

NRW of 36%. Of the 3.3 miles of distribution mains in the system, approximately 54% are steel. The remaining distribution mains are PVC. The replacement of the steel mains requires approximately 8,030 feet of new mains and is estimated to cost \$760,000.

- Aqua Virginia's Pelham Manor system. Pelham Manor is a community of approximately 71 homes in Culpeper County. The primary driver for this project is the main break rate of approximately 235 breaks per 100 miles per year. The project requires the replacement of approximately 8,350 feet of mains and is estimated to cost \$980,000.
- Aqua Virginia's Lively system. Lively is a town with approximately 145 connections in Lancaster County. The system experiences a main break rate of approximately 38 breaks per 100 miles per year and has a NRW of 39%. Of the 3.5 miles of distribution mains in this system, approximately 52% are cast iron. The remaining mains are PVC. The replacement of the cast iron mains requires approximately 10,530 feet of new mains and is estimated to cost \$1,135,000.
- Aqua Virginia's Lake Holiday wastewater system. Lake Holiday serves 976 customers in Frederick County. As of December 2021, the percent of I&I over the prior 12 months was approximately 18% and the peak day peaking factor was 4.9. While the percent I&I is within the desired range, the peak day peaking factor presents major challenges to operations and compliance. Peak day flows of this magnitude can overwhelm the capacity of both the collection system and the treatment facility. The proposed I&I projects will rehabilitate approximately 22,307 linear feet at a total projected cost of \$500,000.
- Aqua Virginia's Lake Monticello wastewater system. Lake Monticello serves 4,921 customers in Fluvanna County. As of December 2021, the percent I&I over the prior 12 months was 24% and the peak day peaking factor was 2.4. The proposed I&I projects will rehabilitate approximately 13,430 linear feet at a total projected cost of \$750,000.
- Aqua Virginia's Lake Land'Or wastewater system. Lake Land'Or serves 875 customers in Caroline County. As of December 2021, the percent I&I over the prior 12 months was approximately 38% and the peak day peaking factor was 2.8. The proposed I&I projects will rehabilitate approximately 7,855 linear feet at a total projected cost of \$240,000.

If the Commission approves the proposed Riders, the monthly residential bill for an Aqua Virginia water customer using 4,000 gallons per month would increase, on average: for water service, by about 3.15% or \$1.56 and for wastewater service, by about 3.49% or \$2.08. The Company will calculate the WWISC Rider as follows:

1. The Company will determine the eligible infrastructure replacement costs by rate schedule as defined below for the period the WWISC rider will apply.
2. The Company will estimate the water and wastewater sales by rate schedule for that period.
3. The Company will divide the eligible infrastructure replacement costs by the estimated water and wastewater sales to arrive at the WWISC Rider that shall be allocated in conformance with the revenue allocation approved by the Commission in Case No. PUR-2020-00106 by rate schedule.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

Per the Company's request for interim rates, the Commission granted the Company authority to begin charging customers for its proposed WWISC Riders on an interim basis and subject to refund and interest for billings made on or after December 13, 2022, and has done so with express notice that the Commission may adjust such WWISC rates based on the final outcome of these proceedings.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on the Company's Application. On January 25, 2023, the Commission will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On or before January 18, 2023, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

On January 25, 2023, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing at 10:00 a.m., immediately following the public