

SANFORD LAW OFFICE, PLLC
Jo Anne Sanford, Attorney at Law

September 11, 2020

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Delivery

Re: Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
Verified Reply Comments of Aqua North Carolina, Inc. Regarding
the Response of the Public Staff to Aqua's Public Hearing Report

Dear Ms. Campbell:

Aqua North Carolina, Inc. hereby files the *Verified Reply Comments of Aqua North Carolina, Inc. Regarding the Response of the Public Staff to Aqua's Public Hearing Report*.

As always, we thank you and your staff for your assistance; please feel free to contact me if there are questions or if additional information is required.

Electronically Submitted

/s/Jo Anne Sanford
North Carolina State Bar No. 6831
Attorney for Aqua North Carolina, Inc.

c: Parties of Record

DOCKET NO. W-218, SUB 526

In the Matter of

Application by Aqua North Carolina, Inc.,)	REPLY COMMENTS BY
202 MacKenan Court, Cary, North)	AQUA NORTH CAROLINA,
Carolina 27511, for Authority to Adjust and)	INC. REGARDING THE
Increase Rates for Water and Sewer Utility)	RESPONSE OF THE
Service in All Service Areas in North)	PUBLIC STAFF TO
Carolina)	AQUA'S PUBLIC HEARING
)	REPORT

Organization of Aqua's Reply Comments

¹ Aqua Customer Report (initial)
<https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=09d2d9df-dfcc-4e80-81c5-24a63b0d82a2>

17 Items are attached hereto as Appendix A. Aqua has not included its responses to the following Items for the stated reasons: Item 1 (Pump Status Reports – These files consist of 144 pages if printed); and Item 6 (Responses to Formal Customer Survey – These survey responses are presently in Excel format consisting of 1,651 line items and more than 20 columns per line item). Upon request, Aqua will file copies of the Company's responses to Items 1 and 6 of Public Staff DR 138 with the Commission.

The Public Staff Response was filed in this docket on September 4, 2020. The Public Staff Response is divided into the following four sections under the general heading of Summary of Specific Customer Testimony and Aqua's Response: Water Quality and Low Water Pressure Concerns; Customer Communications; Other Customer Concerns; and Conclusion.

Aqua's Reply Comments are organized in that same manner. Aqua will reply on a customer-by-customer basis in the same order as customer concerns were addressed by the Public Staff.

SUMMARY OF SPECIFIC CUSTOMER TESTIMONY AND AQUA'S RESPONSE

A. Water Quality and Low Water Pressure Concerns

1. Michelle Raymond – 12208 Staunton Court, Raleigh, NC 27613, Sussex Acres Subdivision, Bayleaf Master System (water and wastewater), Tr. Vol. 9, pp. 24 - 33.

Ms. Raymond, a customer since March, 2020, complained of rates and water quality---describing issues involving taste and stains to her appliances---in her testimony of August 3rd. Aqua's Customer Report filed on August 24, 2020, discussed the Company's follow-up actions and communications and noted (at

page 28) that an organic chemical test had been performed, but the results were not available at that time.

The Public Staff stated in its Verified Response that it contacted Ms. Raymond on August 25, 2020---one day after Aqua filed its Customer Report---to follow up on Aqua's response to her concerns. The Staff ultimately reported, on September 4th, that Ms. Raymond, on August 25th, "...could not comment on the adequacy of the Company's response" because the test results were not yet available.

However, on August 26th, Item 8 of Public Staff DR 138 had requested the results of the organic chemical analysis undertaken by Aqua with regard to a water sample taken at Ms. Raymond's home, and on August 28th, Aqua provided those test results² to the Public Staff. Note that these results indicated either a non-detect or compliance for every contaminant for which the Company tested.

Aqua's response to customer input was filed---in compliance with a strict deadline---even as the Company's outreach and analysis was on-going. Knowing that, and undeterred by the existence of additional information, the Staff summarily concluded in its September 4th Response to Aqua's August 24th filing that the Company's initial response did not "...address the root cause of the water quality issues experienced by Ms. Raymond..." and had not "...considered whether operational or maintenance issues may be the cause of the discolored water events."

² These test results are included in Aqua's response to Item 8 of Public Staff DR 138 as shown in Appendix A.

Aqua's Reply

Ms. Raymond testified that she has only been a water and wastewater customer since March 2020; that she has not previously contacted the Company to complain of water quality issues; and that she does not experience problems related to water pressure.

As indicated above, the results of the inorganic chemical analysis of Ms. Raymond's water were not available to either Aqua when it filed its Customer Report on August 24th or to the Public Staff at the time the Staff contacted the customer on August 25, 2020. However, those test results were available to the Staff three days after its contact with Ms. Raymond, via a timely response to DR 138 provided by Aqua on August 28, 2020. The Company---in its on-going interaction with customers in a continuous effort to improve service, communication, and operations---contacted Ms. Raymond on September 1, 2020 to report the results to her.³

So, the Public Staff dismisses as inadequate the Company's Customer Report and response which included:

- a post-hearing phone call from Aqua's Director of Operations;
- a visit by that Director as well as an experienced field technician on August 13th to deliver cleaning products and to take a field sample of Ms. Raymond's water;
- a field sample taken of the customer's water at the spigot, which confirmed that the chlorine levels were within appropriate limits;

³ The inorganic chemical analysis test results were provided to and discussed with Ms. Raymond by telephone and in an email sent to the customer by Amanda Berger, Aqua's Director of Environmental Compliance, on Tuesday, September 1, 2020. Ms. Raymond was advised that iron was not detected and manganese was below the allowable limit. All other parameters were within allowable limits.

- commissioning of a laboratory test for inorganic chemical analysis, which showed non-detects or compliance within allowable limits for all contaminants; and
- specific information about the suite of Bayleaf issues, improvements and complexities, contained within the Company's Customer Report.

Not only were the Bayleaf issues and remedies clearly addressed in the Company's August 24th Customer Report, they are also well known to the Commission and the Public Staff as a function of numerous secondary water quality reports and WSIC/SSIC-related applications filed by the Company.

It should also be emphasized, as a collateral matter, that all stakeholders should be pleased to note that the Public Staff supports by inference the representation that Ms. Raymond's system's results have improved (she is in Sussex Acres). In the Company's Bi-Monthly Water Quality Report, filed on March 31, 2020, in Docket No. W-218, Sub 497A, Aqua submitted that it should be relieved from the ongoing bi-monthly reporting requirement for the following 16 water systems: Meadow Ridge, Olde South Trace, Sedgemoor/Village of Wynchester, Westmoor, Coachman's Trail, Stonebridge, Sussex Acres, Swans Mill, Wood Valley, Castelli, High Grove, Medfield, Saddleridge, Upchurch Place, Waterfall Plantation, and Yorkwood Park.

Regarding the Sussex Acres water system, Aqua stated, in pertinent part, that:

...Aqua asserts that the ongoing reporting requirement for the Sussex Acres Subdivision has been satisfactorily fulfilled and is no longer necessary or warranted in view of the fact that no secondary water quality concerns related to iron and manganese were registered by any of the 69 Sussex Acres customers during the 14-month period which ended at the conclusion of the current bi-monthly reporting period; i.e., February 29, 2020. For this reason, Aqua will no longer include the Sussex Acres Subdivision in future

editions of this Bi-Monthly Report unless otherwise ordered to do so by the Commission.

In his prefiled rate case testimony (at pages 16 – 17), Public Staff witness Michael Franklin testified that the Staff agreed with the Company's proposal to discontinue bi-monthly reporting for 15 of the 16 water systems, with the exception of Coachman's Trail. Thus, the Public Staff's rate case testimony supports discontinuance of bi-monthly reports for the Sussex Acres water system. Aqua recognizes that this is not a signal that continued vigilance and focus on operations and communications can be diminished, and it is clear that no service experience will be without some events (from any providers). However, it is an ancillary indication of improvement in Ms. Raymond's system which bears mentioning in this context.

In sum, confounded by the Public Staff's conclusion regarding the adequacy of Aqua's response, the Company disputes the Staff's characterization of Aqua's response as inadequate because the allegation is contrary to the facts in evidence, is unsubstantiated, and reflects a lack of objectivity.

2. Becky Daniel – 505 Brittany Bay, Raleigh NC 27614, Coachman's Trail Subdivision, Bayleaf Master System (water only), *Tr. Vol. 9, pp. 46 - 57.*

Ms. Daniel testified at the August 3rd public hearing that during the 19 months since the Commission's December 2018 Order in the Sub 497 rate case, she was "...directly aware of five instances of brown water, one instance of aerated or milky water, and one instance of water service cut without notice." *Tr. Vol. 9, p. 48, lines 11 - 13.* She repeated that inventory at page 1 of her Exhibit 1 (found in *Official Exhibits for August 3, 2020, Tr. Vol. 9*), and appended hereto as

Appendix B. <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=b359c264-57f4-4100-b42e-6802531443f1> Further, Ms. Daniel provided a “Log” as part of that same Exhibit 1, at page 5 (part of Appendix B), which described in great detail the events which she had observed, including Aqua’s responses (which were, virtually without exception, prompt and helpful).

The Public Staff stated in its Verified Response that Ms. Daniel testified during the public hearing that over the referenced time period she was “...directly aware of five instances of brown water, **four** instances of milky water,⁴ and one instance of water service cut without notice....” (Emphasis and Footnote Added). She also testified in support of continued reporting on Coachman’s Trail and in support of the Company’s proposed Conservation Pilot Program, and she addressed significant aspects of measurable improvement by Aqua. The Public Staff ignored all parts of her testimony that were favorable to Aqua and assigned fault to the Company’s response---deeming it inadequate---because Aqua’s Report on Customer Comments did not address any of the water quality and service-related issues which were referred to generically in Ms. Daniel’s verbal testimony and which were explained in detail in her written submission.

Aqua's Reply

Ms. Daniel’s Exhibit 1, in the Log at page 5, gave detailed information about response time (virtually always extremely rapid) and explanations for the issues

⁴ The Public Staff’s reference to four instances of “milky” water appears to be an error that results in a fourfold amplification of the one actual incidence. Recognizing that it appears to be simply a mistake, Aqua refers the reader to Ms. Daniel’s testimony on August 3rd and to her filed Exhibit 1 (both at page 1 and in the Log). All three sources speak of one instance of aerated “milky” water, which Ms. Daniel observed on the “Next Door” platform and not personally.

on which she reported. Frankly, the Company believed that her testimony was not focused on a need for further explanation of the specific incidents, but rather on making her case that significant improvements had taken place and that continued attention was required. Additionally, Aqua believed that the thorough description she provided of each of the instances obviated the need for the Company to focus on those events in its Customer Report. Nonetheless, Aqua provided the following information to the Public Staff on Monday, August 28th in response to Item 9 of DR 138 (attached hereto as part of Appendix A) and repeats it here for purposes of providing it to the Commission, noting that it is very largely duplicative of Ms. Daniel's statement:

Q. Regarding Aqua's response to the testimony of customer Becky Daniel, please provide a summary of any post hearing discussions Aqua had with Ms. Daniel related to her water quality issues. Specifically, the five instances of brown water, four instances of milky water, and one instance of water service cut without notice since the last rate case. Please provide the root cause of each of those issues and the actions taken or planned to address them.

A. **Response:** No further post-hearing discussions were had with Ms. Daniel specifically related to her water quality issues.

Upon investigation of the root causes and actions taken or planned for the instances summarized in Ms. Daniel's filed summary of "Aqua Service Issues" dated June 9, 2020, Aqua submits the following:

i. **May 26, 2019** – Ms. Daniel reported light brown water.

Response:

No known cause of the discolored water. Customer flushed spigot and water cleared in 20 minutes. An Aqua technician stopped by the residence the next day to follow up and the homeowner stated the issue cleared up.

- ii. **June 6, 2019** – Ms. Daniel emailed Mr. Pearce and reported other customers were experiencing brown water in Cobble Creek / Coachman's Trail as reported on Next Door.

Response:

Coachman's Trail Well #4 was re-activated after undergoing repairs. This caused a flow reversal in the water mains and stirred up the distribution system. The distribution system was target flushed to remove the discolored water.

- iii. **June 10, 2019 (10:30 am)** – Ms. Daniel reported light brown water.

Response:

Coachman's Trail Well #4 started producing aerated water soon after being re-activated after undergoing repairs. It is also believed that the Cross Gate well contributed to the aeration issue. This stirred up the distribution system and caused the discolored water. Both wells were taken offline and Aqua began target flushing the affected area to help clear up the system.

- iv. **June 30, 2019 (9:00 am)** - Ms. Daniel reported brown water.

Response:

Aqua staff responded to the discolored water call; water was clear at the spigot. No root cause to this particular incident was found.

- v. **July 23, 2019 (9:35 am)** – Ms. Daniel reported water turned off w/out notice.

Response:

Aqua crews responded to a service line leak in the Bainbridge subdivision which is supplied by water from Coachman's Trail. The crew was unable to isolate the water main break in the immediate area; therefore, the supply main between Bainbridge and Brittney Bay that supplies water to Ms. Daniel's home had to be isolated to make the necessary repairs; this repair required the water to be shut off. Aqua's records confirm that Ms. Daniel was notified by Aqua's Swiftreach alert system and text. The leak was repaired July 23, 2019.

- vi. **January 22, 2020 (7:45 am)** – Ms. Daniel reported brown water.

Response:

There was a main break that occurred in Hunters Landing on January 21, 2020. Aqua staff had the water main repaired and target flushed the area to remove the discolored water.

- vii. **January 24, 2020** – Ms. Daniel reported milky water from information obtained on a Nextdoor thread for Manchester via email to Mr. Pearce.

Response:

Devon Well #1 and Well #3 produces aerated water at times. This entry point was off and undergoing investigation at this time. However, due to required EPA UCMR 4 sampling, the well was briefly put online. This caused aerated water to enter the distribution system and caused the milky water complaints. Aqua staff target flushed the area to remove the aerated water.

Without regard to whether the Company believes it to be duplicative of Ms. Daniel's testimony and unresponsive to her primary points, it is clear that at the time the Public Staff filed its Response on September 4th, the Staff was itself in quiet possession of the specific information it criticized the Company for not providing in its Customer Report. Nonetheless, Aqua proffers its response to the Public Staff's DR 138, excerpted above and tracking Ms. Daniel's testimony, in explanation of the events to which she referred.

Confident that the Public Staff will address, in the final part of its Proposed Order, Ms. Daniel's solid recognition of Aqua's improvement in service, attention and communication in the Bayleaf area---and that the Staff will express a positive view of Aqua's advancement in the entire, complex Bayleaf Master System---Aqua will not fully discuss Ms. Daniels' favorable recognition of some specific indicia of

improvement.⁵ Similarly, the issues of reporting requirements and larger service quality performance are properly for consideration in the Proposed Order and Aqua will address them in its filing of September 25, 2020.

Mirroring its response to Ms. Raymond's testimony, the Public Staff also characterized Aqua's response to Ms. Daniel as "inadequate." For the same reasons recited above, principally including that the Staff's position is contrary to facts in evidence and to a logical interpretation from the facts, the Company disputes the Staff's conclusion. More importantly, Aqua assures the Commission, customers, and all parties that the responsibility for interacting with and supporting customers is discharged by the Company on a continuing basis, and not simply for purposes of a snapshot or to support a position in a pleading.

3. Carey Camp – 4812 Sandberry Lane, Raleigh, NC 27613, Wood Valley/Heavenridge Subdivision, Bayleaf Master System (water only), Tr. Vol. 9, pp. 107 - 119.

The Public Staff, in its Verified Response, stated that it contacted Mr. Camp on August 28, 2020, to follow up on Aqua's response to his concerns expressed during the virtual public hearing. The Public Staff stated that the actions taken by Aqua to investigate Mr. Camp's water pressure issues were incomplete at that time⁶ and that the Company had not adequately addressed the aeration of the customer's water and the resulting milky "white water" he is experiencing.

⁵ See Tr. Vol. 9, p. 48, line 22 through p. 49, line 10, for notes of great improvements in customer service; prompt and thorough responses to service issues by email, phone, and visits from technicians; formation of the Bayleaf Advisory Group; improvement in communication; and other descriptions of improvements.

⁶ Aqua reiterates throughout this document the fact and necessity of on-going customer support and operational diagnosis, which the Company pursues continuously as a matter of its service obligation. It is clear that the Company's responses as of an early point in time---although vigorously pursued and thoroughly responsive and material---cannot reflect the full picture of service over time. It is not a static process.

Aqua's Reply

In its Customer Report, Aqua stated that Robert Krueger, the Company's Area Manager for the Central region, spoke with Mr. Camp to address his concerns on Monday, August 10th. Following Mr. Krueger's discussion with Mr. Camp, an experienced Aqua field technician visited Mr. Camp's residence on Thursday, August 20, 2020, to initiate Aqua's investigation. Mr. Camp lives at the dead-end of the street, which can increase mineral deposition. Aqua's technician flushed the main and the service line to the customer's house, as well as from a spigot on the exterior of the home. Aqua also installed pressure gauges on a spigot and at the customer's water meter to identify potential water pressure issues. The pressure gauge located at Mr. Camp's water meter is still installed at the residence and is scheduled for removal on September 11, 2020. The gauge that was on Mr. Camp's water spigot was removed so that the customer could use the outside spigots. No data was received from that device.

Once the pressure gauge is removed from Mr. Camp's water meter and Aqua has analyzed the captured data, the Company will contact the customer with the results and will inform him regarding any appropriate actions which will be taken.

Regarding the field water samples taken by Aqua at Mr. Camp's residence, the results showed iron was under the secondary MCL, but the manganese result was elevated. Mr. Camp receives his water from multiple interconnected wells in this area, all of which feed phosphate to sequester iron and manganese. Wood Valley Well #9 is the only well in the area that has iron and manganese

filtration, which was installed in 2019. Aqua has initiated jar testing on all the wells in the Wood Valley area to determine if sequestration dosing can be improved. This will give the Company a better visual of how these wells are operating and of what other improvements may be needed. Mr. Krueger has also spoken with Mr. Camp on two occasions since their initial contact on August 10th, to let the customer know that the Company is working behind the scenes to address his concerns (again, Aqua's customer support is on-going).

Regarding Mr. Camp's complaint concerning aeration and the resulting milky "white water," the Public Staff noted that the customer asserts that, during the summer, aeration is a constant problem, which he believes is related to supply and demand, with higher demand and resulting lower supply during the summer. Aqua concurs with that assessment and believes that Mr. Camp's issue is due to the current Bayleaf capacity issues. Mr. Camp experiences low pressure during the same time many others experience low pressure in that area. Whenever Bayleaf is experiencing high demand on the system, it is likely that Wood Valley customers experience aerated water. The reason Aqua is pursuing normal steps with pressure gauges, flushing, etc. for Mr. Camp is to test for other underlying issues. Unfortunately, Mr. Camp and other Bayleaf customers may continue to experience low water pressure and aeration in high demand months until more capacity is found in the Bayleaf system or conservation rates provide the intended results and reduce demand.

Mr. Krueger spoke again with Mr. Camp on September 8, 2020. During that conversation, Mr. Krueger explained to Mr. Camp that:

- Aqua will remove the pressure gauge from his meter connection on Friday, September 11th, while installing an additional gauge at the rear spigot to test internal pressure;
- Aqua offers to make the pressure readings available to Mr. Camp, explaining that they will be more useful when Aqua has collected all necessary data;
- The field water quality results taken previously at Mr. Camp's residence showed elevated manganese; and
- The jar testing program which Aqua instituted on all wells in Wood Valley is an effort to get additional information.

Mr. Krueger asked if Aqua's communication efforts were acceptable; Mr. Camp responded in the affirmative and said that he had no concerns other than his aerated water issues. Mr. Krueger committed to continuing to work with Mr. Camp on all efforts to satisfy his claim.

As mentioned above with respect to Sussex Acres, Aqua notes for informational purposes that in the Company's Bi-Monthly Water Quality Report filed on March 31, 2020, in Docket No. W-218, Sub 497A, the Company requested relief from the ongoing bi-monthly reporting requirement for 16 water systems, including Wood Valley.

Regarding the Wood Valley water system, Aqua stated, in pertinent part, that:

...Aqua asserts that the ongoing reporting requirement for the Wood Valley Subdivision has been satisfactorily fulfilled and is no longer necessary or warranted in view of the fact that no secondary water quality concerns related to iron and manganese were

registered by any of the 474 Wood Valley customers during the 14-month period which ended at the conclusion of the current bi-monthly reporting period; i.e., February 29, 2020. In addition, and significantly, Aqua installed and placed in service an iron and manganese filtration system at Wood Valley Well #9 in April 2019. For these reasons, Aqua will no longer include the Wood Valley Subdivision in future editions of this Bi-Monthly Report unless otherwise ordered to do so by the Commission.

In his prefiled rate case testimony (at pages 16 – 17), Public Staff witness Michael Franklin testified that the Staff agreed with the Company's proposal to discontinue bi-monthly reporting for 15 of the 16 water systems, including Wood Valley. That the Public Staff's rate case testimony supports discontinuance of bi-monthly reports for the Wood Valley water system is a reflection of improvement that will be discussed in the Proposed Order.

4. Sheeba Jumma – 5708 Glenfiddich Way, Raleigh, NC 27613, Sussex Acres Subdivision, Bayleaf Master System (water and wastewater), Tr. Vol. 9, pp. 119 - 123.

The Public Staff, in its Verified Response, stated that Aqua did not address in its Customer Report the possible cause of the occasional aerated (milky) water that Ms. Jumma testified to and that the issue was not addressed by the Company in any action items.

Aqua's Reply

In its Customer Report, Aqua stated that Joseph Pearce, the Company's Director of Operations, contacted Ms. Jumma and discussed, among other issues, the water quality at the customer's home and her experience with Aqua. With respect to water quality and Aqua's service, Ms. Jumma stated she did not have water quality concerns similar to some of the other customers but did occasionally have aerated water. In view of Ms. Jumma's statement to Mr. Pearce that the

aeration issue at her home did not occur very often, Aqua believes that it is probable that the aeration is occurring during an extended period of high-water usage for irrigation, such as the flash drought in September 2019. During these periods, well water levels may be drawn down to point where air is pulled into the water in the well. Ms. Jumma has never reported the aeration issue to Aqua when it was occurring, and an investigation by the Company is infeasible unless the aeration event is current and actively occurring.

5. Oliver Bacasse – 1704 Chatsworth Lane, Raleigh, NC 27614, Hunter’s Landing Subdivision, Bayleaf Master System (water only), *Tr. Vol. 9, pp. 123 - 135.*

The Public Staff, in its Verified Response, stated that, during the public hearing, Mr. Bacasse testified to water quality issues including milky water and iron deposits in toilets. In response to Public Staff Data Request No. 138, Question 12, Aqua stated that the staining was not discussed during follow-up discussions by the Company with Mr. Bacasse. Aqua did explain to Mr. Bacasse the possible causes of aerated water. However, the Public Staff asserted that no action was taken by Aqua to address the issue at Mr. Bacasse’s residence. Therefore, the Public Staff stated its belief at page 8 of its Verified Response that Aqua’s post testimony follow-up response to Mr. Bacasse was insufficient.

Aqua’s Reply

On September 8, 2020, Joseph Pearce, Aqua’s Director of Operations, contacted Mr. Bacasse about the toilet staining issue, and explained the process of soluble iron and manganese precipitation for well water with iron and manganese sequestration with polyphosphates. Mr. Pearce explained that, for the

worst wells, soluble iron and manganese is removed with filters, but for other less impacted wells polyphosphates are used to temporarily maintain the minerals in their soluble state. Due to reactions with hypochlorite these polyphosphates break and precipitates form. Water with greater age, such as the water that sits in the back of a toilet, can lead to precipitation. Mr. Bacasse explained that he knew much about this due to his prior experience in the water industry. Mr. Pearce offered Mr. Bacasse a container of a rust cleaning agent and Mr. Bacasse accepted the offer.

With respect to aerated water, Mr. Bacasse was provided a direct email link to Mr. Pearce, so that the customer may report the issue directly to him and ensure follow-up by Aqua when the condition is occurring. Diagnosing an aeration issue is infeasible when the condition is not actively occurring.

6. Lora Alexander – 5323 Oake Tree Drive, Gastonia, NC 28052, Wild Wing Subdivision (water only), *Tr. Vol. 9, pp. 34 - 46.*

The Public Staff, in its Verified Response, stated that it contacted Ms. Alexander on August 25, 2020, to follow up on Aqua's response to her concerns expressed during the virtual public hearing. In its Response, the Public Staff asserted that there are a number of deficiencies with Aqua's response. These include ineffective communication with Ms. Alexander regarding the residual testing results and the potential actions being investigated to address aerated water. Additionally, the Public Staff stated that Aqua did not address the cause(s) of the black ring in Ms. Alexander's toilet or the slimy water she experiences during winter.

Aqua's Response

Ms. Alice Greene, Aqua Customer Care Team Lead, spoke with Ms. Alexander on Friday, August 7, 2020, as a follow-up to the customer hearings. Ms. Alexander repeated her reports of milky water and air in the lines but was unavailable to fully discuss the issue with Ms. Greene at that time, indicating that she was busy. More specifically, Ms. Alexander stated that the water was muddy in color, milky and slimy only in the winter. Ms. Greene then secured Ms. Alexander's agreement to have a field service technician visit her residence on Monday, August 10, 2020, to investigate her complaints. On that date, the Aqua field service representative visited the residence and took a water sample from the outside spigot. The report showed that all residuals were within acceptable limits and the water was clear. There was no evidence of any slimy or muddy water.

Aqua's technician discussed the initial residual results with Mr. Alexander, who was the only person at home during the visit; Mrs. Alexander was on the phone with her husband during part of the visit by the technician. Mr. Alexander drew a bottle of water and showed it to the Aqua representative. There was approximately one-inch of air in the top, and it quickly dissipated.

Aqua's technicians do not enter customers' homes so Aqua has no knowledge of the condition of Ms. Alexander's toilets. The technician spoke with Mr. Alexander in the absence of Ms. Alexander and the issue of slimy, muddy water⁷ or black rings was not raised.

⁷ Ms. Alexander reported slimy water in a call to Aqua in October 2017, when she called to report air in the lines. There was no evidence of slimy water based on the comments captured by the responding technician. Wild Wing has a greensand filter on the system and a broken head is what

Ms. Greene placed a follow-up call to Ms. Alexander on August 12, 2020, at which time she provided the information from the field visit. Ms. Alexander was adamant that there was a problem with the water and insisted that, without regard to the technician's report, Aqua water is not clear. Ms. Alexander further stated she should not have to pay for milky water. The issues raised by Ms. Alexander were not observed by Aqua. The field technician was unable to correlate a root cause in or on Aqua's infrastructure or operations to address her assertions at the time of his inspection on August 10th.

On August 23, 2020, Aqua's staff again visited the Alexander residence and obtained a water sample from an outside spigot. The water was clear but was aerated; the air dissipated rapidly. Water pulled at the entry point to the distribution system did not have aeration, so the issue did not appear to be system-wide. Because the Alexander residence is at one of the highest elevations in the water system and could be collecting air released during distribution, Aqua stated in its Customer Report that the Company would determine if an air release valve may be installed either on the service or on the main to capture and release any accumulated air prior to the customer's use. Aqua has ordered an air release valve for installation at the Alexander residence or on the main, once it is received.

The results for residuals for the visit on August 23rd were: Chlorine 0.60; Iron 0.010; Manganese 0.027; pH 7.1; and Hardness 4. These results, all within normal limits, were left on a door tag because no one answered the door when the

caused the air issue in October 2017. Other than that one time, there have been no issues with the filter operation.

technician attempted to make contact with the customer. A car was in the driveway but no one was home.

Ms. Alexander has contacted Aqua's Call Center 68 times since October 2017, with the last mention of a water quality issue in a call made in October 2017. Furthermore, upon review of water quality calls related to the Wild Wing system, it was noted that there have only been two other calls made over the last two years by other residents; one in July 2018 and one in September 2019.

It is important to note that communications with a customer in an effort to solve these kinds of problems---some subjectively perceived and most intermittently occurring---can only be evaluated as a continuing effort, over time. Aqua repeatedly shows its persistent commitment to that effort, both with this customer and others.

7. Patrick D'Andrea – 143 Hazelton Loop, Mooresville, NC 28117, Regency Lake Subdivision, Regency Village Subdivision (water only), Tr. Vol. 9, pp. 71 - 78.

In its Verified Response, the Public Staff stated that it talked with Mrs. D'Andrea on August 25, 2020, following up on Aqua's response to the concerns expressed by her husband during the virtual public hearing. The Public Staff concluded that Aqua's Customer Report did not address the taste of the D'Andreas' water or milky water. According to the Public Staff, Mrs. D'Andrea stated there are frequent leaks and Aqua should take better care of the infrastructure instead of asking for more money. The Public Staff asked Mrs. D'Andrea for her opinion on the valve replacement project and she repeated her concern over the age of the infrastructure and main breakage.

Aqua Response

Milky water contains air which can directly correlate to low pressure. The low-pressure issue was addressed by Aqua putting Well #2 online in late-June 2020. A review of Aqua's customer service records indicates that the D'Andreas reported milky/cloudy water to the Company twice in September and November of 2017. The Company's records further indicate that the D'Andreas did not contact Aqua subsequent to 2017 about air in the water, and that they had not contacted the Company about chlorine smell or taste, stale water, or low pressure until the rate case. Since June 2017, there has been only one other call about aeration in their system which came from another customer in May 2020 and was related to a main break.

Regarding Mr. D'Andrea's complaint about water which sometimes tastes stale or overly chlorinated, Aqua responded as follows in its Customer Report:

Ms. Ison [Aqua's Area Manager for the Company's Western Region] indicated that she would follow up with the Operator in Responsible Charge ("ORC") to discuss the fluctuating chlorine to verify the appropriate dosing and if it could be improved. Ms. Ison also explained the benefits and requirements for a minimum chlorine residual to be present at the furthest point from the well and the benefits of chlorine for disinfection. The D'Andreas commented that this made sense, as they were only a few lots down from the well, and that they could understand they may have a higher chlorine smell when adjustments were made at the well to maintain residuals throughout the distribution system.

Aqua's field records indicate that since January 2019,⁸ chlorine residuals in the water distribution system serving the D'Andreas have never been outside the

⁸ The Company did not search its records for months prior to January 2019.

allowable range. Finally, Aqua has no basis upon which to respond to or address Mr. D'Andrea's complaint that the water sometimes tastes "stale."

8. Lachia Moreland – 2405 Topton Court, Willow Springs, NC 27592, Myatt Mill Subdivision (water only), *Tr. Vol. 10, pp. 79 - 86.*

In its Verified Response, the Public Staff stated that it talked with Ms. Moreland on August 26, 2020, to follow up on Aqua's response to the concerns which she expressed during the virtual public hearing. The Public Staff noted no deficiencies on the part of Aqua in its Verified Comments.

Aqua Comments

Ms. Moreland expressed no dissatisfaction with the Company's response to her concerns when contacted by the Public Staff. Aqua appreciates her participation in the hearing and has no further comment other than to reiterate the information responding to Ms. Moreland's testimony, set forth in the Company's Customer Report which was filed in this docket on August 24, 2020.

9. Wendy Stevens - 2704 Stageline Drive, Raleigh, NC 27603, Stagecoach Subdivision (water only), *Tr. Vol. 10, pp. 87 - 96.*

In its Verified Response, the Public Staff stated the following:

During her testimony, Ms. Stevens testified to a strong and persistent bleach smell in her water. Ms. Stevens also testified that she had to purchase various water filtration devices and bottled water, and that she had a very negative view of Aqua and of its water quality.

Aqua addressed Ms. Stevens' testimony by verifying the chlorine dosing is appropriate for system demand and that the community well was operating properly.

Aqua Comments

The Public Staff expressed no dissatisfaction with the Company's response

to Ms. Stevens' concerns. Aqua has no further comment other than to commend the information responding to Ms. Stevens' testimony to the Commission as set forth in the Company's Customer Report which was filed in this docket on August 24, 2020.

10. Formal Customer Survey

On page 20 of its Customer Report, Aqua stated that in early-2020, the Company released a customer survey to directly hear from customers about their experiences with Aqua's service. With this enlightening feedback, Aqua is determined to improve water quality communication and education, and to better communicate emergency and outage events. In response to the comments and information set forth by the Public Staff in its Verified Response, Aqua states that customer surveys are important tools utilized by utility and other companies, including Aqua, to gather customer input and the Company hopes to utilize this tool on an ongoing basis. Aqua has reviewed the customer feedback and will be incorporating it into ongoing efforts to further improve water quality and customer service.

B. CUSTOMER COMMUNICATIONS

1. **Oliver Bacasse** – In its Verified Comments, the Public Staff alleged that Aqua's refusal to provide this customer with the water meter testing results pursuant to his request is a violation of Commission Rule R7-33(a) which states, in pertinent part, that: "A report giving the result of each request test shall be made to the customer and to the Utilities Commission with a copy of the Public Staff, and the complete original record shall be kept on file in the office of the utility for at

least five years.”

Aqua Response

The Public Staff either misapprehends the timeline associated with Mr. Bacasse’s request for meter check, or propounds an unreasonable interpretation of the Commission’s Rule. In either instance, Aqua contends that the Public Staff’s allegation of a violation of Commission Rule R7-33(a) is erroneous and without merit.

Rule R7-33(a) reads, in pertinent part, as follows:

(a) Procedure. — Each utility furnishing water service shall, without charge, make a test of the accuracy of any water meter upon request of the customer,...A report giving the result of each request test shall be made to the customer and to the Utilities Commission with a copy of the Public Staff, and the complete original record shall be kept on file in the office of the utility for at least five years. The customer or his representative may be present when this test is run.

Specifically, on October 2, 2017, Mr. Bacasse’s meter was proactively changed as part of a third-party contractor project to replace meters in the Bayleaf area with Automatic Meter Reading (“AMR”) meters. Slightly more than a month *later*, on November 3, 2017, Mr. Bacasse contacted Aqua about testing the prior meter that had been previously replaced---not the newly-installed and active meter. Upon request, Aqua will test an active meter, in accordance with the Commission Rule, but the Company does not indefinitely retain old meters, nor does it interpret the Rule to require tests of meters previously removed under these circumstances. To afford customers, at any time after meter change-outs, the ability to ask for an inactive meter check would likely increase the expense to all customers beyond the value of any information to be gained from the meter data.

Additionally, and more to the point of meeting the customer's concern, Aqua's response in the Customer Report stated that for the one month the customer had the previous meter, his usage averaged 194 gallons per day. The following month, with the new meter, his usage averaged 214 gallons per day. The second month, with the new meter, his usage averaged 194 gallons per day. The difference is relatively small and not suggestive of a meter malfunction.

Commission Rule R7-33(a) does not explicitly state that it applies to both active and inactive meters and Aqua does not believe that it applies to inactive meters. It is unreasonable to think that the Rule requires tests for any and every meter, "living or dead." However, if the Commission determines that it does apply to inactive meters, a timeframe for retention must be developed and all associated costs must be fairly allocated to customers as a reasonable cost of their utility service.

Aqua asserts that the Public Staff's allegation that the Company violated Commission Rule R7-33(a) is unsupported by facts and is clearly at odds with a plain, common-sense reading of the Rule in this case.

2. **Patrick D'Andrea** – In its Verified Response, the Public Staff stated that Mr. D'Andrea, during his testimony at the public hearing did not express a concern regarding communications with Aqua. During the Public Staff's post-hearing conversation with Mrs. D'Andrea, she stated that she was first made aware that a well serving their water system was off-line for a time and was recently returned to service during the follow-up she received from Aqua because of her husband's testimony during the public hearing.

Aqua Reply

The Company has no response to this section of the Public Staff's Verified

Response. Aqua does not read this as a criticism by either the customer or the Public Staff regarding the Company's customer communication practices.

3. **Cindy Rosado** – The Public Staff stated that Ms. Rosado testified that she was confused by various provisions of the rate case notice. She further testified that her efforts to contact and receive callbacks from supervisors at the Company's call center number were unsuccessful either because her calls were not returned or because the person who called her back was unable to answer her questions. She testified she had lost confidence in the Company's ability to answer her questions.

Aqua Reply

Aqua requests that the Commission carefully review the Company's detailed response to the concerns registered by Ms. Rosado as set forth in Aqua's August 24, 2020 Customer Report. Ms. Rosado was contacted after the public hearing by Shannon Becker, Aqua's State President for North Carolina, to discuss and respond to her concerns. Their conversation covered the following subjects and the Company's response is set forth in great detail in the Customer Report (at pages 55 – 58): *Rate Case Customer Notices and Temporary Rates; Rate Increase Percentages; Rate Entities; Water Pressure; and PWC Sewer and Water Service*. Company President Becker reported that the conversation was productive and that Ms. Rosado complimented Aqua customer representatives for their demeanor and their efforts to help. Mr. Becker provided his telephone number to Ms. Rosado so that she could follow-up if she has future questions or problems.

Aqua does not read the comments of the Public Staff regarding the Company's post-hearing communications with Ms. Rosado as being critical of the

Company's customer communication practices, either with reference to Ms. Rosado specifically or customers generally.

4. **Eric Thornton** – In its Verified Response, the Public Staff recites a summary of Mr. Thornton's testimony and the Company's response thereto. The Public Staff's emphasis seems to be on that portion of Aqua's Customer Report which stated, in pertinent part, that:

...Ms. Berger also reviewed Aqua's PFAS initiative, the GenX sampling protocol, and other measures with Mr. Thornton. He appreciated the information and the Company's proactive sampling for PFAS and GenX. Mr. Thornton seemed satisfied that Aqua is addressing the issues within his system, **but recommended that Aqua do a better job of informing its customers about these issues.** (Emphasis added)

Aqua Reply

Again, Aqua does not read the comments of the Public Staff regarding the Company's post-hearing communications with Mr. Thornton as being critical of the Company's customer communication practices, either with reference to Mr. Thornton specifically or customers generally. Aqua understands and appreciates Mr. Thornton's request and recommendation and will incorporate the recommendation into its customer communications program, which is designed to provide as much relevant and timely information as possible.⁹

5. **Kirsten Pavlich** – In its Verified Response, the Public Staff discussed that portion of Ms. Pavlich's testimony which stated that for two consecutive months Aqua billed her the identical 25,100 gallons at a cost each

⁹ As an update to the Company's response to Mr. Thornton's testimony, Aqua advises that the Company has drilled a new well (which is expected to be placed on-line this month) and is installing a manganese dioxide filtration system on an inactive well that has historical iron and manganese issues (which is expected to be placed on-line in December 2020).

month of \$408.86. She testified she did not believe the exact same gallons were used these two months. Mr. Grantmyre contacted Ms. Pavlich on August 4, 2020, asked whether Aqua provided her the AMR 40 daily meter readings for each of the two months in question, and advised her to call Aqua to request them. Ms. Pavlich called Aqua on or about August 5, 2020,¹⁰ and, pursuant to Mr. Grantmyre's advice, requested the daily AMR reading for these two months. The Staff reports that she was told that Aqua could not provide this information.

Public Staff's Data Request No. 138, Item 16, dated August 26, 2020, requested the Pavlich residence daily AMR reading for these two months. Aqua provided the response on August 28, 2020, with daily meter readings from May 5, 2020, through July 2, 2020. The written reports provided each day's usage and a daily bar graph, reflecting the monthly usages of 25,090 and 25,180 gallons.

The Public Staff is concerned that Aqua does not readily provide customers a **printout** of the AMR 40 daily meter readings, when questions about high bills are posed. The Staff noted that Mr. Becker testified that Aqua customer service personnel can provide customers the AMR 40 daily meter readings. Observing that this does not appear to be Aqua's policy, the Public Staff recommended that Aqua regularly provide customers printouts of these AMR 40 daily meter readings whenever a customer contacts Aqua concerning what the customer believes to be an unreasonably high water bill. The Public Staff additionally supports access by customers to their usage information through the website, rather than relying on Aqua.

¹⁰ Aqua's records reflect that the call was on August 6, 2020.

Aqua Reply

Ms. Pavlich, in her testimony, mentioned that she thought it was unusual that her last two monthly billings were for the same amounts for the same usage of 25,100 gallons. Aqua agrees that this is an uncommon coincidence. However, the customized report detail provided to the Public Staff in response to DR 138 on August 28th supported this coincidence through the daily detail available in AMRA (Aqua Meter Reads Application).

The AMR functionality is extremely useful and has provided many immediate operational efficiencies and customer benefits, including the availability of daily reads for customers. Aqua has consistently indicated its intention of developing a platform to make this data more available to its customers. The Public Staff, however, fails to recognize the effort necessary for the Company to modify its data management system necessary to accomplish this goal, as was described in Aqua's response to the Public Staff's Data Request No. 97, Question 2 (attached hereto as Appendix C). Aqua is continually working to enhance the availability of the AMR daily customer read data and improvements to its availability have been made, and will continue to be made, over the coming years.

While the platform necessary to make the daily read history available to customers remotely is a longer-term plan, the 40-day read history **is** currently available for review with customers and is consistent with Aqua's response to Public Staff Data Request No. 97. As described in that response, this data has only recently been made available, and Aqua's Customer Service Representatives ("CSRs") are early in the learning curve. Aqua agrees that communicating the individual results of the daily meter reads is one of the many benefits to its

customers; however, the Company believes that the importance is in the availability of the data to resolve an issue or question and less so in the printout of the data. The “well-designed written reports” of Ms. Pavlich’s daily usage detail, including a daily bar graph, that were provided by Aqua to the Public Staff in response to Item 16 of DR 138, were Excel files prepared by internal Aqua personnel utilizing components of daily meter read data available within the AMRA tracking system. Development of such reports is currently a manual effort; however, Aqua is using a similar version as the template provided to the Public Staff for its customer facing report that is being finalized for roll-out. It is expected to be made available to CSRs to share with customers, upon request, in Q4 2020.

Upon review of the August 6th call by Ms. Pavlich to Aqua’s Call Center, it was clear that the CSR responding to Ms. Pavlich’s call was not familiar with the availability of the AMRA daily detail and asked to place Ms. Pavlich on hold while she sought assistance on this request. Upon her return, the CSR inquired of the period Ms. Pavlich desired and indicated she would be able to provide the readings over the phone, but was unable to send her a copy. While the CSR was working to obtain the requested information to review with Ms. Pavlich, the call was disconnected, and no return call was made. Aqua agrees the call did not provide Ms. Pavlich her specifically-requested information and that training opportunities are apparent regarding the emerging availability of this new daily usage information in AMRA.

Aqua understands the Public Staff’s desire to share the meter read data via a physical file or printout with customers and submits the following:

- the AMRA, including the 40-day meter read detail, was made

available to Aqua's CSRs and FSRs (Field Service Representative, AKA field technician or field operator or utility tech) earlier in the year, allowing them to review daily read data with customers to address billing concerns;

- the availability of the AMR daily meter read data is new to Call Center personnel and they are in the early stages of learning to utilize the data available;
- the functionality to download or print a daily meter read usage report by CSRs to send to customers is expected to be rolled-out in Q4, 2020; and
- meter department personnel have been using the daily read data to resolve escalated customer billing disputes for several years.

The availability and use of the daily meter read data in AMRA is new to Aqua's Call Center personnel, and continued use of the application, along with the added upcoming training upon roll-out of the new reporting function, is expected to improve the customer experience.

6. **Wendy Stevens** – In its Verified Response, the Public Staff stated that Ms. Stevens testified that she did not receive notice from Aqua of the public hearings. The Public Staff noted that the initial notices of the rate increase and the earlier scheduled public hearings were sent by United States Postal Service standard presort mail, and it ignored the fact that the August 3rd hearing notices were sent by First Class Mail (on July 10th). The Public Staff renewed its recommendation that all Commission-required customer notices be mailed presorted first class or first class, utilizing Ms. Stevens' testimony as the catalyst

to request same and without regard to the virtual absence of delivery issues in the last two Aqua general rate cases.

Aqua Reply

Aqua reiterates its filing in the August 24th Customer Report. Ms. Stevens testified that she did not receive the first notice sent in March by Standard Pre-Sort Mail, and that she did not receive the second notice sent by USPS First Class Mail on July 10th, the latter notice announcing the August 3rd public hearings. However, Aqua has confirmed: that the mailing list submitted to the printer/mailer included Ms. Stevens' correct name and address; that no other names are associated in Aqua's records with an account at her address; and that no mail addressed to her was returned to the Company.

Though Ms. Stevens stated she did not receive either notice, there is no indication that complaints have surfaced from other customers about failure to receive any of the Commission-required customer notices in this case (or in the prior Aqua Sub 497 general rate case). Twenty-four customers testified at the virtual public hearings and only Ms. Stevens registered a complaint that she did not receive the public notices sent out by the Company. It is clear that 23 of the 24 customers who testified did so in response to the customer notices sent to them by the Company.

Nonetheless, though it does not attempt to explain Ms. Stevens' testimony that she received neither notice, the Public Staff invokes her testimony in support of its stated position that all notices should be sent First Class Mail. The Company defends and stands by the propriety of its use of USPS Standard Pre-Sort Mail to

send the initial customer notices in this case, particularly given the lead time available, the proven reliability in the last two rate cases, and the cost savings (to customers). The Public Staff contests Aqua's use of that class of USPS mail, supports the use of First Class Mail to increase reliability, apparently accepts as reasonable the cost increase to customers, and fails to point to any problem with or deficiency which actually occurred as a result of the Company's use of Standard Pre-Sort Mail.

Should the Commission determine to issue a ruling on the permissible mode of delivery for notice, Aqua respectfully requests that the Commission consider the Company's position in making its decision.

C. Other Customer Concerns

In its Verified Response, the Public Staff stated that it considers Aqua's post-hearing follow-up on the customer concerns related to the cost of wastewater utility service, water hardness, and the quality of the Company's purchased water suppliers to be "adequate." Aqua recognizes that the ultimate regulatory standard for service in a rate case is one of adequacy,¹¹ but asserts that the quality of the Company's service, operational, and communications efforts, made in response to customer comments and reflected in the Customer Report filed on August 24, 2020 and in these Verified Reply Comments---if viewed objectively---merits a more robust and positive evaluation.

¹¹ In fact, G.S. 62-131(b) requires that "Every public utility shall furnish adequate, efficient and reasonable service."

CONCLUSION

Aqua appreciates this opportunity to further respond to the comments and concerns expressed by the Company's customers at the rate case public hearings. The Company will address the overall subject of customer service and reporting requirements in its filing of the final portion of its Proposed Order, on September 25th. However, these Verified Reply Comments are a useful opportunity to emphasize and illustrate the extent to which the adequacy of an overall response to the concerns of all customers---including but not limited to those who appear at public hearings---can only be fully measured by the Company's on-going interaction and attention to customer concerns. Aqua's response combines attention to operations, communications, problem-solving, and follow-up. The continuous nature of this work can be suggested---but not fully captured---in any report, which is of necessity only a snapshot of the status at any given point in time.

Respectfully submitted, this the 11th day of September, 2020.

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Electronically Submitted

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ATTORNEYS FOR AQUA NORTH CAROLINA, INC.

VERIFICATION

Shannon V. Becker, being duly sworn, deposes and says:

That he is the President of Aqua North Carolina, Inc.; that he is familiar with the facts set out in these **VERIFIED REPLY COMMENTS BY AQUA NORTH CAROLINA, INC. REGARDING THE RESPONSE OF THE PUBLIC STAFF TO AQUA'S PUBLIC HEARING REPORT**, filed in Docket No. W-218, Sub 526; that he has read the foregoing Reply Comments and knows the contents thereof; and that the same are true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

Shannon V. Becker

Sworn to and subscribed before me this
the _____ day of September 2020.

Robyn E. Lambeth
Notary Public

My Commission Expires: _____

CERTIFICATE OF SERVICE

I hereby certify that on this the 11th day of September 2020, a copy of the foregoing **VERIFIED REPLY COMMENTS BY AQUA NORTH CAROLINA, INC. REGARDING THE RESPONSE OF THE PUBLIC STAFF TO AQUA'S PUBLIC HEARING REPORT**, filed in Docket No. W-218, Sub 526, have been duly served upon all parties of record by electronic service.

Electronically Submitted

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