

BENNINK LAW OFFICE
Robert H. Bennink, Jr., Attorney at Law

May 30, 2018

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325t

Via Electronic Filing

Re: KRJ, Inc., d/b/a KRJ Utilities
Docket No. W-1075, Sub 12 - General Rate Case Proceeding
Report on Customer Comments from Public Hearing Held in
Raleigh, North, Carolina on May 15, 2018

Dear Ms. Jarvis:

As requested by the Commission, enclosed for electronic filing in Docket No. W-1075, Sub 12, please find the Report on Customer Comments from Public Hearing Held in Raleigh, North, Carolina on May 15, 2018, now being filed by KRJ, Inc., dba KRJ Utilities.

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/ Robert H. Bennink, Jr.

North Carolina State Bar No. 6502
Attorney for KRJ, Inc., dba KRJ Utilities

c: Gina Holt, Staff Attorney, Public Staff
William Grantmyre, Staff Attorney, Public Staff
John Little, Staff Attorney, Public Staff

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-1075, SUB 12

In the Matter of)	
Application by KRJ, Inc., d/b/a KRJ)	
Utilities, Post Office Box 2369,)	
Swansboro, North Carolina 28584, for)	REPORT ON CUSTOMER
Authority to Increase Rates for Water)	COMMENTS FROM PUBLIC
and Sewer Utility Service in its)	HEARING IN RALEIGH, NORTH
Southern Trace and Rockbridge)	CAROLINA HELD MAY 15, 2018
Subdivisions in Wake County, North)	
Carolina)	

NOW COMES KRJ, Inc., d/b/a KRJ Utilities (KRJ or Company) and files this report in response to customer comments raised in testimony at the public hearing held in Raleigh, North Carolina by the North Carolina Utilities Commission (Commission or NCUC) beginning at 7:00 p.m., on Tuesday, May 15, 2018, in the Commission's Hearing Room 2115. Commissioner Charlotte Mitchell, who served as the Presiding Commissioner, was joined by Commissioner James G. Patterson. Chairman Edward S. Finley, Jr., who was not present, will also serve on the Commission Hearing Panel for this case. Staff Attorneys William Grantmyre and Gina C. Holt appeared for the Public Staff on behalf of the using and consuming public, accompanied by Public Staff Water Engineer Gina Casselberry. Robert H. Bennink, Jr., of the Bennink Law Office, appeared on behalf of KRJ, accompanied by James R. Butler, P.E., the Vice President of Management Group of NC, Inc. Mr. Butler will be the witness for KRJ in this proceeding. KRJ filed witness Butler's direct testimony and exhibits in this docket on May 4, 2018.

A total of eleven witnesses testified at the Raleigh public hearing. Three of those witnesses reside in KRJ's Southern Trace service area and are water utility customers. The remaining eight witnesses reside in the Company's Rockbridge service area and are water and sewer utility customers. Their testimony will be addressed below.

General Comments

First, KRJ believes it is important to initially explain some principles and facts that impact both the Company's service obligation and the rules that apply to the rate-setting process for public utilities such as KRJ, which ensure protections to customers. The Company appreciates this opportunity to speak to its concerned customers and to its regulators. Not surprisingly, an appreciable amount of the customer testimony from witnesses focused to a degree on opposition to KRJ's proposed rate increase, which is one of the primary issues to be decided by the Commission based upon careful consideration of all the evidence offered in this proceeding, including customer testimony. KRJ's rates will be set in this legal proceeding by the Commission based upon the statutory requirements of proof and after investigation and challenge by an expert consumer advocate, the Public Staff.

The legal principles that govern ratemaking are set forth in the North Carolina General Statutes, Chapter 62, and in rules promulgated by the Commission under those statutes. By law, KRJ will receive a rate increase only if it proves, in the face of an intensive and extensive investigation by the

Public Staff, that such an increase is authorized under the law, based on the actual costs and a level of prudent and reasonable investment in plant and operations. Further, investment in plant is *only* recoverable after it has been made, placed into service, and audited by the Public Staff. This principle—referred to as the “used and useful” requirement—applies to recovery of costs in a general rate case.

As to assurance of efficiency, KRJ urges all customers to understand the level of scrutiny that is imposed in the Public Staff’s examination of this case - an examination that delves into the details of Company books and management and operational decisions to ensure that, and rates are based on costs that flow from efficient, reasonable, and prudent operation of the Company. Over many weeks of discovery, the Public Staff propounded numerous data requests and follow-up questions and conversations. The Public Staff also conducted field inspections of the water system at Southern Trace and the water and sewer systems at Rockbridge.

A public hearing was held by the Commission in Raleigh on May 15, 2018, which was attended by representatives of the Public Staff and the Company. An evidentiary hearing will be held in Raleigh on June 20, 2018, to receive evidence and to examine the expert witnesses. Eleven customers testified, while numerous others attended the hearing but chose not to testify. Customers were given a full and fair opportunity to express their complaints and concerns. In addition, the Public Staff will conduct its own independent investigation to assess

the quality of water and sewer utility service provided by KRJ to its customers at Southern Trace and Rockbridge.

The rate-setting process before the NCUC is rigorous and intensive, as it should be, and the burden of proof is on KRJ in this case to prove in a judicial arena that it merits additional rates. The public's assurance of fairness is found in the strict, highly-skilled oversight of the Public Staff and the Commission. Consumers can review every document that is filed and every NCUC Order that is issued on the Commission's website. The rate case procedures are open and fair. Rates charged by KRJ must be based on cost of service and must be justified by detailed proof which is carefully examined and may be challenged by the Public Staff in a contested legal proceeding. Rate increases, while controversial, are necessary to support prudent investment by public utilities, such as KRJ, in the capital-intensive water and sewer utility industry.

Second, KRJ is always willing to speak with customers regarding any questions they may have regarding billing, service, rates, etc. The Company takes very seriously its duty as a public utility in North Carolina to provide its customers with adequate, efficient, and reasonable service at reasonable rates as required by North Carolina law and the rules and regulations promulgated by the NCUC and NCDEQ.

Third, the water supplied by KRJ at Southern Trace and Rockbridge is potable and entirely safe to drink. It meets all State and Federal Safe Drinking Water Act requirements for potability and safety. KRJ concedes that customers may experience intermittent problems with the appearance of the water, such as

cloudiness or a milky appearance, but those problems are generally transient and do not present health concerns. That said, by offering these comments, KRJ does not mean to minimize, in any way, customer testimony regarding their water quality concerns. To the contrary, the Company is fully committed to rectifying any problems, once reported, which are capable of correction as expeditiously as possible.

However, as a matter of full disclosure, some customers at Southern Trace recently experienced an episode of “muddy” brown water and air which was first reported to KRJ on the morning of Thursday, May 24, 2018. Company personnel were immediately dispatched to resolve the reported water quality problems and worked diligently for two days to do so. The situation is now stable. A copy of the May 28, 2018 Incident Report which KRJ sent to David Furr, who is the Director of the Public Staff Water and Sewer Division, is attached to this report as Exhibit A. KRJ’s Incident Report describes in detail the actions taken by the Company to address and resolve the situation.

Fourth, the water pressure supplied by KRJ consistently meets or exceeds minimum State requirements and standards. As the case with any water system, pressure varies somewhat from time to time during the day due to the necessary expenditure and replenishment of water in the storage facilities that are a part of the water system.

Fifth, KRJ has implemented certain important and significant customer communication and service policy changes in response to the testimony offered by customers at the public hearing which are detailed later in this report.

Report Regarding Southern Trace Water System

The three witnesses served with water utility service by KRJ at Southern Trace were Thomas D. Rains, Jacqueline Walker, and Shelley Iverson.

General Responses of KRJ Regarding the Southern Trace Water System

1. Replacement of Submersible Pump at Well 2

The replacement of the failed submersible pump located within well 2, which occurred during the period of time in July and August 2015, was complicated by failure of suppliers to provide proper replacement equipment. Much of the problems were as a result of the pump being powered by a 15-horsepower single phase submersible motor, which is quite difficult to find. Maintaining one as a spare is ill advised as there is a recognized “shelf” life of such a device which could render it unusable at a future date. At such time as the pump must again be replaced, KRJ will consider replacing it with the combination of a 3-phase pump powered by a modified variable frequency drive (VFD) to convert the only power available within Southern Trace (single phase) to 3-phase.

2. Diminished Pumping Capacity of Well 2

After replacement of the pump in well 2, it was determined in August 2015 that the yield of well 2 had diminished from its original 78 gallons per minute (gpm) to approximately 25 gpm. Fortunately, well 3 had been placed into service in June 2015 to augment production from wells 1 and 2. Upon identifying the decline in production of well 2, KRJ immediately set about locating a suitable

contractor who could successfully renovate the well to recover as much of the lost capacity as possible. Such a contractor is not the typical well driller, but one who utilizes very specialized equipment and technique. The first such contractor provided a totally unresponsive proposal. KRJ's pursuit of a contractor continued through yet another, who declined to provide a quotation due to the scope of the project. KRJ is waiting on a proposal from a third prospective contractor.

At this time, the available well yield from all three wells serving Southern Trace is approximately 91 gpm; with the full capacity of well 2 restored, the well production capacity would be 144 gpm. Even with the reduced production from well 2, no low-pressure complaints were received by KRJ's office during 2017. However, the current situation does point out the limitation of the Southern Trace water system, and any small system, to support irrigation loads. A single in-ground irrigation spray head will discharge approximately 5 gpm. Were three irrigation systems each operating four spray heads at a time to be actuated simultaneously, the demand would consume two-thirds of the well production, leaving only 31 gpm, under current conditions, to accommodate domestic needs. KRJ has consistently attempted to educate its customers of the need to refrain from irrigation of lawns as small well-sourced water systems are not designed to accommodate other than domestic usage; such effort appears to have had some success.

3. **Electronic Pressure Control System**

Although the current system controlling the operation of the wells at Southern Trace is functioning well, KRJ intends to pursue a system that will

utilize a control system that utilizes an electronic pressure transducer, which will produce more accurate pressure measurement than the pressure switches currently used; cellular data transmission, to avoid local interference with the radio communications system; and computer-based control logic. To date, equipment manufacturers have been identified, quotes obtained, and cellular field strength measurements made, to determine the most desirable cellular system to use. Scheduling of the installation will depend on availability of funds.

4. **Water Pressure Variations**

Pressure variations are both normal and necessary in any water system due to either the necessary partial expenditure and replacement of water within the tank to assure that the water is turned over and does not lose its chlorine residual. When demand exceeds the pumping rate of the wells, pressure tanks (or elevated storage tanks) serve to provide water to the system when instantaneous demand rate exceeds instantaneous production rate. Water storage tanks serve as “shock absorbers” between demand and supply by contributing or receiving water from the distribution system. They may be either pressure tanks, as at Southern Trace, or an elevated storage tank, as at Rockbridge.

Specific Responses by KRJ to Southern Trace Customer Comments

Thomas Rains testified that he has a professional background as a pharmaceutical biochemist. Witness Rains stated that he has a problem with KRJ choosing to use the time period from July 1, 2015 through June 30, 2016 as

its test year for this case, because KRJ was experiencing a lot of problems with low water pressure during this period of time (particularly the period from late-May through August of 2015) and probably had to spend unplanned capital to repair the system; thereby biasing the typical operating expenses of the Company. Mr. Rains alleged that KRJ failed to properly upgrade the Southern Trace system both before and after 2015. He asserted that the water system is poorly designed because it permits water to flow in a manner that is sometimes detrimental to houses at higher elevations in the subdivision, who may experience low to no water pressure and very poor water quality problems, while customers at lower elevations are not impacted at all.

Mr. Rains also criticized the management of the Southern Trace system remotely from Swansboro, particularly during the period of low pressure problems the system experienced during 2015. The witness criticized the Company for a lack of qualified on-site engineering supervision when the system is malfunctioning. Mr. Rains recited a number of alleged system operating deficiencies during 2015. He described the Company's approach to operations as continuing to reactive rather than proactive. He did, however, further state that, during the last three years, customers have not experienced water pressure problems at Southern Trace to the extent they did in 2015, and that, in fairness to KRJ, the water system seems to be operating better today than it did in 2015. He then stated that, in his opinion, KRJ has a severe deficiency of operating equipment and that the entire system needs to be overhauled with new equipment. Mr. Rains then opined that an engineering assessment of the entire

distribution system needs to be performed to ensure better balance between the older and newer sections of the system to provide consistent water pressure throughout the system. Witness Rains also stated his reasons for opposing a rate increase to KRJ at this time. In addition, he stated an opinion that, based upon his daily observations, the water pressure problems during 2015 were not related to lawn watering, including use of four observed irrigation systems. Witness Rains stated that in 2015, there were only two wells in operation on the system and one of those wells was experiencing a problem with the submersible pump as well as a decline in output. Today, there are three wells on the system.

In response to questions from Commissioner Patterson regarding water quality issues, Mr. Rains stated that he thought there had been one or two boil water notices during the 2015 period when the Company was experiencing problems with the pump replacement at Well No. 2 and that he could not recall any issues during 2018. Witness Rains also testified that he sends KRJ bill payments to a billing address located in Swansboro, North Carolina.

Response of KRJ to Testimony of Thomas Rains

First, KRJ wants to acknowledge appreciation for Mr. Rains' positive comments during his testimony to the effect that, in his opinion, during the last three years, customers have not experienced water pressure problems at Southern Trace to the extent they did in 2015, and that, in fairness to KRJ, the water system seems to be operating better today than it did in 2015. Next follows the Company's response to Mr. Rains' other less positive comments:

- Test Year. As was stated by Public Staff Attorney William Grantmyre, the

- Public Staff will update the test year in this case for ratemaking purposes to the period April 1, 2017 - March 31, 2018, to be more reflective of current circumstances. KRJ has been fully cooperative with the Public Staff during its investigation and has supplied voluminous utility records during the discovery process.
- Failure to Upgrade System. The service lives of various components of a water system vary widely from 7 years for mechanical items such as pumps to 50 years for buried mains and services. Normal water utility practice is to replace items as they indicate pending failure or in fact fail, unless upgrade is necessary to accommodate changes in system demand or water quality. Premature replacement of plant facilities serves only to unduly expedite the expenditure of capital funds and could needlessly exaggerate and expedite the necessity of more frequent, higher rate increases. The Southern Trace water system is less than 20 years old. Accepted service lives of principal system components are as follows: Storage tanks - 50 years; distribution mains - 50 years; wells - 50 years; well pumps - 7 years. With the exception of well pumps, failure due to age of the system is well into the future. KRJ stocks most routinely-needed repair parts, such as electric or electronic components and chemical feed equipment repair kits.
 - System Design. The entire water source, including the treatment and distribution system at Southern Trace, was designed, permitted and constructed consistent with the requirements of the NCDEQ, or that agency's predecessors. All water systems exhibit differing pressures at different

locations due to their different elevations above sea level due to the effects of gravity; and Southern Trace is no exception. There is approximately 100 feet of elevation differential from the front (highest) to back (lowest) portions of the system, thereby resulting in a differential pressure at any given time of approximately 43 psi.

The system controls that cause the operation of the well pumps, the source of the pressure in the system, are set to cause the submersible pumps in the wells to run, pumping water into the system, at 70 psi, and cause the pumps to stop at 78 psi. The difference between system demand rate and pumping rate is accommodated by the two hydropneumatic tanks located proximate to well 1, which is also in the higher area of the subdivision. The result of this is that normal operation of the system causes pressures to be 70-80 psi at the higher areas and 110-120 psi in the lower areas. As a comparison, Raleigh's "497" system exhibits pressures ranging from 40 psi to 135 psi.

The issue at Southern Trace is not "pressure" but the "perception of pressure." As was stated, when customers located at the higher portions of the system observe reduced pressure, those at the lower ends of the system do not observe the same reduction. Stated differently, if the pressure at the higher portions of the system drop by 45 psi (from 80 to 35 psi) that change is very easily observed; whereas, if the same drop occurs at the lower portions of the system, which they will, the change in pressure from 120 to 75 psi will not be observed by affected customers, as all of the houses have code-required pressure reducing valves, which deliver a uniform pressure to the

household plumbing, normally around 50 psi.

It should be noted that the required minimum pressure on a public water supply system is 30 psi. System pressure at Southern Trace is noted by the operator during each of his periodic rounds and system pressure is consistently observed to be in excess of 30 psi. KRJ knows of no way, other than continuous education of the customers, to address the issue; and clearly not by a physical system that would introduce not only additional complexity in the system but additional opportunities for mechanical failure.

- "Remote" Management of the System / Lack of On-Site Engineering. The portion of the management that exists out of the Wake County area is that of customer support, accounting, and billing. KRJ's management contractor, Management Group of NC, Inc. (MGNC), has trained personnel in the Wake County area to cause meter readings, customer collections, and, as necessary, triage system issues. Mr. Butler, the Vice President of MGNC, to whom Mr. Rains referred several times during his testimony, does live some distance from Wake County, but often returns to perform periodic observations of the systems of KRJ and provide technical support to other contract personnel, such as plant operators. He is both a licensed Professional Engineer and holds Treatment Operator Certifications well in excess of those required to operate the Southern Trace water system.

During the period of system duress in the spring/summer of 2015, Mr. Butler was on site in Southern Trace on three separate occasions to gain knowledge of exactly what was happening. The sequence of events during 2015 was:

the submersible pump in well 2 failed; the particular model of pump was not available within the Continental United States, due to the manufacturer, and the large (15 horsepower) single-phase motor required due to the availability of electric power within Southern Trace; a new pump was ordered after the pump supplier advised KRJ's well contractor that it was a proper replacement based on his translation of the model number of the pump that failed; and the new pump was installed. This would have been the end of the issue, were it not for the fact that the supplier was incorrect in his translation of the model number which resulted in the new pump that been installed being incapable of performing. A proper replacement pump was obtained, and installed, only to find that its motor was defective. The pump had to be again removed from the well, a new motor affixed, and the pump had to again be reinstalled. Barring external damage, such as lightning, the pump should be functional for the remained of its anticipated service life of 7 years.

- Overhaul of the Entire System. As stated previously, with the exception of the need for remediation work at well 2, the system is well within its useful life, and such an expense is not warranted.
- Irrigation Demand. It is true that KRJ has opined on several occasions that increased demand for water imposed by irrigation systems may be exacerbating the water pressure/availability issues. Point of fact, it has been explained to Mr. Rains and many other customers that small water systems, such as the one serving Southern Trace, are not designed to accommodate irrigation demands, only domestic water usage. Unfortunately, a builder in

the lower portion of the system offered in-ground irrigation systems to the prospective home purchasers, without the knowledge or consent of KRJ. Fortunately, recently, as was acknowledged by Mr. Rains, their use and potential for system stress has reduced.

Jacqueline Walker became a KRJ water customer in May 2014. She expressed sympathy for the problems testified to by other customers, particularly the outages during the summer of 2015, but stated that, at her home, she does not personally experience water issues or problems; she does not have low water pressure or discoloration, although, here and there, there may be some cloudiness. She opposes the magnitude of the requested rate increase, particularly in view of the level of service many customers are receiving. Ms. Walker also complained that KRJ's responses are generally inadequate.

Response of KRJ to Testimony of Jacqueline Walker

Here again, KRJ appreciates Ms. Walker's positive comments to the effect that, at her home, she does not personally experience water issues or problems; and that she does not have low water pressure or discoloration, although, here and there, there may be some cloudiness. Next follows the Company's response to Ms. Walker's other comments:

- Level of Rate Increase. See KRJ's general response set forth above.
- Cloudy Water. Mr. Butler has no record of calls from Ms. Walker regarding cloudy water. However, intermittent cloudy water in systems with hydropneumatic tanks is not uncommon due to dissolution of air from within

the tank into the water. As the water is tested consistent with the Safe Drinking Water Act and has been found compliant with the requirements of the Act, the cloudiness does not reflect any safety or health hazard.

Mr. Butler has, subsequent to the hearing, spoken with Ms. Walker on at least two occasions regarding KRJ's activities, organization, and desire to improve the Southern Trace water system.

Shelley Iverson testified that she has been a KRJ customer since April 27, 2017. When she moved into her house, she experienced reddish-brown water. She and her husband drink bottled water. The water also often smells musty from all faucets. She experiences water pressure issues on a daily basis. She and her husband do not flush the toilet while someone is in the shower. She is not opposed to price increases for better service but opposes a rate increase based on the quality of service she currently receives from KRJ.

Response of KRJ to Testimony of Shelley Iverson

- Coloration of Water. As Public Staff attorney Grantmyre observed, the coloration of the water is most likely due to oxidized iron. Iron, although potentially imparting undesirable coloration, is not considered a health hazard, which is why it is on the United States Environmental Protection Agency's (USEPA) "Secondary" contaminant list as an aesthetic issue, rather than the "Primary" list which identifies health-risk contaminants. KRJ utilizes a process known as "sequestration" where a National Sanitation Foundation (NSF) approved chemical sequestering agent is added to the water

containing free-ion iron, which is colorless. The sequestering agent combines with the iron ion, as well as manganese, to prevent it from being oxidized by the chlorine added as a disinfectant, which would impart a color. Ideally, the distribution system would be flushed frequently to expel any settled sequestered iron. With the reduced yield of well 2, at present, flushing operations must be undertaken at less frequent intervals to conserve potable water.

- Odor of Water. KRJ has no explanation for the odor that Ms. Iverson reports, as KRJ has not received odor complaints from the customers served by the Southern Trace system in many years.
- Water Pressure. Ms. Iverson's residence is located in the "higher" portion of the subdivision, thus not enjoying the greater pressures present toward the lower areas. The water pressure that KRJ maintains, except in periods where demand exceeds well output, is well above the 30-psi minimum and approaches in some cases the 80-psi maximum allowed by the plumbing code. Given the elevation above sea level of the residence, it is very possible that her residence is equipped with an unnecessary pressure reducing valve installed when the house was constructed. Mr. Butler contacted Mr. Iverson and provided information on re-setting the device to cause it to deliver the maximum pressure it will allow.

Report Regarding Rockbridge Water and Sewer Systems

The eight witnesses served with water and sewer utility service by KRJ at Rockbridge were Craig. E. Buzak, Pat Foran, Robert C. Herbert, Jr., Taunia Teel, Brian Maxwell, Gerald Daniel, Kathleen Kendzierski, and Ginger Rodgers.

General Responses of KRJ to Rockbridge Customer Comments

1. Water Leaks

The water leaks spoken to by the customers providing testimony were, with one exception, as a result of service line leaks and not main breaks. The exception was when a main which had been marked was drilled into in 2017 by a contractor installing fiber-optic cable. The customers are correct in their observations that the vast majority of the service line leaks occurred on three specific streets within the 2006-2007 initial development phase of Rockbridge. What KRJ has determined is that the rock present in those areas fractures when being excavated during underground installations resulting in knife-like shards that if allowed to come in contact with the polyethylene tube service lines will over time cut the service, resulting in a water service leak. *Following the hearing, KRJ has established a new policy that if a given service line presents a leak for two occasions, it will be replaced rather than being repaired.*

2. Repair Response Times and Improved Communications with Customers

The customers offering testimony also observed their difficulty in obtaining information on repair of reported water leaks and that the leaks were not repaired in a timely fashion. *The day following the hearing, KRJ initiated a new protocol*

*providing for improved communication between the plant operating personnel, maintenance/construction supervisor, contract manager, and utility contractor used to make repairs to assure that all Company personnel are kept abreast of the situations as they evolve so that customer inquiries can be answered with the best information possible and that the coordination of all utility personnel is significantly improved. The utility contractor was also counseled on the necessity that the response to reported problems should be as expeditious as possible and that the contractor was expected to provide timely completion of clean-up activities, including surface restoration, such as seeding or pavement repair. Mr. Butler will utilize his field technician in addition to the field maintenance/construction supervisor to triage the reported problems to better direct the repair contractor as to what materials and equipment they may require to address the problem. Additionally, to facilitate documentation and timely response to service issues, MGNC (through Mr. Butler) has established a new e-mail account - **info@mgnc.biz** - that is dedicated to receipt and response to customer reports of service issues and inquiries associated with other water/sewer utility matters. That e-mail address will soon appear on monthly customer bill statements.*

3. Unwillingness of Certain Customers to Drink the Water Supplied by KRJ

Several customers testified that they do not drink the water provided by KRJ and, instead, purchase bottled water. Although that may be their preference, or response to inaccurate information, they should be aware that

KRJ's water system serving Rockbridge has had only one instance of a contaminant exceeding EPA's established levels. That instance was the identification of uranium, which is naturally occurring in some rock formations in the Wake County and some adjoining counties, and Gross Alpha which is most often associated with the presence of uranium in water. That situation never became such that the North Carolina Department of Environmental Quality Public Water Supply Section, USEPA's agent in enforcing the Federal Safe Drinking Water Act, declared a health emergency, requiring that alternate drinking water be provided.

The entire uranium issue was resolved by KRJ's installation of a uranium removal system which was placed into operation in June of 2016. No uranium has been detected in finished water samples since that time and the gross alpha has fallen to levels well below those acceptable under the Safe Drinking Water Act.

4. **Rate Case Test Year**

As was stated by Public Staff attorney Grantmyre, the Public Staff has updated the test year for ratemaking purposes in this case through the period April 1, 2017 - March 31, 2018, to be more reflective of current circumstances. KRJ has been fully cooperative with the Public Staff during its investigation and has supplied voluminous utility records during the discovery process.

5. **System Outages**

KRJ is aware of three system outages which occurred during the three-year period from 2015 through 2017: one associated with the damage caused by

the fiber-optic installer, one where a control relay failed, and one caused by an error of the contractor installing the uranium removal system. To guard against significant pressure drops or equipment trips, a remote alarm system was installed at Rockbridge some time ago.

Although the current system controlling the operation of the wells at Rockbridge is functioning well, KRJ is pursuing a system that will utilize a control system that utilizes an electronic pressure transducer, which will produce more accurate pressure measurement than the pressure switches currently used; cellular data transmission, to avoid proximal interference; and computer-based control logic. To date, equipment manufacturers have been identified, quotes obtained, and cellular field strength measurements made, to determine the most desirable cellular system to use. Scheduling of the installation will depend on availability of funds.

6. Water Pressure Variations

Pressure variations are both normal and necessary in any water system due to the necessary partial expenditure and replacement of water within the tank to assure that the water is turned over and does not lose its chlorine residual and when demand exceeds pumping rate as the tank serves to provide water to the system when instantaneous demand rate exceeds instantaneous production rate. The water level in the Rockbridge elevated tank is designed to fluctuate between 115 feet to 144 feet above the base of the tank which translates to a normal pressure variation of 13 psi.

7. Chlorine-Related Complaints

Chlorine is required to be continuously applied, more recently by USEPA, to all public drinking water systems placed into operation since the mid-1970s. USEPA sets the maximum concentration of chlorine in drinking water to be 3.5 mg/L. Some people may exhibit higher sensitivity to chlorine than others and the Company sympathizes with those customers who offered testimony in that regard; for that reason, KRJ attempts to maintain the chlorine concentration as low as possible while complying with applicable regulations. The electronic control system for the application of chlorine and all other water treatment chemicals is such that they are applied in a flow proportional manner. Some variation in chlorine concentrations will always exist throughout a distribution system due to distance from the water plant and changes in flow patterns within the system. KRJ must maintain the chlorine concentration leaving the treatment facility at a level that assures at least a 0.1 mg/L concentration throughout the distribution system. Representative copies of recent operating reports which indicate actual chlorine residual measurements within the distribution system, as filed with the North Carolina Department of Environmental Quality, are attached to this report as Exhibit B.

Specific Responses by KRJ to Rockbridge Customer Concerns

Craig Buzak testified that he has been a KRJ water and sewer customer since late-October 2008; that he has “experienced issue after issue after issue with KRJ;” that his family does not drink the water supplied by KRJ out of the

faucet and has not done so since 2009; and that his family of four goes through four cases (forty bottles) of bottled water a week. In 2009, witness Buzak stated that customers experienced a water main leak in the main road leading into the subdivision from Poole Road and that it took KRJ three or four weeks to repair the leak. During that period of time, water ran down the side of the road for a couple hundred feet. Once the repair was made, KRJ left the road open with gravel and dirt and it stayed that way until about 2011. According to witness Buzak, KRJ said that the road was being left in that state because the Company was afraid there would be further leaks. Mr. Buzak further testified that, since that time, there have been at least two additional leaks on that road; there have been three leaks on a second road; two giant leaks on a third road; and three leaks on a fourth road.

Mr. Buzak stated that he has personally called M&M Water on several occasions to report leaks, but that the responses have not been satisfactory; it sometimes took weeks for someone to come out to make the repair after a leak had been reported. He described one leak that occurred in either 2016 or 2017, as turning into a “geyser” and that it was a week before someone came out to make the repair after it was initially reported.

Witness Buzak said that his family initially decided to not drink the KRJ-supplied water in 2009, due to results of a quarterly report where something was a little bit high or slightly elevated; but nothing of major concern. He had an “uncomfortable feeling” and a two-year old child; as a result, he didn’t trust the water. Then in late-2014 or early-2015, the system began getting test results

showing elevated levels of uranium and gross alpha which occurred over a period of four calendar quarters. Customers reached out to the media in June 2015, and, at that point, customers started seeing forward progress in fixing the issue. The Company installed a rad removal system. Mr. Buzak also contested KRJ's test period which encompassed this period of time as not being consistent with KRJ's actual costs during the last ten years. Witness Buzak also contended that KRJ's spray fields are not well maintained; they are not properly mowed and are overgrown the vast majority of time; some are not planted with grass or landscaped; they "look like absolute horrible trash." Mr. Buzak further testified that during the summer of 2015, the entire subdivision was without water at 7:00 p.m. and that it took KRJ almost twenty-four hours to make repairs and restore service. He described KRJ as providing "garbage service" and stated that, for the reasons given in his testimony, he opposed the requested rate increase.

Response of KRJ to Testimony of Craig Buzak

- Purchase of Drinking Water. The issue of water safety and quality is discussed in KRJ's general response that precede the Company's customer-specific responses.
- Repair Response Time and Information. The issues of delay in response to repair of and information about reported physical issues such as service line leaks are discussed in KRJ's general response that precede the Company's customer-specific responses.
- Test Year. The issue of Test Year is discussed in KRJ's general responses that precede the Company's customer-specific responses.

- Maintenance of Spray Fields. *KRJ's ownership and the maintenance and construction supervisor have been consulted regarding the maintenance of the spray fields and they have committed to more frequent mowing and maintenance of those areas.* To a large degree, the cost of mowing of the spray fields has to date been absorbed by the developer of Rockbridge; KRJ will be paying for mowing of the spray fields beginning this summer. *In the specific case of the field to which Mr. Buzak referred, the slopes from the curb to the fields will be re-seeded, as grass cover is sparse.* The field itself has not yet been placed into service and is therefore not visited as often as those that are in service. The “geyser” referred to was a result of vandalism of both a control valve and a spray riser, both of which have been repaired.
- System Outages. The issue of system outages is discussed in KRJ's general responses that precede the Company's customer-specific responses.

Pat Foran testified that she is a new customer, having only lived in Rockbridge since the end of September. Ms. Foran complained about KRJ's ability to select the test year for its rate case. She stated that the Company's billing practices are a big concern. She asserted that when she receives her monthly bill from KRJ that it is already overdue and that occurs every month. KRJ's billing practices are of great concern to her. She asserted that bills are mailed after the due date. Witness Foran voiced concerns about why a rate increase is necessary and “where the money is going.” Ms. Foran has a two-

person household and questions the fairness of flat rate sewer service; she states that her usage is minimal.

In response to a question from Commissioner Mitchell, witness Foran stated that she has not experienced any questions with water quality. But she did notice that it took quite a while to fix a leak in the roadway at the entrance of the subdivision; i.e., the repair took a couple of weeks.

Response of KRJ to Testimony of Pat Foran

KRJ appreciates Ms. Foran's testimony to the effect that she has not experienced any questions with water quality. KRJ's responses to Ms. Foran's specific concerns are as follows:

- Test Year. The issue of Test Year is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Billing Practices. The Schedule of Rates ordered by the Commission for Rockbridge states: "Bills Past Due: 15 days after billing date." KRJ has always considered that the "billing date" was the date that the bills are mailed and applied to earned income and receivable ledger accounts. The "Date Mailed" that appears on the bill is the date that the bills are physically delivered to the United States Postal Service. Mr. Butler advises each new customer at the time that he is contacted by the customer to initiate their customer account that KRJ holds the "Past Due Date" uniform as the 5th day of each month and that the bills are mailed no less than 15 days prior to the "Past Due Date". The assertion that the bills are mailed after the "Due Date"

is incorrect. A copy of a sample redacted utility bill is attached to this report as Exhibit C.

- Repair Response Time and Information. The issues of delay in response to repair of and information about reported physical issues such as service line leaks is discussed in KRJ's general responses that precede the Company's customer-specific responses.

Robert C. Herbert, Jr. testified that he is not opposed to a rate increase, but that the amount being requested in this case is ‘astronomical.’ Mr. Herbert stated that he was delayed in closing on the purchase of his house for a month in October 2015, due to the uranium issue. Witness Herbert stated that he and his wife drink bottled water because of several issues they have had; they want to “be on the safe side because of that.” Mr. Herbert stated that he thinks that the requested rate increase is too much, considering everything that has been said.

Response of KRJ to Testimony of Robert C. Herbert, Jr.

- Radiological Issue. The issue regarding uranium and gross alpha exceedances is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Purchase of Drinking Water. The issue of water safety and quality is discussed in KRJ's general responses that precede the Company's customer-specific responses.

Taunia Teel stated that she has been a resident of Rockbridge since October 2008. Early on, Ms. Teel stated that she and her husband experienced

problems with the service provided by KRJ. During preparation for a birthday party for her husband, witness Teel stated that a well pump relay switch went out and she and other residents were without water for several hours. A natural area across from her house is not well maintained. Witness Teel testified that customers, including her, experienced low water pressure followed by no water for several hours on August 18, 2015, October 20, 2016, and January 9, 2017. She and her husband do not drink the water and, instead, use bottled water. A few months ago, there was a lot of chlorine in the water with no communication from KRJ as to why, leading the witness to have concerns about the quality of the water. Her husband has a skin condition that is affected greatly by the water sometimes resulting in rashes. She would like the ability make automated bill payments, including credit card payments, even if there was a surcharge to do so.

In response to a question from Commissioner Patterson, Ms. Teel testified that, in the last several months and with the exception of the outage in January 2017, she has probably experienced more consistent water pressure. As far as quality, she doesn't feel comfortable with the water because, many times, she detects a chlorine type smell when she turns on the water and that the chlorine causes her husband to develop rashes. Ms. Teel testified that Mr. Butler is very responsive when she calls, but that overall communications could be improved because Mr. Butler may not always be available so there is a need to leave a voicemail or a message on an automated system. On follow-up by the

Public Staff, witness Teel stated that there are still water pressure variations on the system. She has not observed as many water leaks recently.

Response of KRJ to Testimony of Taunia Teel

- System Outages. The issue of system outages is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Purchase of Bottled Water. The issue of water safety and quality is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Repair Response Time and Information. The issues of delay in response to repair of and information about reported physical issues such as service line leaks are discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Maintenance of Spray Fields. As previously stated in this report, KRJ's ownership and the maintenance and construction supervisor have been consulted regarding the maintenance of the spray fields and have committed to more frequent mowing and maintenance of those areas.
- Chlorine Levels. The issue of chlorine concentration is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Pressure Variations. The issue of pressure variations is discussed in KRJ's general responses that precede the Company's customer-specific responses.

Brian Maxwell testified that he does drink the water supplied by KRJ and that he has been a customer since February 2008. Mr. Maxwell stated that he

too questions the timing of the test year used by KRJ in this case. Witness Maxwell stated that was the year that customers received notification of elevated levels of uranium in their drinking water (which he stated were four times the acceptable, safe levels) and that there was negative press in July 2015, regarding that issue. Thus, he questions the resulting expense time period. Mr. Maxwell does not object to a rate increase, but he suspects that the time period used for the test year was very expensive for KRJ from an operational standpoint, including a 7.5%-8.5% margin increase. Witness Maxwell questioned the magnitudes of the requested rate increases for both water and sewer service and wants to see justification for the request and the results of a full audit.

Mr. Maxwell testified that he too has experienced long delays in repair of water main breaks and questions why repairs are not made in a timely manner, considering the cost of providing and wasting water. He questioned the Company's concern with making repairs due to the delays in making those repairs. Mr. Maxwell also stated that water pressure has also been an issue with him. He cannot run more than one sprinkler head on his system at a time because his water pressure varies from less than 40 psi to no more than 46 psi. He believes that his stated pressure range is acceptable but noted that the system has an elevated storage tank.

In response to a question from Commissioner Patterson, Mr. Maxwell testified that, subsequent to the test period, he has seen no improvement in customer service regarding repairing leaks and response time; there have

continued to be leaks and the timing for repairs by KRJ has been as it was in years past.

Response of KRJ to Testimony of Brian Maxwell

- Test Year. The issue of Test Year is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Does Not Drink the Water. The issue regarding uranium and gross alpha exceedances is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Repair Response Time and Information. The issues of delay in response to repair of and information about reported physical issues such as service line leaks is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- System Pressure. The issue of system pressure is discussed in KRJ's general responses that precede the Company's customer-specific responses. Additionally, Mr. Maxwell's house is located relatively close to the elevated tank and its ground elevation. The tank is designed such that maximum normal water level variation is from 115 feet to 144 feet above the base of the tank which translates to 49 to 62 psi. The pressures reported by Mr. Maxwell are reasonably correct, and well above the required minimum of 30 psi.

Gerald Daniel testified that he and his wife moved into Rockbridge in May 2010. Not long after moving into his house, Mr. Daniel experienced a sewer line break (the line was too small) and sewage ran into his back yard. KRJ

placed a larger pipe within “probably two days,” which Mr. Daniel described as being “pretty quick.” In 2014, a main water line running under Mr. Daniel’s driveway broke and it took KRJ close to a week to make the necessary repairs. That same water main broke again in the same location in 2018 (about a month before the hearing). Mrs. Daniel reported the leak to M&M on a Friday, but KRJ did not send a repair crew out until the following Tuesday. Mr. Daniel stated that he was told by M&M that KRJ did not want to send a plumber out that weekend to make the repair because “it was too expensive.” The repair crew came with a backhoe and dug a huge hole in his yard (more than 5 feet deep) and refilled the hole with the same clay soil that was initially removed and then threw out only a handful of grass seed. The repair crew did compact the soil. Mr. Daniel testified that he and his wife drink bottled water and do not drink the water supplied by KRJ. He favors implementation of a metered sewer rate because he does not use enough water to justify a metered water rate.

Response of KRJ to Testimony of Gerald Daniel

- Repair Response Time and Information. The issues of delay in response to repair of and information about reported physical issues is discussed in KRJ’s general responses that precede the Company’s customer-specific responses.
- M&M Response. The statement from M&M reported by Mr. Daniel to the effect that that, recently, KRJ did not want to send a plumber out on a weekend to make a repair because “it was too expensive” was not, nor has it ever been, the position or attitude of KRJ regarding necessary repairs. KRJ sincerely apologizes to Mr. Daniel for the unauthorized and inappropriate

- comment. Newly-adopted protocols require that KRJ representatives triage reported leaks as soon as possible, and determine the most appropriate level of response, which includes “immediate” and “next working day” response times, depending on the severity of the issue.
- Dress of Leak Repair Site. Subsequent to the hearing, Mr. Butler contacted the maintenance and construction supervisor and asked that personnel be sent to Mr. Daniel's residence to more appropriately dress the site of the service line repair. The supervisor revisited the site on May 23 and reports that the area has now been re-shaped and additional seed and mulch were added. Mr. Butler then attempted to contact Mr. Daniel to determine the customer's level of satisfaction with the site repair, but the cell phone number on file with KRJ was incorrect.
 - Purchase of Drinking Water. The issue of water safety and quality is discussed in KRJ's general responses that precede the Company's customer-specific responses.

Kathleen Kendzierski has been a KRJ customer since October 31, 2007. Ms. Kendzierski opined that “none of us would be here...if we were able to drink the water.” When she first moved into her house, the water “looked like milk.” Ms. Kendzierski was told by KRJ that the problem was caused by air in the water. She also complained about a smell in the water. She and her family have never drunk the water supplied by KRJ. Because of the uranium problem, she installed an osmosis system at a cost of \$500 to use for cooking and drinking

water. Witness Kendzierski says that communications are a problem and that she does not think she is being told the truth about the water or receiving the quality of water that they should receive. Her son has an autoimmune disease and gets rashes. When they smell too much chlorine in the water, her son cannot take a shower because his rashes get worse. The witness also complained about “tons of leaks” and recurrent water outages. She needs the water to be better and purer. She would like to receive notices from KRJ when chlorine is used. She wants better communication from KRJ.

Response of KRJ to Testimony of Kathleen Kendzierski

- Purchase of Drinking Water. The issue of water safety and quality is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Milky Water. There are two potential causes for "milky water". The first is trapped air within water mains recently placed into service where the air becomes entrained in the water as microscopic bubbles. The second is insufficient alkalinity in the water which results in the water evolving carbon dioxide, the fizz in soda pop. KRJ augments alkalinity by the addition of lime slurry as part of the treatment process. Minor variations in water quality from the wells may result in the lime slurry feed rate being insufficient, as KRJ attempts to minimize the application of lime to a concentration just above the effective level since alkalinity is observed by the customer as hardness. When KRJ receives such a complaint, it immediately determines whether the lime feed system is operating properly and, if appropriate, slow flushes the

potentially offending water main in an attempt to purge it of any air-laden water.

- Smell in the water. KRJ is unsure as to what smell Ms. Kendzierski is referring unless it is chlorine, which is spoken to in KRJ's general responses.
- Uranium Issue. The issue regarding uranium and gross alpha exceedances is discussed in KRJ's general responses that precede the Company's customer-specific responses. At no time did the State of North Carolina or KRJ recommend or require acquisition of treatment systems by the customers; however, it is understood that some did so at their own choosing.

Ginger Rodgers has lived in Rockbridge since 2008. When her family first moved in to their house, her mother complained of a musty odor which is no longer present. Ms. Rodgers stated that she does sometimes now smell a strong chlorine odor and that she recently complained to KRJ about the chlorine odor. Her family no longer drinks the water or cooks with it and has not used the water supplied by KRJ for those purposes for the last seven or eight years. They use bottled water. The quality of the water varies; it can be cloudy; there can be bubbles; the water pressure varies from low to very strong; the water is currently milky or cloudy. Ms. Rodgers is considering installing a whole-house filter system.

Response to KRJ to Testimony of Ginger Rodgers

- Chlorine Levels. The issue of chlorine concentration is discussed in KRJ's general responses that precede the Company's customer responses.

- Purchase of Bottled Water. The issue of water safety and quality is discussed in KRJ's general responses that precede the Company's customer-specific responses.
- Milky Water. KRJ's response on this issue is identical to the comments set forth above with reference to Ms. Kendzierski; and that response is incorporated herein by reference.
- System Pressure. The issue of system pressure is discussed in KRJ's general responses that precede the Company's customer-specific responses.

This concludes KRJ's report.

Respectfully submitted, this the 30th day of May, 2018.

BENNINK LAW OFFICE

Electronically Submitted
/s/Robert H. Bennink, Jr.

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E-Mail: BenninkLawOffice@aol.com
North Carolina State Bar No. 6502

Attorney for KRJ, Inc., d/b/a KRJ Utilities

VERIFICATION

James R. Butler, being duly sworn, deposes and says:

That he is the Vice President of Management Group of NC, Inc.; that he is familiar with the facts set out in the attached **REPORT ON CUSTOMER COMMENTS FROM PUBLIC HEARING IN RALEIGH, NORTH CAROLINA HELD MAY 15, 2018**, filed in Docket No. W-1075, Sub 12; 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.



James R. Butler

North Carolina
Carteret County

Sworn to and subscribed before me this the 30th day of May, 2018.



Notary Public

**Sheri T Dudley
Notary Public
Jones County, NC**

Sheri T Dudley

Printed Name

My Commission Expires: November 5, 2022



KRJ Utilities

Post Office Box 2369 ♦ Swansboro NC 28584
Phone: 919.827.8055

28-May-2018

Mr. David Furr, Director
N C Utilities Commission
Public Staff - Water

INCIDENT REPORT

Southern Trace Subdivision
W-1075

At approximately 0650 hrs, Thursday 24-May-2018 a call was received through our normal office number from a customer at Southern Trace Subdivision, Wake County, that the caller's water was "muddy" and dark brown.

Field service personnel were notified arrived on site at approximately 0900 hrs, and determined that two wells (#2 & #3) were both tripped off. It was reported by a customer that there had been a thunderstorm Wednesday night. Presumably, this is why the wells were out of service. Both wells were placed back in service and personnel responded to the area proximate to the original call. During the intervening period several more calls were received indicating "muddy", brown water and air. Our immediate concern was that the two hydropneumatic tanks had been so severely depleted that the air column had begun to enter the distribution system. It was determined that was the case.

As soon as the system pressure reached a workable level, multiple individuals proceeded to flush the mains in a coordinated manner from the principal source of water (well 1) to the rear of the subdivision. Although well 2 & 3 were pumping, they are both located a good distance into the subdivision and contributed to the flushing flow without contaminating the water originating at well 1. Flushing was performed such that system pressure at the tanks was maintained no less than 30 psi. Public Water Supply was notified of the situation.

The water I observed being flushed from the system was the color of strong tea or coffee. There was no apparent settleable solids in the flow, so it is reasonably certain that the color was as a result of air from the tanks re-suspending settled, sequestered iron.

Flushing operations continued until 1600 hrs, when it was suspended due to concern that customer demand would commence in a short period and time was needed for the storage to recover from the flushing.

At approximately 0700 hrs, Friday 25-May-2018 one customer contacted our office and advised that her pressure was fine but color was present in the toilet bowls. After further discussion, it was determined that the water to the residence did not present color and that the color in the toilet bowls was most likely as a result of residual coloration in the flush tanks. It was suggested to the caller that she may want to have someone flush her water heater, if any color is observed in the hot water.

At approximately 0900, personnel again reported to the site, determined that the system pressure had recovered fully, that all wells were in operation. Thereafter, they began to work through the site flushing the areas that had not been addressed on Thursday. One customer called approximately 1040 indicating that the water color had been absent earlier in the morning but had returned. The area of that caller, and color was observed by our personnel was in the eastern, (aka lower) extremities of the subdivision which had not been as thoroughly flushed on Thursday as was desired due to necessity of cessation of flushing activities. Flushing was discontinued at approximately 1600 hrs.

Although the current system controlling the operation of the wells is functioning well, KRJ intends to pursue a Supervisory and Control system that utilizes a electronic pressure transducer, which will produce more accurate pressure measurement than the pressure switches currently used, cellular data transmission, to avoid proximal interference, and use computer based control logic. Such a system will allow remote observation of system pressure at the tank, calls for pumps, and pump running status, as well as issue remote alarms should system pressure drop below a predetermined level or a well fail to respond to a pump call. To date, equipment manufacturers have been identified, quotes obtained, and cellular field strength measurements made, to determine the more desirable cellular system to use. We feel that such a SCADA system will provide us with far better control and ability to detect and respond to system malfunctions in a proactive manner.

Please call or e-mail if you have questions.

A handwritten signature in blue ink, appearing to read 'James R. Butler', with a stylized, flowing script.

James R. Butler
Contract Manager

**DISTRIBUTION FACILITY (Ground or Purchased Source)
MONTHLY OPERATING REPORT (from GPWMOR application)**

W-1075, Sub 12
Hearing Report
Exhibit B

Report Month / Year: **OCTOBER, 2017**
Public Water System ID - Name: **NC4092073 - ROCKBRIDGE S/D**
Treatment WSF ID - Name: **D01 - DISTRIBUTION SYSTEM**

Distribution System Class: **C**
County Name: **WAKE**

SAMPLE NBR	COLLECTION DATE	LOCATION CODE	SAMPLE ADDRESS	MRT Site Residual Disinfectant
				FREE CHLORINE (mg/L)
1	10/02/2017	010	5436 Emerald Springs	1.38
2	10/03/2017	011	5241 Emerald Springs	1.84
3	10/04/2017	012	5244 Emerald Springs	1.62
4	10/05/2017	001	1333 Moores Creek	1.58
5	10/06/2017	002	5248 Sapphire Springs	1.71
6	10/09/2017	003	5213 Sapphire Springs	1.46
7	10/10/2017	004	1433 Silver Valley	1.58
8	10/11/2017	005	5028 Stonewood Pines	1.79
9	10/12/2017	006	5312 Sapphire Springs	3.11
10	10/13/2017	007	5328 Sapphire Springs	2.78
11	10/16/2017	008	1428 White Opal	0.85
12	10/17/2017	009	5425 Emerald Springs	1.55
13	10/18/2017	010	5436 Emerald Springs	2.17
14	10/19/2017	011	5241 Emerald Springs	1.46
15	10/20/2017	012	5244 Emerald Springs	1.72
16	10/23/2017	001	1333 Moores Creek	1.49
17	10/24/2017	002	5248 Sapphire Springs	1.82
18	10/25/2017	003	5213 Sapphire Springs	1.14
19	10/26/2017	004	1433 Silver Valley	1.81
20	10/27/2017	005	5028 Stonewood Pines	1.95
21	10/30/2017	006	5312 Sapphire Springs	1.63
22	10/31/2017	007	5328 Sapphire Springs	1.12

ORC Name: **Andy Mathews**

Certificate Number: **090086**

Submitted Date: **Thu, Nov 2, 2017**

Comments:

**DISTRIBUTION FACILITY (Ground or Purchased Source)
MONTHLY OPERATING REPORT (from GPWMOR application)**

Report Month / Year: NOVEMBER, 2017
 Public Water System ID • Name: NC4092073 • ROCKBRIDGE S/D
 Treatment WSF ID • Name: D01 • DISTRIBUTION SYSTEM

Distribution System Class: C
 County Name: WAKE

SAMPLE NBR	COLLECTION DATE	LOCATION CODE	SAMPLE ADDRESS	MRT Site Residual Disinfectant
				FREE CHLORINE (mg/L)
1	11/01/2017	008	1428 White Opal	1.16
2	11/02/2017	009	5425 Emerald Springs	2.17
3	11/03/2017	010	5436 Emerald Springs	2.88
4	11/06/2017	011	5241 Emerald Springs	0.29
5	11/07/2017	012	5244 Emerald Springs	1.99
6	11/08/2017	001	1333 Moores Creek	2.23
7	11/09/2017	002	5248 Sapphire Springs	2.95
8	11/10/2017	003	5213 Sapphire Springs	1.33
9	11/13/2017	004	1433 Silver Valley	0.99
10	11/14/2017	005	5028 Stonewood Pines	0.63
11	11/15/2017	006	5312 Sapphire Springs	1.11
12	11/16/2017	007	5328 Sapphire Springs	0.91
13	11/17/2017	008	1428 White Opal	1.54
14	11/20/2017	009	5425 Emerald Springs	1.25
15	11/21/2017	010	5436 Emerald Springs	0.95
16	11/22/2017	011	5241 Emerald Springs	0.53
17	11/27/2017	012	5244 Emerald Springs	0.89
18	11/28/2017	001	1333 Moores Creek	0.55
19	11/29/2017	002	5248 Sapphire Springs	0.23
20	11/30/2017	003	5213 Sapphire Springs	0.21

ORC Name: Andy Mathews

Certificate Number: 090086

Submitted Date: Sun, Dec 3, 2017

Comments:

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May 30 2018

**DISTRIBUTION FACILITY (Ground or Purchased Source)
MONTHLY OPERATING REPORT (from GPWMOR application)**

Report Month / Year: DECEMBER, 2017
 Public Water System ID - Name: NC4092073 - ROCKBRIDGE S/D
 Treatment WSF ID - Name: D01 - DISTRIBUTION SYSTEM

Distribution System Class: C
 County Name: WAKE

SAMPLE NBR	COLLECTION DATE	LOCATION CODE	SAMPLE ADDRESS	MRT Site Residual Disinfectant
				FREE CHLORINE (mg/L)
1	12/01/2017	004	1433 Silver Valley	0.46
2	12/04/2017	005	5028 Stonewood Pines	0.21
3	12/05/2017	006	5312 Sapphire Springs	0.99
4	12/06/2017	007	5328 Sapphire Springs	1.07
5	12/07/2017	008	1428 White Opal	0.95
6	12/08/2017	009	5425 Emerald Springs	0.89
7	12/11/2017	010	5436 Emerald Springs	0.26
8	12/12/2017	011	5241 Emerald Springs	0.21
9	12/13/2017	012	5244 Emerald Springs	0.21
10	12/14/2017	001	1333 Moores Creek	0.22
11	12/15/2017	002	5248 Sapphire Springs	0.26
12	12/18/2017	003	5213 Sapphire Springs	0.26
13	12/19/2017	004	1433 Silver Valley	0.29
14	12/20/2017	005	5028 Stonewood Pines	0.23
15	12/21/2017	006	5312 Sapphire Springs	0.22
16	12/22/2017	007	5328 Sapphire Springs	1.14
17	12/27/2017	008	1428 White Opal	1.25
18	12/28/2017	009	5425 Emerald Springs	1.64
19	12/29/2017	010	5436 Emerald Springs	1.35

ORC Name: Andy Mathews

Certificate Number: 090086

Submitted Date: Sun, Dec 31, 2017

Comments:

Christmas Holiday December 25 & 26

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May 30 2018

**DISTRIBUTION FACILITY (Ground or Purchased Source)
MONTHLY OPERATING REPORT (from GPWMOR application)**

Report Month / Year: JANUARY, 2018
 Public Water System ID • Name: C4092073 • ROCKBRIDGE S/D
 Treatment WSF ID • Name: D01 • DISTRIBUTION SYSTEM

Distribution System Class: C
 County Name: WAKE

SAMPLE NBR	COLLECTION DATE	LOCATION CODE	SAMPLE ADDRESS	MRT Site Residual Disinfectant
				FREE CHLORINE (mg/L)
1	01/02/2018	011	5241 Emerald Springs	1.28
2	01/03/2018	012	5244 Emerald Springs	1.31
3	01/04/2018	001	1333 Moores Creek	1.97
4	01/05/2018	002	5248 Sapphire Springs	1.51
5	01/08/2018	003	5213 Sapphire Springs	0.54
6	01/09/2018	004	1433 Silver Valley	1.38
7	01/10/2018	005	5028 Stonewood Pines	1.22
8	01/11/2018	006	5312 Sapphire Springs	1.31
9	01/12/2018	007	5328 Sapphire Springs	2.09
10	01/15/2018	008	1428 White Opal	1.44
11	01/16/2018	009	5425 Emerald Springs	1.21
12	01/17/2018	010	5436 Emerald Springs	1.26
13	01/18/2018	011	5241 Emerald Springs	1.24
14	01/19/2018	012	5244 Emerald Springs	1.39
15	01/22/2018	001	1333 Moores Creek	0.97
16	01/23/2018	002	5248 Sapphire Springs	1.04
17	01/24/2018	003	5213 Sapphire Springs	0.97
18	01/25/2018	004	1433 Silver Valley	0.34
19	01/26/2018	005	5028 Stonewood Pines	0.21
20	01/29/2018	006	5312 Sapphire Springs	0.25
21	01/30/2018	007	5328 Sapphire Springs	0.31
22	01/31/2018	008	1428 White Opal	0.95

ORC Name: Andy Mathews

Certificate Number: 090086

Submitted Date: Fri, Feb 2, 2018

Comments:

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May 30 2018

UTILITY INVOICE

KRJ Utilities
P O Box 2369
Swansboro NC 28584-2369

Account Inquiry 919.827.8055
Service Emergencies 919.809.0690

Account Name		Account Number		
[REDACTED]		[REDACTED]		
Service Address				Rate
[REDACTED]				R2
Service From	Service To	Bill Mailed		
04/10/2018	05/10/2018	05/21/2018		
Meter Number	Old Read	New Read	Usage	Cd
47978495	175520	178410	2890 GAL	
Bill Due		Past Due On		
05/21/2018		06/05/2018		

Description	Amount
Prior Balance	94.45
Payment Received	- 94.45
Water Service	18.70
Sewer Service	68.33
AMOUNT DUE	\$ 87.03

DO NOT MAIL CASH OR COIN!!!

A 1% late charge will be applied to all account balances remaining unpaid 25 days after mailing date of this bill.

PLEASE RETAIN THIS PORTION OF INVOICE FOR YOUR RECORDS

© Copyright 2003
JRB

CERTIFICATE OF SERVICE

I hereby certify that on this the 30th day of May 2018, a copy of the foregoing **REPORT ON CUSTOMER COMMENTS FROM PUBLIC HEARING IN RALEIGH, NORTH CAROLINA HELD MAY 15, 2018**, filed in Docket No. W-1075, Sub 12 has been duly served upon all parties of record by electronic service, as follows:

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William E. Grantmyre
John Little
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