

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

**DOCKET NO. W-354, SUB 360**

In the Matter of  
Application by Carolina Water Service, Inc. of North Carolina  
for Authority to Adjust and Increase Rates for  
Water and Sewer Utility Service in All of Its Service Areas in  
North Carolina, Except Corolla Light and Monteray Shores Service  
Area

Pre-Filed Rebuttal Testimony  
of  
J. Bryce Mendenhall

On Behalf Of  
CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

October 12, 2018

1 **Q. Please state your name, occupation and business address for**  
2 **the record.**

3 A. My name is J. Bryce Mendenhall, and I am employed as the Vice  
4 President of Operations for Carolina Water Service, Inc. of North Carolina  
5 (“CWSNC” or “Company”), 4944 Parkway Plaza Boulevard, Suite 375,  
6 Charlotte, North Carolina 28217.

7 **Q. Please summarize your professional background.**

8 A. I have been employed with Carolina Water Service, Inc. of North  
9 Carolina (“CWSNC” or “Company”) since March of 2017. I graduated from  
10 Appalachian State University in 1993 with a degree in Geographic  
11 Information Systems and Cartography. I have held various positions in the  
12 water/wastewater field for the past 25 years. Just prior to my employment  
13 with CWSNC, I worked for more than a decade as the Public Utilities  
14 Director for Franklin County, North Carolina.

15 **Q. Please explain your job responsibilities at CWSNC.**

16 A. I am responsible for making sure our customers in North Carolina  
17 and Tennessee receive the best possible service. Accordingly, I am  
18 responsible for operating personnel, facilities, maintenance, and capital  
19 projects, as well as being responsible for communicating with state and  
20 federal regulators regarding operational and capital issues.

21 I have been serving CWSNC and its customers as its Vice-President  
22 of Operations for over one year. During that time, I have invested  
23 considerable time in advancing CWSNC’s commitment to operational

1 excellence, including (a) reviewing and adjusting our operational workforce;  
2 (b) improving CWSNC's commitment to environmental stewardship and  
3 sustainability; and (c) collaborating with Deborah Clark, CWSNC's  
4 Communications Coordinator, in resolving customer concerns.

5 **Q. Please describe CWSNC's operations in North Carolina.**

6 A. The Company is the second-largest water and sewer utility regulated  
7 by the North Carolina Utilities Commission ("NCUC" or "Commission").  
8 CWSNC presently serves approximately 34,871 water customers and  
9 21,531 sewer customers in North Carolina and operates approximately  
10 93 water systems and 38 sewer systems in the State. The Company's  
11 service territory spans 38 counties in North Carolina, from Bear Paw in  
12 Cherokee County to Corolla in Currituck County. Consequently, CWSNC,  
13 as a regulated public utility, has a continuing responsibility to upgrade the  
14 Company's widely-dispersed utility infrastructure and make necessary  
15 improvements to ensure its ability to continue to consistently provide  
16 adequate, efficient, and reasonable service to its customers as required by  
17 G.S. 62-131(b).

18 **Q: What is the purpose of your rebuttal testimony?**

19 A: The purpose of my rebuttal testimony is to describe the impacts from  
20 Hurricane Florence on the water and sewer systems of the  
21 Company. Company witness Dante DeStefano will address the financial  
22 implications of the impacts of Hurricane Florence on the Company.

1 **Q: Please describe briefly the impacts from Hurricane Florence on**  
2 **the water and sewer systems of the Company.**

3 A: The Company invested substantial time and resources preparing for  
4 the potential impacts of Hurricane Florence. On Friday, September 14,  
5 2018, Hurricane Florence made landfall at or around Wrightsville Beach near  
6 Wilmington, North Carolina. The unprecedented impacts upon North  
7 Carolina from the wind and rain generated by Hurricane Florence have been  
8 widely reported. Specifically, Hurricane Florence impacted most of the  
9 Company's coastal systems, including : (1) Fairfield Harbour; (2) Carolina  
10 Pines; (3) Hestron Park; (4) Brandywine Bay; (5) White Oak Estates;  
11 (6) Regalwood; (7) Belvedere Plantation; (8) Olde Pointe; (9) Mason's  
12 Landing; and (10) Treasure Cove (collectively referred to as "Coastal  
13 Systems"). Also, the storm impacted the Carolina Trace wastewater  
14 treatment plant ("WWTP") due to extreme flooding. In summary, CWSNC's  
15 preliminary estimates of the cost to restore the Coastal Systems and the  
16 Carolina Trace WWTP are \$1,116,000 and \$1,379,500, respectively, for a  
17 total of \$2,495,500. Attached to my rebuttal testimony are two confidential  
18 exhibits—a *Coastal Systems Damage Assessment Report* and a *Carolina*  
19 *Trace Damage Assessment Report*—providing more substantial  
20 information on the impacts of Hurricane Florence upon the Company's  
21 water and sewer systems. These exhibits are filed confidentially due to  
22 concerns about detailing plant vulnerabilities in a public document.

1 Additionally, to date, the Company has incurred \$110,834 in expenses and  
2 \$157,758 in capital investments (a total of \$268,592) in connection with its  
3 response to Hurricane Florence. The costs are anticipated to continue to  
4 accumulate as additional restoration work is performed on the Company's  
5 water and sewer systems to resume adequate and proper service to  
6 customers and as customers who were disconnected are brought back to  
7 active service.

8 **Q: How did the Company's water and sewer systems function**  
9 **during Hurricane Florence?**

10 A: First, no operational staff were injured preparing for and responding  
11 to the impacts from Hurricane Florence. Second, the Company was  
12 successful in providing continuous water service to 50% of the communities  
13 despite the challenges and impacts of Hurricane Florence. Third, the  
14 Company believes that the Fairfield Harbour community received the most  
15 significant impact from Hurricane Florence. The Company proactively  
16 issued a "voice reach" message to Fairfield Harbour customers offering to  
17 turn off their water service (without penalty) in the event a customer's home  
18 required substantial restoration activity (e.g., electrical repair, drywall repair,  
19 and/or carpet and flooring repair). All of CWSNC's water and sewer  
20 systems were returned to functional status by September 21, 2018, less  
21 than a week removed from the beginning of the impacts from  
22 Hurricane Florence. Investigation and assessment activities continue.

1 Q: Does this complete your rebuttal testimony?

2 A: Yes.