdivision. The plans are approved under serial number 17-00997, dated December 5, 2017.

4. Aqua has entered into an Agreement dated October 2, 2018, with Pilch Acres Holding, LLC (Developer), under which Developer is installing the water utility system. Aqua is requesting a meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$500 per lot, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the application.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Windstone Crossing Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that that \$10,000 of Aqua's unassigned bond surety should be assigned to Windstone Crossing Subdivision; that the water utility franchise requested by Aqua in Windstone Crossing Subdivision should be granted; that a meter installation fee of \$70 for water service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to Windstone Crossing Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That Aqua is granted a certificate of public convenience and necessity to provide water utility service in Windstone Crossing Subdivision in Iredell County, North Carolina.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for utility service in the Windstone Crossing Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Windstone Crossing Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 490

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Windstone Crossing Subdivision

Iredell 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 October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 495

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511,)	
of Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to)	CONTIGUOUS EXTENSION
Provide Water Utility Service in Wexford)	AND APPROVING RATES
Reserve Subdivision in Wake County, North)	
Carolina)	

BY THE COMMISSION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Wexford Reserve Subdivision, which is contiguous to Aqua’s Matherly service area, in Wake County, North Carolina. Aqua filed an amendment to the notification on March 21, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.

2. Aqua expects eventually to serve 110 water customers in Wexford Reserve Subdivision. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Wexford Reserve Subdivision. The plans are approved under serial number 17-00925, dated December 19, 2017.

4. Aqua has entered into an Agreement dated July 19, 2017, with Waterstone Partners, LLC (Developer), under which Developer is installing the water utility system. Aqua is to pay the Developer \$1,200 per well towards costs associated with well testing and the Department of Labor storage tank inspection costs. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Wexford Reserve Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Wexford Reserve Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the Wexford Reserve Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Matherly service area into Wexford Reserve Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A-__ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in the Wexford Reserve Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Wexford Reserve Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 495

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Wexford Reserve Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 499

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511, of)	ORDER RECOGNIZING
Intention to Begin Operations in an Area)	CONTIGUOUS EXTENSION
Contiguous to a Present Service Area to Provide)	AND APPROVING RATES
Water Utility Service in The Sanctuary, Phase 2,)	
Subdivision in Wake County, North Carolina)	

BY THE COMMISSION: On March 15, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in The Sanctuary, Phase 2, Subdivision, which is contiguous to Aqua’s The Sanctuary service area, in Wake County. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 51 water customers in The Sanctuary, Phase 2, Subdivision. The service area is shown on plans filed with the notification.
3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for The Sanctuary, Phase 2, Subdivision. The plans are approved under serial number 17-01108, dated February 26, 2018.

4. Aqua has entered into an Agreement dated March 15, 2017, with Sanctuary Partners, LLC (Developer), under which Developer is installing the water utility system. Aqua is to pay the Developer \$1,700 per well towards costs associated with well testing and the Department of Labor storage tank inspection costs. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for The Sanctuary, Phase 2, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in The Sanctuary, Phase 2, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to The Sanctuary, Phase 2, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from The Sanctuary service area into The Sanctuary, Phase 2, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in The Sanctuary, Phase 2, Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Wexford Reserve Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 499

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

The Sanctuary, Phase 2, Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 502

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511, of)	ORDER RECOGNIZING
Intention to Begin Operations in an Area Contiguous)	CONTIGUOUS EXTENSION
to a Present Service Area to Provide Water Utility)	AND APPROVING RATES
Service in Mangum Estates Subdivision in Wake)	
County, North Carolina)	

BY THE COMMISSION: On April 10, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in Mangum Estates Subdivision, which is contiguous to Aqua’s Covington Ridge service area, part of the Hasentree Master System, in Wake County. Aqua proposes to charge the rates currently approved for the Hasentree Master System.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 27 water customers in Mangum Estates Subdivision. The service area is shown on plans filed with the notification.
3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Mangum Estates Subdivision. The plans are approved under serial number 17-01209, dated January 30, 2018.

4. Aqua has entered into an Agreement dated May 30, 2017, with the State of North Carolina, Division of Waste Management, Superfund Section (Division), under which the Division is financially responsible for all costs associated with extending Aqua's existing water facilities to serve up to 31 residential homes located on Mangum Hollow Drive, Ledbury Way, and Mangum Dairy Road, whose private wells have been affected by volatile organic compounds that exceed the maximum contamination limits. For any new connection that is made to the water utility system within the first six (6) months of the engineer's certification of completion of the water utility system's installation, Aqua is requesting a first time only Contribution in Aid of Construction (CIAC) fee of \$500 per single-family residential equivalent (SFRE), including the meter installation fee of \$70 for a meter <1" in size and new customer account fee of \$20. The Division has agreed to pay the \$500 per SFRE CIAC fee to Aqua for the residences listed in Exhibit 7.8.d to the Agreement. For any new connection that is not made to the water utility system within the first six (6) months of the engineer's certification of completion of the water utility system's installation, Aqua is requesting a first time only Contribution in Aid of Construction (CIAC) fee of \$1,700 per SFRE, plus the meter installation fee of \$70 for a meter <1" in size and new customer account fee of \$20. The owner or person requesting service shall pay the CIAC fee to Aqua. Aqua is acquiring the water system from the Division at no cost.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Mangum Estates Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Mangum Estates Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to Mangum Estates Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Covington Ridge service area into Mangum Estates Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in Mangum Estates Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Wexford Reserve Subdivision.

6. That the CIAC of \$500 per single family residential equivalent for connections within six months of the engineer's certification of completion of the water utility system's installation is approved.

7. That the CIAC of \$1,700 per single family residential equivalent is approved for connections made more than six months after the engineer's certification of completion of the water utility system's installation is approved.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 502

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Mangum Estates Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 503

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511, of)	ORDER RECOGNIZING
Intention to Begin Operations in an Area)	CONTIGUOUS EXTENSION
Contiguous to a Present Service Area to Provide)	AND APPROVING RATES
Water Utility Service in Hampton Park, Phase 2,)	
Subdivision in Wake County, North Carolina)	

BY THE COMMISSION: On April 11, 2018, Aqua North Carolina, Inc. (Aqua), filed a notification of intention to begin water utility operations in lot nos. 49-62 and 80-82 of Hampton Park, Phase 2, Subdivision, which are contiguous and an extension to Aqua's Hampton Park, Phase 2, service area, in Wake County, for which water utility service is already in place.. Aqua filed an amendment to the notification on April 25, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission's Regular Staff Conference on December 17, 2018.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

2. Aqua expects eventually to serve 17 additional water customers in Hampton Park, Phase 2, Subdivision, which was previously approved for 95 lots but reduced to 87. The additional 17 customers will make a total of 104. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Hampton Park, Phase 2, Subdivision. The plans are approved under serial number 17-00174, dated June 6, 2018.

4. Aqua has entered into a Supplemental Water Utility System Agreement dated May 29, 2016, with W-A HP Holdings VII, LLC, which was assigned and assumed by Mungo Homes of North Carolina, Inc. (Developer) on December 21, 2016. Under this agreement, Developer is installing the water utility system to serve lot nos. 49-62 and 80-82. Aqua is purchasing the water system for these lots Developer for \$600 per single-family residential equivalent (SFRE) with no connection fee, payable quarterly based upon the number of water service meters installed during the previous quarter. Aqua is requesting a meter installation fee of \$70.

5. Aqua has filed all exhibits required with the notification.

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

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for the contiguous extension in Hampton Park, Phase 2, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,030,000 of bond surety is assigned to specific subdivisions, and \$970,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Hampton Park, Phase 2, Subdivision should be recognized; that the meter installation fee of \$70 for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Aqua's unassigned surety bond is assigned to the contiguous extension in Hampton Park, Phase 2, Subdivision. The remaining unassigned bond surety shall be \$850,000 (a total of \$120,000 is being assigned concurrently in Docket Nos. W-218, Subs 479, 481, 483, 484, 485, 488, 490, 495, 499, 502, and 503).

2. That the contiguous extension of water utility service from the Hampton Park service area into Hampton Park, Phase 2, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

4. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 20, 2016, in Docket Nos. W-218, Sub 363, M-100, Sub 138, and M-100, Sub 142, effective January 1, 2017, is approved for water utility service in Hampton Park, Phase 2, Subdivision.

5. That a meter installation fee of \$70 for water service is approved for Wexford Reserve Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 503

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Hampton Park, Phase 2, Subdivision

Wake 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 December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk