

**NOTICE TO THE PUBLIC OF AN APPLICATION BY AQUA VIRGINIA, INC.,
FOR A GENERAL INCREASE IN RATES AND FOR AUTHORITY TO REVISE THE TERMS AND
CONDITIONS APPLICABLE TO WATER AND WASTEWATER SERVICE CASE NO. PUR-2023-00073**

- Aqua Virginia Inc. (“Aqua”) has applied for approval of a general increase in rates.
- Aqua requests a total increase in revenue requirement of about \$6,911,013 million.
- A Hearing Examiner appointed by the Commission will hear the case on April 30, 2024.
- Further information about this case is available on the State Corporation Commission’s website at: scc.virginia.gov/pages/Case-Information.

On July 27, 2023, Aqua Virginia, Inc. (“Aqua” or “Company”) filed with the State Corporation Commission (“Commission”) an application pursuant to Chapter 10 of Title 56 (§ 56-232 et seq.) of the Code of Virginia (“Code”), Rule 5 VAC 5-20-80 of the Commission’s Rules of Practice and Procedure (“Rules of Practice”), and Rule 20 VAC 5-201-10 et seq. of the Rules Governing Utility Rate Applications and Annual Informational Filings, requesting authority for a general increase in rates (“Application”). The Company requests that its new rates become effective, subject to refund, pending a final order in this matter, no later than 180 days after the Company’s Application is deemed complete.

Aqua states that its Application follows the Company’s most recent base rate proceeding in Case No. PUR-2020-00106 and indicates that the Company requests an increase in rates for water and wastewater service to produce an increase in water revenues of \$5,214,892 and an increase in wastewater revenues of \$1,696,121, for a combined increase of \$6,911,013. According to the Application, the requested increases constitute an approximate 33.88% increase in water revenues and a 21.08% increase in wastewater revenues, for a combined increase of 29.49%. Aqua further notes that, by final order entered March 21, 2023, the Commission approved Aqua’s Water and Wastewater Infrastructure Service Charge (“WWISC”) Riders. The Company states that since Aqua requests an increase in base rates, the Company proposes changes to the water and wastewater rate design in order to accommodate the reset of the WWISC Riders to \$0. Accordingly, the increase the Company is requesting includes the WWISC.

Aqua states that the requested increase in base rate revenue reflects its costs and revenues for the twelve-month Test Year ended March 31, 2023. The Company has proposed, as appropriate for ratemaking purposes, a capital structure consisting of 48.73% long-term debt, 0.00% short-term debt, and 51.27% common equity and an authorized return on equity capital of 10.50%.

The rates proposed for water and wastewater service in this Application are as follows:

WATER SERVICE RATE SCHEDULE BY GROUP - Water 0 (W0), Water 1 (W1), Water 2 (W2), and Water 3 (W3)

METERED ACCOUNTS: Metered connections shall be charged the monthly base facility charge plus the gallonage charge for all gallons used as set forth below:

Base Facilities Charge Water Group 0: (Residential and Non-residential) - No bill will be rendered for less than the minimum charge set forth below:

Monthly Water Base Facility Charge - Water Group 0 (W0)

Meter Size	W0	Gallons Included in W0 Allowance
Less than 1”	\$38.00	3,000
1”	\$91.55	7,500
1.5”	\$183.08	15,000
2”	\$292.95	24,000
3”	\$585.88	48,000
4”	\$915.45	75,000
6”	\$1,830.92	150,000

Gallonage Charge: (Residential and Non-residential) Per 1,000 gallons used for all meter sizes by Water Group:

	W1	W2	W3
	\$9.35	\$10.47	\$4.13
Powhatan Irrigation	\$5.60		

UNMETERED ACCOUNTS Unmetered connections shall be charged as set forth below:

Flat Rate (Unmetered) Water Service

	W0	W1	W2	W3
Residential	\$48.50	\$61.25	\$61.25	\$61.25
Non-residential	\$119.58	\$119.58	\$119.58	\$119.58

WASTEWATER SERVICE RATE SCHEDULE BY GROUP - Sewer 0 (S0), Sewer 1 (S1), & Sewer 2 (S2)

METERED ACCOUNTS Metered connections shall be charged the monthly base facility charge plus the gallonage charge for all gallons used as set forth below:

Base Facility Charge: (Residential and Non-residential) - No bill will be rendered for less than the minimum charges set forth below:

Monthly Wastewater Base Facility Charge –Sewer Group 0 (S0)

Meter Size	S0	Gallons Included in Allowance
Residential		
Any Size	\$60.00	3,000

Gallonage Charge: (Residential) Per 1,000 gallons used over allowance listed above:

PRIVATE FIRE SERVICE FEES: The monthly fee charged for each private fire service connection and/or private fire hydrant shall be as follows for W0, W1, and W2:

Connection Size	Monthly Minimum Charge
1”	\$11.90
1.5”	\$23.80
2”	\$38.09
3”	\$76.18
4”	\$119.02
6”	\$238.06

Gallonage Charge: (Residential and Non-residential) Per 1,000 gallons used over allowance listed above:

W0
\$8.58

Base Facilities Charge Water Group 1 and Water Group 2: (Residential and Non-residential) - No bill will be rendered for less than the minimum charge set forth below:

Monthly Water Base Facility Charge - Water Group 1 (W1), Water Group 2 (W2), and Water Group 3 (W3)

Meter Size	W1	W2	W3
Less than 1”	\$25.44	\$25.44	\$15.54
1”	\$57.81	\$57.81	—
1.5”	\$115.63	\$115.63	—
2”	\$185.01	\$185.01	—
3”	\$370.01	\$370.01	—
4”	\$578.15	\$578.15	—
6”	\$1,156.29	\$1,156.29	—

S0

\$16.41 Monthly usage charges are limited to 6,000 gallons

Non-Residential Meter Size	<u>S0</u>	Gallons Included in Allowance
<1"	\$60.00	3,000
1"	\$150.00	7,500
1.5"	\$300.00	15,000
2"	\$480.00	24,000
3"	\$960.00	48,000
4"	\$1,500.00	75,000
6"	\$3,000.00	150,000

Gallonge Charge: (Non-residential) Per 1,000 gallons used over allowance listed above:

S0

\$19.69

Monthly Wastewater Base Facility Charge Sewer Group 1 (S1) and Sewer Group 2 (S2)

Meter Size	<u>S1</u>	<u>S2</u>
Residential Any Size	\$38.50	\$38.50
Non-Residential <1"	\$38.50	\$38.50
1"	\$87.51	\$87.51
1.5"	\$175.00	\$175.00
2"	\$279.99	\$279.99
3"	\$560.00	\$560.00
4"	\$874.99	\$874.99
6"	\$1,749.99	\$1,749.99

Gallonge Charge: (Residential and Non-residential)

S1 S2

Residential \$16.29 \$18.40

Monthly residential usage charges are limited to 6,000 gallons

Non-Residential \$18.24 \$20.61

UNMETERED ACCOUNTS Unmetered connections shall be charged as set forth below:

Flat Rate (Unmetered) Service:

	<u>S0</u>	<u>S1</u>	<u>S2</u>
Residential	\$106.62	\$106.62	\$106.62
Non-residential	\$277.01	\$277.01	\$277.01

The Company has also requested authorization to make one change to the Rules and Regulations of its tariff. The proposed change includes increasing the connection fees for water and wastewater to \$2,500 and \$4,500, respectively, and is discussed in greater detail in the Company's Schedule 41 attached to the Application.

Aqua notes that the Company and Great Bay Utilities, Inc. ("Great Bay") filed a Joint Petition with the Commission in No. PUR-2023-00044 to request approval to merge Great Bay (a wholly-owned subsidiary of Aqua and a Case certificated water utility) into the Company with Aqua as the surviving entity. With that merger having been approved by the Commission, Aqua's instant Application includes a request for an increase in rates charged to the customers of the Great Bay system(s).

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application, testimony and supporting exhibits for the details of these proposals.

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

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled a public hearing on the Application. The Commission noted that the proposed revenue requirement, if approved, would result in an increase to customer bills. Pursuant to Code § 56-238, the Commission suspended Aqua's proposed rates for a period of 180 days, the maximum allowed by law. In so doing, the Commission noted its awareness of the economic pressures that are impacting all utility customers and stated that it is sensitive to the effects of rate increases, especially in times such as these. The Commission stated, however, that it must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record.

On April 30, 2024, at 10 a.m., the Hearing Examiner will hold a telephonic portion of the hearing, for the purpose of receiving the testimony of public witnesses. On or before April 23, 2024, 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 Hearing Examiner 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 portion of the hearing will be webcast at scc.virginia.gov/pages/Webcasting.

On April 30, 2024, at 10 a.m., or at the conclusion of the public witness portion of the hearing, whichever is later, 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 to receive testimony and evidence related to the Application from Aqua, any respondents, and the Commission's Staff.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and has required electronic service on parties to this proceeding.

An electronic copy of the public version of the Application may be obtained by submitting a written request to counsel for the Company: John K. Byrum, Jr., Esquire, Woods Rogers Vandeventer Black PLC, 901 East Byrd Street, Suite 1550, Richmond, Virginia, 23219, jbyrum@woodsrogers.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before April 23, 2024, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00073.

On or before January 30, 2024, any person or entity wishing to *participate as a respondent* in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Notices of the notice of participation on counsel to Aqua. Pursuant to 5 VAC 5-20-80 B, Participation as a respondent, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2023-00073.

On or before February 27, 2024, each respondent may file electronically with the Clerk of the Commission at scc.virginia.gov/clk/efiling any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Commission's Staff, the Aqua, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified by the Commission's Order for Notice and Hearing, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2023-00073.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice, the Commission's Order for Notice and Hearing, the Application and other documents filed in this case may be viewed on the Commission's website at: scc.virginia.gov/pages/Case-Information.

AQUA VIRGINIA, INC.