

DOCKET NO. W-218, SUB 654
DOCKET NO. W-1075, SUB 15

NOTICE TO CUSTOMERS

Este es un aviso importante y debe ser traducido.

*Application of Aqua North Carolina, Inc., and KRJ Inc. d/b/a KRJ Utilities, Inc., for
Transfer of Public Utility Franchise and for Approval of Rates*

Why am I receiving this notice?

Owners of public utility franchises must apply for and receive approval from the North Carolina Utilities Commission (Commission) before transferring the franchise to a new owner. On June 1, 2026, Aqua North Carolina, Inc. (Aqua) and KRJ Inc. d/b/a KRJ Utilities, Inc. (KRJ) jointly filed an application to transfer ownership of the water system that provides service to Southern Trace subdivision and the water and wastewater systems that provide service to Rockbridge subdivision in Wake County, North Carolina, from KRJ to Aqua, and for approval of rates.

The present rates and charges and the rates and charges proposed by Aqua are as follows:

WATER RATES AND CHARGES

Monthly Metered Service:

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

	<u>Present</u>	<u>Proposed</u>
<1" meter	\$ 16.76	\$ 28.40
1" meter	\$ 41.91	\$ 71.00
1½" meter	\$ 83.81	\$ 142.00
2" meter	\$ 134.10	\$ 227.00
3" meter	\$ 251.44	\$ 426.00
4" meter	\$ 419.06	\$ 710.00
6" meter	\$ 838.13	\$ 1,420.00
Usage charge, per 1,000 gallons	\$ 6.95	\$ 11.66

SEWER RATES AND CHARGES

Monthly Unmetered Service (flat rate):

	<u>Present</u>	<u>Proposed</u>
Residential customers	\$ 68.81	\$ 113.92

Monthly Metered Service:

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

	<u>Present</u>	<u>Proposed</u>
<1" meter	\$ 41.75	\$ 68.35
1" meter	\$ 104.39	\$ 170.88
1½" meter	\$ 208.76	\$ 341.75
2" meter	\$ 334.02	\$ 546.80
3" meter	\$ 626.29	\$ 1,025.25
4" meter	\$1,043.81	\$ 1,708.75
6" meter	\$2,087.63	\$ 3,417.50
Usage charge, per 1,000 gallons	\$ 5.93	\$ 10.96

Note: The present rates are the provisional rates approved in the Commission's Order Appointing Emergency Operator issued on May 8, 2026, in Docket No. W-1075, Subs 12, 13, and 14. Aqua's proposed rates are based on the rates currently approved in Docket No. W-218, Subs 629 and 631, in its Uniform Water and Sewer rate divisions for Rate Year 1 of its Water and Sewer Investment Plan 2 (WSIP2) and will be adjusted to the rates approved for Rate Years 2 and 3 of the WSIP2 when such rates take effect.

If the transfer is granted and Aqua's proposed rates are approved, how will it impact my bill?

If the transfer is granted and rates proposed by Aqua are approved, the proposed total monthly bill for a residential water customer would increase by approximately \$32.30 per month or 68%, based on an average usage of 4,386 gallons per month. The proposed total monthly bill for a residential water and sewer customer would increase by approximately \$80.96 per month or 70%, based on the same average usage.

When will my rates change?

Your rates will not change immediately. The Commission has scheduled the application for transfer and for approval of rates for investigation and hearing. The Commission will make its final determination as to the application following the hearing. If the Commission grants the transfer and approves rates you will receive another notice indicating when the rates will go into effect.

How can I participate?

Your input on Aqua and KRJ's application can help the Commission make an informed decision. You may (but are not required to) participate in several ways, including:

- Option A: You can file a written consumer statement of position in the dockets by visiting ncuc.gov/contactus.html. The docket numbers must be included and are listed at the top of this notice.
- Option B: You can testify at the public hearing. Your testimony will become part of the evidence the Commission considers in making its decision. A public hearing will take place as follows:

Tuesday, September 29, 2026, at 7:00 p.m.
Commission Hearing Room 2115
430 North Salisbury Street,
Raleigh, North Carolina 27603

Please note that, at the public hearing, the Commissioners cannot answer questions. However, representatives from Aqua and from the Public Staff (the consumer advocate) will be present and able to answer questions from the public after the conclusion of the hearing.

In addition, the Commission has scheduled a hearing solely for the purpose of receiving expert witness testimony from the parties' witnesses in this proceeding on October 26, 2026, at 11:00 a.m. If you are interested in watching the expert witness hearing, you can observe in person or you can watch it on the Commission's livestream channel, which can be located at <https://www.youtube.com/@NCUtilitiesCommission/streams>.

If there are no complaints or contested issues between the parties, the public or expert witness hearings may be cancelled.

How can I intervene in this proceeding?

Persons desiring to intervene in this proceeding as formal parties of record should file a petition to intervene pursuant to Commission Rules R1-5 and R1-19, on or before September 22, 2026. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before September 22, 2026.

Who can I talk to about this application?

The Public Staff represents customers in proceedings before the Commission. The Public Staff has a team of engineers, accountants, economists, and lawyers reviewing Aqua and KRJ's requests and is scheduled to file its testimony or affidavits outlining its recommendations by September 22, 2026. You can contact the Public Staff at 919-733-9277 or by mail at 4325 Mail Service Center, Raleigh, NC 27699-4300.

Where can I find more information?

Aqua and KRJ's joint application was filed pursuant to North Carolina General Statute Chapter 62, Section 111 (ncleg.net/enactedlegislation/statutes/html/bychapter/chapter62.html).

You can find the materials filed by Aqua, KRJ, and other parties as well as orders issued by the Commission in this proceeding by navigating to <https://starw1.ncuc.gov/NCUC/page/Dockets/portal.aspx> and searching for Docket Number W-218 Sub 654, selecting the blue text titled "W-218 Sub 654" and selecting the "Documents" tab.

You can find out more about the Public Staff at publicstaff.nc.gov.

You can find out more about Aqua at www.aquawater.com.