

**SANFORD LAW OFFICE, PLLC**

Jo Anne Sanford, Attorney at Law

September 8, 2015

Ms. Gail L. Mount, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4325

Via Electronic Filing

Re: Carolina Water Service, Inc. of North Carolina  
Docket No. W-354, Sub 344  
Report on Customer Service Quality Issues from Public Hearing  
in Asheville, North Carolina

Dear Ms. Mount:

Please accept for filing on behalf of Carolina Water Service, Inc. of North Carolina the attached Report on Customer Service Quality Issues from Public Hearing in Asheville, North Carolina.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford

State Bar No. 6831

Attorney for Carolina Water Service,  
Inc. of North Carolina

c: Parties of Record

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**DOCKET NO. W-354, SUB 344**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Carolina Water Service, Inc. of North	)
Carolina, 2335 Sanders Road,	)
Northbrook, Illinois 60062, for Authority	)
to Adjust and Increase Rates for Water	)
and Sewer Utility Service in All of its	)
Service Areas of North Carolina	)
	<b>REPORT ON CUSTOMER SERVICE QUALITY ISSUES FROM PUBLIC HEARING IN ASHEVILLE, NORTH CAROLINA</b>

**NOW COMES** Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) and files this report to address customer service or water quality complaints raised at the public hearing in this matter held in Asheville, North Carolina.

The public hearing was held at 7:00 p.m. on July 23, 2015, in Asheville, North Carolina, at the Buncombe County Courthouse. Chairman Edward S. Finley, Jr. presided. Chairman Finley was joined by Commissioners ToNola D. Brown-Bland, Don M. Bailey, Jerry C. Dockham, and James G. Patterson. Staff Attorney Gina C. Holt, who appeared for the Public Staff on behalf of the using and consuming public, was accompanied by Public Staff Water Engineer, Gina Casselberry. Jo Anne Sanford of the Sanford Law Office, PLLC, who appeared on behalf of CWSNC, was accompanied by Martin J. Lashua, the Company’s Vice President for Operations, North Carolina and Tennessee. Other Company

personnel were also present and available to assist customers with any questions or requests.

Of the eight witnesses who testified at the Asheville public hearing, only two raised issues about service or quality, while several of the customers made positive comments about the service they receive, Company personnel, and/or water quality. All of the witnesses expressed concern about the percentage increase in rates.

**1) Connie Brown, 15 Lynwood Circle, Asheville, NC 28806 (Carmel Subdivision). Tr. Vol. 6, pp. 9-13.**

**Summary of Testimony:** Ms. Brown had concerns about the size of the proposed rate increase and described a lack of “friendliness” on the part of CWSNC’s call center employees from time to time. She suggested that the Company could be more efficient in its notice/mailing practices and that she received the same educational brochure twice in one year. Ms. Brown voiced no service quality issues, but, in response to a question from Public Staff Attorney Holt, described a sewer clog issue that occurred around 1996. Otherwise, Ms. Brown offered no service quality complaints.

**CWSNC Response:** Company Vice President Martin Lashua met with Ms. Brown prior to the hearing. Subsequent to the public hearing, Mr. Lashua investigated Ms. Brown’s concerns and responded on behalf of the Company by letter dated

September 3, 2015. A copy of Mr. Lashua's letter to Ms. Brown is attached to this Report.

**2) Emil Revala, lives at 133 Woodland Road, Asheville; owns undeveloped property in the Woodrun Subdivision at Lake Tillery. Tr. Vol. 6, pp. 13-17.**

**Summary of Testimony:** Mr. Revala objected to the increase in rates for availability fees, but had no service complaints.

**3) Ken Allen, 10 Legendary Road, Hendersonville (Woodhaven Subdivision). Tr. Vol. 6, pp. 16-21.**

**Summary of Testimony:** As President of the Woodhaven Property Owners Association, Mr. Allen testified regarding neighborhood concerns about the proposed rate increase. Witness Allen stated that the members of his Association "are very satisfied with our water quality and the service of our local Carolina Water System personnel." (Tr. Vol. 6, p. 18). Mr. Allen acknowledged that the Company had installed a new tank to serve his subdivision; and he responded that CWSNC had discussed with the residents the option of hooking up to the Town of Hendersonville, prior to investment in the installation of the new tank.

**4) Sean O'Meara, 115 Woodhaven Drive, Hendersonville (Woodhaven Subdivision). Tr. Vol. 6, pp. 21-24.**

**Summary of Testimony:** Mr. O'Meara objected to the amount and frequency of the Company's rate increase requests; had no service complaints; testified that the water quality was excellent; and acknowledged favorably the service provided by Company employees Gary Peacock and his staff.

**5) Keith Rice, 138 Woodhaven Drive, Hendersonville (Woodhaven Subdivision). Tr. Vol. 6, pp. 24-26.**

**Summary of Testimony:** Mr. Rice testified as the Vice President of the Woodhaven Property Owners' Association and as a registered professional engineer. He objected to the amount of the rate increase and noted the initial costs associated with switching service to the Town of Hendersonville which he described as "a huge capital dollar amount." Witness Rice expressed no service or water quality concerns. To the contrary, Mr. Rice testified that "CWS has in the past and continues to provide Woodhaven with reliable water service, and I commend their staff for their effort....Their service is great." (Tr. Vol. 6, p. 25).

**6) James T. Tanner, Jr., 5 Auburndale Drive, Asheville (Bent Creek Subdivision). Tr. Vol. 6, pp. 26-30.**

**Summary of Testimony:** Mr. Tanner had no complaints about water quality or service; his concerns were about rates. Regarding the quality of service he receives from CWSNC and the proposed rate increase, Mr. Tanner specifically testified that "I have not had any service problems. I don't have any problem that

way, but I do have a big problem with such a rate increase and even asking for a big rate increase like this.” (Tr. Vol. 6, p. 29).

**7) Ken Jarvis, 8 Auburndale Drive, Asheville (Bent Creek Subdivision).**

**Tr. Vol. 6, pp. 30-34.**

**Summary of Testimony:** Mr. Jarvis expressed some concerns about water quality, indicating he does not drink the water provided by CWSNC<sup>1</sup> and that the water leaves a ring around his commode. His primary issues were about rates and the magnitude of the proposed rate increase and past rate increase requests.

**CWSNC Response:** Area Manager David Medling met Mr. Jarvis at his home on July 30, 2015, to discuss his concerns. Mr. Jarvis indicated that he does drink water from the refrigerator since it is filtered and that his primary concern is rates. In reviewing customer records for this system for the period January 1, 2014 to July 31, 2015, there was only one (1) taste or odor complaint. Mr. Medling also discussed Mr. Jarvis’s concern over toilet staining and pointed out the cause as most likely to be airborne bacteria.

**8) Mark Innes, 10 Auburndale Drive, Asheville (Bent Creek Subdivision). Tr.**

**Vol. 6, pp. 34-39.**

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<sup>1</sup> Mr. Jarvis’ testimony that he does not drink the water supplied by CWSNC or use that water for cooking stands in contrast to the testimony offered by witnesses Tanner and Innes, who, like witness Jarvis, are also customers served by CWSNC in the Bent Creek Subdivision. Customers Tanner and Innes voiced no complaints about water quality; in fact, witness Innes testified that CWSNC does “a good job.” (Tr. Vol. 6, p. 38).

**Summary of Testimony:** Mr. Innes spoke positively about the quality of the water and sewer utility service being provided by the Company and CWSNC's operations personnel<sup>2</sup>; his complaints were about rates and the level of profit being sought by the Company.

Respectfully submitted, this the 8<sup>th</sup> day of September, 2015.

SANFORD LAW OFFICE, PLLC

**Electronically Submitted**

**/s/Jo Anne Sanford**

State Bar No. 6831

Post Office Box 28085

Raleigh, NC 7611

T: 919-829-0018

F: 919-829-8139

E-mail: sanford@sanfordlawoffice.com

**ATTORNEY FOR CAROLINA WATER SERVICE,  
INC. OF NORTH CAROLINA**

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<sup>2</sup> Regarding the quality of service provided by CWSNC, Mr. Innes testified that "...as a company, you know, they do a good job." (Tr. Vol. 6, p. 38).





## ATTACHMENT

September 3, 2015

Ms. Connie Brown  
15 Lynwood Circle  
Asheville NC 28806

Re: Customer Service Concerns

Dear Mrs. Brown,

It was a pleasure to meet you personally at the Buncombe county courthouse in Asheville for the evening public hearing held July 23, 2015 concerning our pending rate relief request before the NC Utilities Commission. When we met before the hearing began and from your testimony on the stand during the hearing, you had a few customer service or other concerns that I would like to address.

First, one issue was of your concern over our mailing efficiency and that you had received a brochure twice this year and felt that while you thought the information was important, the extra mailing was unnecessary. The brochure you reference is a "Fats, Oils and Grease" education brochure. We send this out to educate customers on the importance of not putting these substances down the drain because of the clogging and other problems they can create in the sanitary sewer collection system. As a Utility company, we are bound by certain regulatory agencies and requirements and one of these dictates that this educational brochure be sent twice a year. The NC Department of Environment and Natural Resources, Division of Water Resources regulation 15A NCAC 02T .0403 (B) and (C) pertain specifically to this and I am enclosing a copy for your use.

You made specific comment that you felt our Customer Service Representatives could be unfriendly and I regret that you had this experience. Beginning this year, we now record customer calls and we see that you called June 15 of this year and that call was reviewed by our Customer Service management. We were not able to hear anything to support a concern about the way that specific call was handled. We do have account notes that you called June 16, 2014 and July 22, 2014 but those calls were not recorded so regrettably we were not able to investigate. Again, I regret that you may have had a negative experience.

Lastly, in our meeting before the hearing, you showed me some bills and had questions. Our billing department helped review your bills and prepare the following explanation which I hope you will find helpful. At Mt. Carmel, the sewer billing is based on metered water consumption from meter read information supplied to us from the Metropolitan Sewerage District.

06/07/2015 Bill (a copy is attached for convenience)

Service period – 03/26/2015 – 05/26/2015 – 61 days of service

03/26/2015 – 03/31/2015 – Prorated on 5 days of service

04/01/2015 – 05/26/2015 – Prorated on 56 days of service

Usage – 700 cu ft. = 5,236 gallons

A Utilities, Inc. company Carolina Water Service, Inc. of North Carolina

P.O. Box 240908 • Charlotte, NC 28224 • P: 704-525-7990 • F: 704-525-8174  
5701 Westpark Dr., Suite 101 • Charlotte, NC 28217 • [www.uiwater.com](http://www.uiwater.com)

OFFICIAL COPY

Sep 08 2015



Rates

WW Collection – Eff Date 07/01/2014 - \$16.09 billed bimonthly = \$32.08

WW Treatment – Eff Date 07/01/2014 - \$6.00 billed bimonthly = \$12.00

Usage – Eff Date 07/01/2014 - \$5.45 per 1,000 gallons

Sewer System Improvement Charge (SSIC) – Eff Date 04/01/2015 = 0.81%

**Service Period of 03/26/2015 – 03/31/2015 (5 days)**

WW Collection - \$32.08 / 61 days of service \* 5 days = \$2.64

WW Treatment - \$12.00 / 61 days of service \* 5 days = \$0.98

Usage - 5,236 gallons / 61 days of service \* 5 days = 429 gallons \* \$5.45/1K = \$2.34

**Total for period of 03/26 – 03/31 = \$5.96**

**Service Period of 04/01/2015 – 05/26/2015 (56 days)**

WW Collection - \$32.08 / 61 days of service \* 56 days = \$29.54

WW Treatment - \$12.00 / 61 days of service \* 56 days = \$11.02

Usage - 5,236 gallons / 61 days of service \* 56 days = 4,807 gallons \* \$5.45/1K = \$26.20

Total sewer charges = \$66.76 (\$29.54 + \$11.02 + \$26.20)

SSIC = \$66.76 \* 0.81% = \$0.54

**Total for period of 04/01 – 05/26 = \$67.30**

**Total Sewer Bill Dated 06/07/2015 = \$73.26**

Thank you for your attendance at the hearing. Your comments are important to the process and we appreciate the opportunity to address them. If we can be of any assistance, please call our Customer Service department at 1-800-525-7990. If I can be of any additional assistance, please feel to contact me directly at 704-319-0517.

Sincerely,



Martin Lashua

Vice President of Operations

Cc: Customer Service

**15A NCAC 02T .0403 PERMITTING BY REGULATION**

(a) Collection systems having an actual, permitted or Division approved average daily flow less than 200,000 gallons per day are deemed permitted pursuant to Rule .0113 of this Subchapter provided the system meets the criteria in Rule .0113

of this Subchapter and all specific criteria required in this Rule:

(1) The sewer system is effectively maintained and operated at all times to prevent discharge to land or surface waters, and to prevent any contravention of groundwater standards or surface water standards.

(2) A map of the sewer system has been developed and is actively maintained.

(3) An operation and maintenance plan including pump station inspection frequency, preventative maintenance schedule, spare parts inventory and overflow response has been developed and implemented.

(4) Pump stations that are not connected to a telemetry system (i.e., remote alarm system) are inspected by the permittee or its representative every day (i.e., 365 days per year). Pump stations that are connected to a telemetry system are inspected at least once per week.

(5) High-priority sewers are inspected by the permittee or its representative at least once every six-months and inspections are documented.

(6) A general observation by the permittee or its representative of the entire sewer system is conducted at least once per year.

(7) Overflows and bypasses are reported to the appropriate Division regional office in accordance with 15A NCAC 02B .0506(a), and public notice is provided as required by G.S. 143-215.1C.

(8) A Grease Control Program is in place as follows:

(A) For publicly owned collection systems, the Grease Control Program shall include at least biannual distribution of educational materials for both commercial and residential users and the legal means to require grease interceptors for new construction and retrofit, if necessary, of grease interceptors at existing establishments. The plan shall also include legal means for inspections of the grease interceptors, enforcement for violators and the legal means to control grease entering the system from other public and private satellite sewer systems.

(B) For privately owned collection systems, the Grease Control Program shall include at least biannual distribution of grease education materials to users of the collection system by the permittee or its representative.

(C) Grease education materials shall be distributed more often than required in Parts (A) and (B) of this Subparagraph if necessary to prevent grease-related sanitary sewer overflows.

(9) Right-of-ways and easements are maintained in the full easement width for personnel and equipment accessibility.

(10) Documentation shall be kept for Subparagraphs (a)(1) through (a)(9) of this Rule for a minimum of three years with exception of the map, which shall be maintained for the life of the system.

(b) Private collection systems on a single property serving an industrial facility where the domestic wastewater

contribution is less than 200,000 gallons per day shall be deemed permitted.

(c) The Director may determine that a collection system should not be deemed to be permitted in accordance with this

Rule and Rule .0113 of this Subchapter. This determination shall be made in accordance with Rule .0113(e) of this Subchapter.

*History Note: Authority G.S. 143-215.1(a); 143-215.3(a); 143-215.9B;*

*Eff. September 1, 2006.*

**VERIFICATION**

Martin J. Lashua, being duly sworn, deposes and says:

That he is the Vice President for Operations in North Carolina and Tennessee for Carolina Water Service, Inc. of North Carolina; that he is familiar with the facts set out in this **REPORT ON CUSTOMER SERVICE QUALITY ISSUES FROM PUBLIC HEARING IN ASHEVILLE, NORTH CAROLINA**, in Docket No. W-354, Sub 344; that he has read the foregoing Report and knows the contents thereof; and that the same is 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.

Martin J. Lashua

North Carolina

Mecklenburg County

Sworn to and subscribed before me this  
the 8 day of September, 2015.



Notary Public

Donna Stegall

Printed Name

My commission expires:

01/08/2019

**CERTIFICATE OF SERVICE**

### CERTIFICATE OF SERVICE

I hereby certify that on this the 8th day of September, 2015, a copy of the foregoing **Report on Customer Service Quality Issues from Public Hearing in Asheville, North Carolina** has been duly served upon all parties of record by electronic service, as follows:

Gina C. Holt  
William E. Grantmyre  
Dianna W. Downey  
Staff Attorneys  
Legal Division  
North Carolina Utilities Commission Public Staff  
[gina.holt@psncuc.nc.gov](mailto:gina.holt@psncuc.nc.gov)  
[william.grantmyre@psncuc.nc.gov](mailto:william.grantmyre@psncuc.nc.gov)  
[dianna.downey@psncuc.nc.gov](mailto:dianna.downey@psncuc.nc.gov)

Dwight W. Allen  
Britton H. Allen  
Brady W. Allen  
The Allen Law Offices  
[dallen@theallenlawoffices.com](mailto:dallen@theallenlawoffices.com)  
[bhallen@theallenlawoffices.com](mailto:bhallen@theallenlawoffices.com)  
[brady.allen@theallenlawoffices.com](mailto:brady.allen@theallenlawoffices.com)  
Attorneys for Corolla Light Community Association, Inc.

**Electronically Submitted**  
**/s/Jo Anne Sanford**  
State Bar No. 6831  
SANFORD LAW OFFICE, PLLC  
Post Office Box 28085  
Raleigh, NC 27611-8085  
Tel: (919) 829-0018  
[sanford@sanfordlawoffice.com](mailto:sanford@sanfordlawoffice.com)