

1 PLACE: Dobbs Building, Raleigh, North Carolina
2 DATE: Tuesday, March 15, 2022
3 TIME: 9:30 a.m. - 11:40 a.m.
4 DOCKET NO: M-100, Sub 163
5 BEFORE: Chair Charlotte A. Mitchell, Presiding
6 Commissioner ToNola D. Brown-Bland
7 Commissioner Lyons Gray
8 Commissioner Daniel G. Clodfelter
9 Commissioner Kimberly W. Duffley
10 Commissioner Jeffrey A. Hughes
11 Commissioner Floyd B. McKissick, Jr.
12
13

14 IN THE MATTER OF:

15 Investigation Regarding the Ability of North
16 Carolina's Electricity, Natural Gas, and
17 Water/Wastewater Systems to Operate Reliably
18 During Extreme Cold Weather
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NORTH CAROLINA UTILITIES COMMISSION

1 A P P E A R A N C E S:

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3 FOR AQUA NORTH CAROLINA, INC:

4 Jo Anne Sanford, Esq.

5 Shannon Becker, President

6 Joe Pearce, Operations Director

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8 FOR CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA:

9 Jo Anne Sanford, Esq.

10 Don Denton, President

11 Dana Hill, Operations Director

12

13 FOR PUBLIC STAFF:

14 John Little, Esq.

15 Charles Junis, Director of Water, Sewer and

16 Telephone Division

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P R O C E E D I N G S

CHAIR MITCHELL: Good morning. Let's go on the record, please. I'm Charlotte Mitchell, Chair of the Utilities Commission, and with me this morning are Commissioners ToNola D. Brown-Bland, Lyons Gray, Daniel G. Clodfelter, Kimberly W. Duffley, Jeffrey A. Hughes and Floyd B. McKissick, Jr.

This technical conference is being held in Docket Number M-100, Sub 163, which is titled "In the Matter of Investigation Regarding the Ability of North Carolina Electricity, Natural Gas, Water and Wastewater Systems to Operate Reliably During Extreme Cold Weather".

Due to the widespread outages experienced in Texas and the south-central United States during February of 2021, as well as the results of a joint inquiry into the Texas outages undertaken by the Federal Energy Regulatory Commission, the FERC, and the North American Electric Reliability Council, the NERC, the Commission opened an investigation to consider whether North Carolina's electricity, natural gas, water and wastewater systems are prepared to operate reliably during extreme cold

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1 weather, and whether the Commission's rules require
2 changes in order to ensure reliable service.

3 The Commission issued an Order on January
4 26, 2022, initiating this investigation. The Order
5 made as parties to the proceeding the largest
6 jurisdictional electric, natural gas, water and
7 wastewater utilities and required these utilities to
8 file responses to a series of questions related to
9 their extreme weather preparedness by February 23,
10 2022. The Order also scheduled technical
11 conferences to be held today, March 15th, as well as
12 on April 19th, for the parties to present their
13 responses and answer follow-up questions.

14 We're here today for the first technical
15 conference which will focus on the preparedness of
16 water and wastewater utilities. The technical
17 conference to be held on April 19th will focus on
18 the preparedness of natural gas and electric
19 utilities.

20 We'll hear today from Aqua North Carolina
21 and from Carolina Water Service, Inc. of North
22 Carolina. The Public Staff, which represents the
23 Using and Consuming Public in matters before the
24 Commission, will participate in the technical

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1 conference as well.

2 The conference this morning is being
3 transcribed and the transcript will be filed in the
4 docket as soon as it becomes available.

5 All right. Before we begin, I'd like for
6 the parties to identify themselves for purposes of
7 the record. We'll begin with Aqua.

8 MS. SANFORD: Good morning. I will speak
9 initially. I'm Jo Anne Sanford, attorney for Aqua
10 and for Carolina Water, and I realize you were
11 talking to Aqua and not to me, but while I'm talking
12 we have Shannon Becker and Joe Pearce from Aqua here
13 this morning, and Don Denton and Dana Hill from
14 Carolina Water. So, with that.

15 CHAIR MITCHELL: Good morning,
16 Ms. Sanford.

17 MS. SANFORD: Thank you.

18 CHAIR MITCHELL: Good morning to you-all.
19 Public Staff.

20 MR. LITTLE: Yes, good morning. John
21 Little, attorney with the Public Staff, Legal
22 Division, and with me is Chuck Junis, the Director
23 of the Water and Wastewater Division for the Public
24 Staff.

1 CHAIR MITCHELL: Good morning, gentlemen.
2 Mr. Becker.

3 MR. BECKER: Good morning, Chair Mitchell
4 and Members of the Commission. Thank you for the
5 opportunity to speak at the technical conference.
6 What we have prepared for us -- I'm the President
7 for Aqua North Carolina. I also have Joe Pearce who
8 is the Director of Operations for Aqua North
9 Carolina. We have a brief presentation that we'll
10 review that really just goes over the questions that
11 were asked of us in the Order. We have also
12 reviewed the Public Staff's questions that have --
13 were sent to us in advance as well as the
14 Commission's questions, so we're prepared to answer
15 any of the details related to those questions.

16 I am going to hand the microphone over to
17 Joe Pearce as well as the clicker and he will review
18 the presentation.

19 MR. PEARCE: Good morning. I'm Joe
20 Pearce. I'm the Director of Operations for Aqua
21 North Carolina. I'd like to start with the nice
22 picture on the front of our presentation. That's a
23 picture from Texas from one of their systems. The
24 pressure valve during the storm event froze in place

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1 and sprayed water. It made a nice looking, huge
2 snow crystal or ice crystal, also covered a power
3 pole, cars out in the -- on the other side of the
4 parking lot. That was not a planned failure. It's
5 not been fully recognized, but things happen that
6 you can't necessarily plan for.

7 If you would -- I'm just going to try to
8 go through the questions that you asked and a bit of
9 a summary about what our answers were.

10 The first question was about changes since
11 winter storm Uri. The first change we made is we
12 tried to make inclement weather notices to customers
13 prior to the event. We did that this year prior to
14 some freezing rain events. Previously, we've done
15 inclement weather notices prior to hurricanes,
16 because we can prepare for hurricanes. But after
17 what happened with Uri, we realize there could be
18 issues with loss of power for extended periods, that
19 people need to perhaps store some water, that they
20 need to consider they're under a system pressure
21 advisory if there's a power loss and to basically
22 give them some forewarning. If the customers
23 prepare, it helps us get through the event without
24 it being as much of an issue for them and more of an

1 inconvenience.

2 The other thing that we've implemented, we
3 started this back with Hurricane Florence, we have
4 an Inclement Weather Emergency Response Plan.

5 There's an internal checklist. I do have a copy of
6 it available for staff that we can provide to them.
7 It's basically preparation for the event and we
8 start as soon as we find out about the possible
9 event as early as seven days, since our preparations
10 are seven days, five days, three days, two, and the
11 one of getting our materials and equipment together,
12 assigning people to roles, for the incident command
13 system.

14 What happens with these events, and I'm
15 going beyond my testimony, is that they are 24-hour
16 events for however many days it occurs, so one
17 person can't cover the entire event. So, we
18 actually set up teams of people across shifts. We
19 assign roles. That's the big part of the
20 preparation is how you handle it. And we increase
21 our staffing for SCADA, our notification systems, at
22 the call center, basically getting them prepared.
23 The biggest part of what we can do is get prepared
24 for it. Once you fall behind in an event, it's very

1 difficult to catch up. So, that's the main part of
2 our program.

3 The next question is about whether we
4 forecast usage due to weather. Weather is monitored
5 both locally and at the corporate level. Can you
6 imagine actually getting warnings from corporate
7 about the weather event and now it's coming.

8 There was questions about whether customer
9 usage is greater during winter storm events.
10 Typically not. Our greatest water usage is during
11 the summer and the spring when people are
12 irrigating. And there's a graph I'll show in a
13 moment of what the summertime use is. Now during a
14 storm event you can have increased usage, not so
15 much at Aqua but at some of the municipal systems
16 where you can have a large break and you lose your
17 water towers. I've had that experience, but not
18 with Aqua, with severe breaks but not at the Aqua
19 systems.

20 Now, when the loss of water occurs, it's
21 not during the actual freezing event. A lot of
22 things are frozen, basically customers don't have
23 water, but when things thaw then it breaks. So you
24 will have to do some surveys if it's a severe case

1 to find out where people have breaks. We'll have
2 crews out thawing water meters, repairing water
3 meters.

4 We have -- I spoke to one of our employees
5 that has been there 30 years, been through four
6 events in those 30 years, and they actually have
7 means where they can repair one water meter, take
8 those parts, move them, do some minor adjustments
9 with them and then install it on the next water
10 meter. It makes it reuse parts and keep people --
11 keep the system going. But they have been through
12 it several times. After the thaw, they're dealing
13 with the water loss.

14 This is a graph of the water usage. If
15 you'll notice, January and February we're averaging
16 about 4,000 gallons per customer, but between June
17 and September we're at about 7,000 gallons per
18 customer. So demand in the wintertime is nowhere
19 near as great, so the demand is not the issue.

20 MR. BECKER: And I'll add there that the
21 systems are designed to be flex, to provide less
22 water than max capacity. The top or the peak hours
23 is about 1.75 times what the low months usage are.
24 So, when we do have breaks usually they're contained

1 because we have self-contained systems, 750
2 independent systems, so we can actually isolate the
3 systems, where the issues are within those systems,
4 where then even those systems are designed to be
5 able to flex and provide additional capacity.

6 MR. PEARCE: The next question was about
7 coldest design ambient temperature.

8 CHAIR MITCHELL: Mr. Pearce, before you
9 move to question number 3, I'm going to go back to
10 question number -- your responses to question
11 numbers 1 and 2 for a minute.

12 You referenced the incident command
13 system, and as I understand it, and as you
14 explained, as Aqua explained in the responses
15 you-all provided, it's a management system that's
16 designed to enable communication and deployment of
17 resources during an event. But can you talk
18 specifically about what the incident command system
19 is to Aqua? You know, who's in charge?

20 MR. PEARCE: Sure.

21 CHAIR MITCHELL: Who makes that decision
22 to institute the system and how many times have
23 y'all had to -- have you gone into this protocol?

24 MR. PEARCE: We first used it in Hurricane

1 Florence. We've instituted it four or five times
2 since then. I don't keep an exact count. I'm
3 normally called for the ICS to get started or if
4 Shannon asks me is it time and we're doing so. I'm
5 usually rolling out the Inclement Weather Emergency
6 Response Plan first, and then as you see it growing
7 you decide to go ICS. We actually start some events
8 and then decide during the event if we need to go to
9 a statewide ICS. We can also have them at the local
10 area, if it's only an area it may only be the
11 western part, or central, or coastal for those
12 areas. I usually make the decision to go to ICS.
13 We'll have a pre-meeting beforehand; we're assigning
14 roles.

15 When I speak to ICS, we're actually
16 following what's called the National Incident
17 Management System rolled out by the federal
18 government after Hurricane Katrina. Katrina had
19 real issues with communications and response. It's
20 used by large numbers of the municipal governments.
21 I mean, we've used that here at Aqua as a means to
22 ensure we've got 24-hour, seven day, or however many
23 day coverage. It does several things.

24 So, we'll assign an incident command --

1 I'm not sure how much detail you want -- we'll
2 assign an incident commander. The job should be
3 two: One for one 12-hour shift, one for the other.
4 We actually have three people that normally fill
5 that role, one of three, depending on who's
6 available in case --

7 CHAIR MITCHELL: And who's qualified to
8 fill the role? I mean, are --

9 MR. PEARCE: Myself, Shannon Becker and
10 actually Ruffin Poole. Ruffin knows the systems and
11 actually does a nice job with it. He was there for
12 Hurricane Florence with me. I was new at that
13 point, a few months in, when Hurricane Florence got
14 here.

15 We have an environmental compliance
16 officer, Ms. Amanda Berger, and she'll use someone
17 on her staff as her second or she'll use someone at
18 our corporate offices as her second command. We
19 have primary and secondaries. We have an
20 operational technology officer. That's the person
21 handling our SCADA and all of our outside
22 programming. We have a public information officer.
23 That's the person who is making contact with the
24 press, the public, and ensuring that we're covering

1 with DEQ, even the Utility Commission, and
2 customers, because a big part of that response is
3 how do you respond to customers, because they want
4 to know what's happening, when they're going to get
5 water back, what's going to be the response time.

6 Now, we have a finance officer to ensure
7 we have the funds and resources we need to carry on
8 through the event. We have a safety officer. What
9 happens is it's very easy to get hurt when you're
10 responding to an emergency to these long term
11 events. People get tired. They're not doing their
12 normal job. They're using chainsaws. They may get
13 in ice situations. So, safety is a big portion of
14 it. That's the way we start all of our meetings
15 with that group and that's what we cover with the
16 staff.

17 We have an engineering officer. They help
18 to support us with what systems, how we make the
19 repairs, any of our complicated requirements for
20 resources. We do split it down by area so inside
21 our individual areas we assign them as team leaders.

22 We have task force leaders at the
23 supervisor level. We actually use our human
24 resources officer as a personal resource officer

1 during that time, event, if employees' families need
2 to be taken care of. Human resources are doing two
3 things. They're making sure their families are
4 taken care of, because employees like to know their
5 families are taken care of during the long-term
6 events. Especially in Hurricane Florence, it became
7 a pretty big issue for HR to reach out and keep in
8 touch with them and make sure we had the staffing we
9 need. It also helped us ensure we had staff back
10 that were away from work when the event started.

11 We have logistic managers who are
12 assigned, that person and a backup, to ensure that
13 we can get fuel, get lodging, get food. We bring in
14 out-of-state resources and our own to get through
15 large events. You can imagine if you're paying
16 someone from say Virginia or Pennsylvania, you need
17 to find a room for them and food.

18 And lastly, a customer care officer. They
19 are assigned through the customer call center to
20 help ensure that we've got the 24/7 coverage. Our
21 call center will be fully staffed 24-hours during
22 the significant event with our staff. We'll also
23 use our outside customer call center to help support
24 that.

1 So, it's a pretty significant system.
2 They're trained on that. We've been using that now
3 for four years and think it works fairly well. But
4 basically at that point when these events come along
5 we're all hands on deck. People don't do their
6 normal jobs. It's a way to reassign them. They all
7 answer to the incident commander, whoever it is for
8 that shift, and it goes down through that chain of
9 command.

10 Ms. Mitchell, I know that's a lot of
11 presentation but it's --

12 CHAIR MITCHELL: No, that -- I appreciate
13 all of that detail. And tell me the times that the
14 Company has had to implement the ICS. You said four
15 or five times, has it been in the summertime or in
16 the wintertime or a combination of the --

17 MR. PEARCE: The ones I've been involved
18 in, summer and fall.

19 CHAIR MITCHELL: Okay.

20 MR. PEARCE: The hurricanes have been the
21 main issues.

22 CHAIR MITCHELL: Okay. All right. I
23 think you were on to question number 3.

24 MR. PEARCE: Okay. So, the question is

1 about coldest design ambient temperatures. We don't
2 have a set number for that ambient temperature. We
3 do build to the state design requirements. So their
4 typical minimum burial depth for a water line is
5 30 inches; however, the freeze line is only 12
6 inches below grade. So, we've got 18 inches or so
7 of hopefully insulation between the freeze line and
8 our pipe. Our wellhouses are heated, and external
9 exposed items which can freeze are heat taped and
10 insulated.

11 In the overall system, the greatest risk
12 for freezing of what's Aqua's assets is the meter
13 box. The meter boxes are usually fairly shallow and
14 uninsulated so those will freeze. And we have staff
15 that will go during the event when they get those
16 reports and they will thaw meter boxes. There is a
17 slight risk for hydropneumatic --

18 MR. LITTLE: Chair Mitchell, can we
19 interrupt?

20 CHAIR MITCHELL: I'll give y'all a chance
21 once these gentlemen are finished to ask questions.

22 MR. LITTLE: Thank you.

23 MR. PEARCE: During severe events there is
24 some risk of hydropneumatic tanks freezing, which I

1 learned just a few days ago. I have learned that
2 they have ways to warm tanks with barrel heaters,
3 which is interesting. I hope I never see it. But
4 if they do I'm looking forward to watching it when
5 it gets so cold that a hydropneumatic tank will
6 freeze.

7 The next question is about interruptible
8 pricing tariffs. And no, Aqua does not participate
9 in interruptible pricing tariffs. Our generators at
10 our sites are usually pretty small, so we really
11 don't have that capability to do that reliably.

12 Do we have a backup plan for power loss?
13 Yes, we do. We have a combination of fixed
14 generators and portable generators. We have a
15 pretty good size fleet, 41 portable generators.
16 These are between 30 kW and 75 kW spaced throughout
17 the State on the portables. So, if you can -- what
18 will happen is during the event we'll get power
19 outage, we'll give it a certain amount of time for
20 the power company to respond, if they don't then
21 we're rolling a generator towards that site. We'll
22 hook the generator up, pressurize the system. If
23 it's a big system we leave the generator. If it's a
24 small one, we'll basically pressurize it and head to

1 the next system with it, as far as moving those
2 generators.

3 Those generators are substantial
4 generators. They have a storage tank, a double wall
5 with a storage tank below them for fuel. They'll
6 normally store 24 hours worth of fuel at full load.
7 Mostly since we're not at full load, so it's not a
8 big issue with refueling those generators.

9 CHAIR MITCHELL: Mr. Pearce, talk some
10 about fuel. So, you said normally the generators
11 would store 24 hours worth of fuel. Does that mean
12 that for each generator you have associated with
13 that generator a 24-hour fuel supply?

14 MR. PEARCE: Correct. There's a 24-hour
15 fuel supply under the generator itself. There's a
16 fuel tank under the bottom of it.

17 CHAIR MITCHELL: And then how do you
18 ensure that you've got sufficient fuel if there's an
19 event that goes beyond the 24 hours?

20 MR. PEARCE: So, we -- these are all
21 diesel generators and we do what we can to move
22 diesel around. We have a few hundred gallon storage
23 tanks that are actually in back of trucks. During
24 Hurricane Florence we reached out to others.

1 CHAIR MITCHELL: Okay.

2 MR. PEARCE: So we managed to get fuel
3 from the ports at Wilmington. The Cape Fear Public
4 Utility Authority helped us use their supply there.
5 And it really wasn't -- diesel wasn't our issue, it
6 was gasoline. The issue was not us moving, the
7 generators didn't run out of fuel, our vehicles did.

8 CHAIR MITCHELL: So in advance of a
9 weather event do you go and fill up all of the
10 storage?

11 MR. PEARCE: We fill up -- as part of the
12 Inclement Weather Emergency Response Plan is to fill
13 all the vehicles.

14 CHAIR MITCHELL: Okay.

15 MR. PEARCE: And they are full going into
16 it. But we don't store gasoline.

17 CHAIR MITCHELL: And what about fuel for
18 generators? I mean are --

19 MR. PEARCE: All those are topped off.

20 CHAIR MITCHELL: Okay.

21 MR. PEARCE: And we also have contracts
22 with people to supply diesel to us. So we have fuel
23 companies that will provide diesel. And that's --
24 so far we've never had to use that here, though, on

1 the diesel side.

2 And we'll speak later to NCWaterWARN. But
3 if I run out of diesel, I would call NCWaterWARN to
4 finally invest their diesel and we'll be buying some
5 diesel from a neighbor, neighbor utility, when
6 things get really -- during Hurricane Florence,
7 NCWaterWARN helped me get fuel for Wilmington.

8 CHAIR MITCHELL: Okay. If there -- how --
9 who is in charge? What member of the ICS is in
10 charge of coordinating with Duke Energy or the
11 electric power supplier about availability of
12 electric service?

13 MR. PEARCE: The incident commander
14 normally handles that.

15 CHAIR MITCHELL: And --

16 MR. PEARCE: We had a -- we have a
17 customer rep with Duke Energy that I normally work
18 with for those items. And they are -- we're staying
19 in contact for where I need to know if we have power
20 they can ping our systems and let me know if power
21 has returned and also I can let them know where I
22 need them to get power back as soon as possible.

23 CHAIR MITCHELL: And so what I'm hearing
24 from you is there is coordination with your electric

1 power suppliers and during previous weather
2 events --

3 MR. PEARCE: Sure.

4 CHAIR MITCHELL: -- you have worked
5 closely with the electric power supplier to ensure
6 restoration or verify whether service --

7 MR. PEARCE: Correct.

8 CHAIR MITCHELL: -- is being provided to
9 your facility?

10 MR. PEARCE: Sure. Dwight -- I'm not sure
11 I should mention names or not, but Duke Power's
12 individual for us is a person named Dwight Moore who
13 worked with us closely on making sure we got power
14 back as soon as possible to our sites.

15 CHAIR MITCHELL: And does that gentleman
16 assist you with both Duke Energy Carolinas' sites as
17 well as Duke Energy Progress' sites?

18 MR. PEARCE: He was, he's now retired.
19 They've got a new person that we're working with
20 now. So, it's a good bit of training for us to
21 learn to work together. If you can imagine, when
22 they change staff we have to go back through the
23 process of gaining the relationship.

24 CHAIR MITCHELL: But I assume you've

1 undertaken the -- beginning that work together?

2 MR. PEARCE: We have. We've already got
3 some other things working with Duke that -- we're
4 doing well.

5 CHAIR MITCHELL: Okay. Well, that's of
6 significance to this Commission that the utilities
7 are coordinating, so the more that you can tell us
8 about that relationship the better in our opinion.

9 MR. PEARCE: Sure. So my current Duke
10 person we've worked great with trying to get the
11 billing corrected to get all the names right and the
12 addresses right. And that's a big deal because we
13 have 1700 accounts with Duke Energy, whether it's
14 Progress or Duke Energy, and it's been a major
15 undertaking, a task. And this Mr. Zavala has been
16 extremely helpful in getting that done for us. And
17 from that list now he will be able to help me out
18 more with the emergency response. So, if I contact
19 him with a meter number it will show up saying Aqua
20 on it and so they'll know to respond. When Aqua
21 calls and when I ask them they can track accounts by
22 Aqua and say where Aqua has lost power. Before we
23 had some misnamed accounts that I was having
24 difficult time getting fixed.

1 CHAIR MITCHELL: Okay.

2 MR. PEARCE: We've -- in the last six
3 months we've had a lot of improvements on the
4 billing and account names.

5 CHAIR MITCHELL: Okay. And --

6 MR. PEARCE: If I were getting into
7 extreme details of the business, but --

8 CHAIR MITCHELL: That's helpful.

9 MR. PEARCE: If you could imagine, we
10 are -- Aqua is made up of several different
11 companies and every time the companies are brought
12 in, they have to change those account names and if
13 the account names are wrong then we can't track as
14 well. We have managed to get them consolidated into
15 a single set of names.

16 CHAIR MITCHELL: Thank you.

17 MR. PEARCE: Any more questions? I think
18 I was on question 4.

19 MR. BECKER: Next slide.

20 MR. PEARCE: Okay. Next slide.

21 COMMISSIONER BROWN-BLAND: I do have --

22 CHAIR MITCHELL: Go ahead. I'm sorry.

23 COMMISSIONER BROWN-BLAND: I do have one
24 question. You just mentioned a minute ago that your

1 gas supply becomes -- can become a problem. So what
2 has been your solution? And are you looking at
3 making any changes as this world keeps having more
4 cyber and other kinds of risk that we guard against?

5 MR. PEARCE: Well, so the solution during
6 Hurricane Florence were two. One is we contacted a
7 contractor who brought us in 500 gallons of fuel.
8 And we have some large contractors that do capital
9 work for us and I can call them and they will do
10 everything they can to help us get through a
11 situation.

12 We have not yet put in a fueling station.
13 If I end up severely in a severe case for fuel, I'll
14 be contacting the State and finding out where
15 they've got emergency fueling. Because when you
16 build a fueling station, there are a lot of risk and
17 liabilities: Spillage, leakage. If you're not in
18 the business of providing fuel every day, you
19 probably shouldn't do it. The State has supplies
20 but for their fleet services, their DOT. When we
21 get to that point you will find me reaching out to
22 the State Department of Public Safety Emergency
23 Management saying please help me get some fuel so we
24 can keep safe water. And I'm pretty sure they will

1 step up to the plate and help us find fuel whether
2 it's from their supplies or from other parties. I
3 hate to say I depend on others but we do.

4 MR. BECKER: We additionally have
5 corporate who has some relationships with some
6 prioritized local fuel vendors where they just don't
7 sell to the public, but we've been able to arrange -
8 I can't remember which storm it was but it was
9 recent - we were able to arrange some, to tag along
10 on that priority service where our fleet was able to
11 fuel at some of these prioritization stations that
12 did not sell to the public.

13 MR. PEARCE: Right. We did have a few
14 convenience stores that only provided fuel to
15 ourselves and other private customers and retained
16 the last of their fuel supply for us during the
17 shortage. That wasn't the weather. That was the
18 fuel shortage where we had people hold fuel for us.

19 COMMISSIONER BROWN-BLAND: So, are those
20 relationships that you either work on or maintain so
21 you know they're already in place, maybe through a
22 Memorandum of Understanding or something, or right
23 now it hadn't gotten to that point where you thought
24 about having to do that?

1 MR. PEARCE: As far as on the fuel?

2 COMMISSIONER BROWN-BLAND: Uh-huh (yes).

3 MR. PEARCE: We -- I don't currently have
4 a Memorandum of Understanding. We don't --

5 MR. BECKER: Corporate facilitates -- our
6 fleet director up in corporate has a lot of these
7 relationships. So when a situation like this
8 happens, we reach out to corporate and other sister
9 states that are nearby to bang on the level of need.
10 In this case, our fleet director has those
11 relationships. I don't know if it's a MOU or how we
12 maintain those, but they were able to come through
13 in very short order and help us.

14 MR. PEARCE: We also have two national
15 level emergency response teams we can call and they
16 will bring in fuel. But they are the most expensive
17 choice though so we try not to call them any more
18 than we have to to bring in teams from other states
19 that are nothing but emergency response. That's a
20 last ditch call and I've not made that call yet.

21 COMMISSIONER BROWN-BLAND: So it sounds
22 like to me it's definitely an issue and it's on the
23 radar and that you take it into account and you have
24 some backup measures in place.

1 MR. PEARCE: Right.

2 COMMISSIONER BROWN-BLAND: But I take it
3 to date you haven't had a problem where you weren't
4 able to get that fuel?

5 MR. PEARCE: Correct. It has not stopped
6 us yet from completing our service.

7 COMMISSIONER BROWN-BLAND: Thank you.

8 MR. PEARCE: The next question is anything
9 different for operations during cold weather? The
10 primary thing is ensuring that our generators are
11 fully functional. The fixed units are tested almost
12 every week. I'm pretty sure they're tested every
13 week as part of their, what's called, "regular
14 required visits".

15 The portables aren't tested every week.
16 They just -- it's just not part of the plan. They
17 do not accept load. It's just not part of what we
18 do. So, we go back and we double check those. I
19 mean, they're checked monthly. And so you go back
20 right before the event and you make sure they start
21 and you make sure the batteries are charged, make
22 sure everything is good and ready to go.

23 MR. BECKER: The tires.

24 MR. PEARCE: And the tires -- well, we can

1 talk about tires for a second. These generators
2 that look so nice really are not intended to go 70
3 miles an hour down Interstate 40 and travel 200
4 miles. They are single axil trailers and it's a bad
5 day if a tire blows. So you will actually find
6 us -- if I have to move -- if I need to move three
7 generators from the coast to say Kernersville, we
8 will contact a hauling company and they will put
9 them on the back of a wrecker and they will drive
10 them there. That's a safer way than us having flats
11 on I-40. If you can imagine, if you have a flat you
12 can also lose the truck and not to mention worker
13 safety.

14 So, actually moving those, they're fine
15 for moving those trailers 40 or 50 miles but don't
16 move them 200. We learned during Hurricane Florence
17 just how much those tires are not meant to go those
18 speeds for those time periods. Even with new
19 trailers it's a safety issue.

20 CHAIR MITCHELL: Mr. Pearce, does the
21 Company have sort of a routine maintenance and
22 operation program related to the generators? I
23 mean, are you-all regularly checking them and
24 assuring --

1 MR. PEARCE: We do. So we have an annual
2 full maintenance done by an outside service company,
3 and there are several of those depending on which
4 part of the State they're in, so we don't have one
5 contract for statewide. I've got three different
6 contracts, different vendors, and then we have our
7 operators and utility technicians testing the
8 generators regularly. The fixed ones more-so. The
9 ones at the wastewater treatment plants and some
10 pump stations, those are weekly starts and month-end
11 loading.

12 CHAIR MITCHELL: Thank you.

13 MR. PEARCE: Through the -- in the
14 maintenance program.

15 The next question was how do we monitor
16 water supplies. Approximately 55 percent of our
17 wellhouses have remote monitoring for both power
18 outages and low pressure, so there's a way to
19 monitor there. It comes back across cellular and
20 cellular picks up at our SCADA facility and then we
21 know we've lost power or there's been a power
22 outage.

23 The other 45 percent, we are dependent
24 upon -- either we're -- we do check the Duke outage

1 map that's online to see if those line up so we may
2 get some forewarning there, but typically the
3 customers call almost the second the lights flicker
4 to say we're losing power, and we're monitoring the
5 call center. The call centers are sending out work
6 orders and we are tracking those continuously.

7 The next question is how do you prepare
8 for extremely cold weather. And that's our
9 Inclement Weather Emergency Response Plan checklist
10 that is implemented. That's the preparation for the
11 storm.

12 Question 6: What do you do if water is
13 unsafe to drink? I want to break this into two
14 items. One is if we just lose pressure the water
15 may not be unsafe to drink. It is not well
16 guaranteed though if it's at full pressure. So
17 we'll issue what's called a system pressure advisory
18 and we will recommend that they can either boil the
19 water or use an alternative source.

20 Unsafe to drink is a different term.
21 Unsafe to drink means that you know the water is
22 unsafe to drink. It may be bacterial. It may be a
23 pollutant. It could be a parameter. It could be
24 PH. Unsafe to drink means we are getting people to

1 stop drinking. We are draining the system. We're
2 going to every house. Those are very, very rare,
3 knock on wood, as far as unsafe to drink. So, loss
4 of pressure doesn't mean necessarily that your water
5 is unsafe to drink, it's just not as reliable as
6 when you've had a system that stayed at full
7 pressure. And the water they are being provided has
8 been chlorinated. It came from a ground water
9 source not a surface water source so very little
10 chance of it being bacteriologically contaminated.

11 So, there's a -- we issue system pressure
12 advisories which do recommend boil water. They're
13 not a full -- they're not a boil water requirement.
14 I hope the Commission understands. It's a level of
15 safety. I recommend it. And we do issue a fair
16 number of those. We have small systems that have
17 water line breaks and we -- a water line break and
18 loss of pressure -- we let the customers know we
19 recommend until we get bacteriological testing back
20 that confirms the water was safe to drink.

21 MR. BECKER: And when we issue an SPA or a
22 special pressure advisory, they're sent out as soon
23 as we are made aware of the break or the pressure
24 loss. And then the sampling that we do is almost --

1 well, once the repair is made and return it back to
2 pressure, we take a sample. Is it 48 hours, 24 to
3 48 before we get the results back?

4 MR. PEARCE: Correct. Twenty-four is the
5 bear minimum if we get everything perfect. It's
6 usually 48 and then if it's okay, 72, if it's say a
7 Sunday because of lab turn-around.

8 MR. BECKER: So, we issue this special
9 pressure advisory with the intent of issuing a lift
10 after we get the results back from the sampling
11 indicating that the water is safe to drink. We will
12 then issue another lift of the special pressure
13 advisory to those same customers. And we can
14 triangulate or minimize the special pressure
15 advisory to sections of customers within a system;
16 it can be a street, it can be the whole system, it
17 can be multiple systems. So we can triangulate
18 where we want those special pressure advisories to
19 go so anybody with the potential to be impacted,
20 negatively impacted, we can cover and we do cover.

21 CHAIR MITCHELL: Would you-all connect the
22 dots for us here so that we're all -- make sure
23 we're all on the same page. Help me understand why
24 loss of water pressure results in water that for

1 which you're going to issue the well water advisory?

2 MR. PEARCE: So, if the water goes below
3 20 psi, it's actually the federal rule, there's a
4 possibility of water that surrounds the pipe getting
5 inside the pipe. So if that water outside the pipe
6 is contaminated with bacteria, it can make its way
7 into the pipe. So, it's really the pressure in the
8 water pipe is what keeps it safe. So, if you lose
9 pressure, you've got the possibility of water
10 surrounding the pipe basically getting into it.

11 So whether it's the sewer line, septic
12 line, God forbid, gasoline contamination, whatever
13 it may be, that can make its way into the pipe.

14 CHAIR MITCHELL: Okay. Thank you.

15 MR. PEARCE: The pressurization of the
16 pipe is your -- is another one of your safety
17 factors.

18 MR. BECKER: And to clarify, we have a
19 separate notice aside from the SPA, the special
20 pressure advisory, which is the boil water notice,
21 which is what we would do when we have a do not --
22 actually, it's a "Do Not Consume". But a Boil Water
23 Notice is a mandatory to boil your water before you
24 drink. The SPA, the special pressure advisory, is a

1 recommendation.

2 MR. PEARCE: And Do Not Consume's /
3 boiling water in the case of a pollutant
4 contamination you may not want to boil your water.
5 You can make matters worse. So, we want to make
6 sure it's using the right mitigation for whatever
7 the event that occurs.

8 The next question was about what if we
9 have no water. And we have a lot of things that we
10 use as sort of a shotgun approach. We're doing
11 multiple items. One is we're rolling generators to
12 sites without power. We have a relatively nice low
13 hanger gallon water tank that is pressurized.
14 Before the event we will fill it with water and we
15 will have it bacteriologically tested and it will be
16 ready for potable use, if we have enough notice.
17 That why I say we have to have notice for that
18 portion to happen.

19 We can supply bottled water. We used to
20 supply bottled water more often but believe it or
21 not it becomes a worker safety and health issue. If
22 you deliver 20 or 30 cases of water your back starts
23 to hurt. We found that the customers seem to be
24 just as appreciative of a small gift card to a local

1 grocery store to get their own water in which case
2 there's not the handling nor the storage of all that
3 water, which if you don't use it all it gets dusty
4 in your warehouse. So we have gone more to the gift
5 card to a local grocery store for the inconvenience.

6 And also we can get in an extreme
7 situation we have contract water haulers. The
8 contract water hauler's water usually will not beat
9 bacteria. It will be suitable for toilet flushing
10 and that's about the only real use it would have
11 unless people choose to boil it on their own.

12 We also get assistance from NCWaterWARN.
13 NCWaterWARN is primarily a municipal group but it
14 also includes other utilities. Basically, it's a
15 cooperative agreement to provide services in case of
16 emergencies. As part of that, you agree that if you
17 provide service to others you'll be reimbursed at
18 FEMA rates and if they provide services to you
19 you'll be reimbursed at FEMA rates. We first used
20 it during Hurricane Florence. The City of Raleigh
21 helped us out at one of our wastewater plants that
22 was about to go under water. We helped a little
23 town in eastern North Carolina because they had lost
24 their pump stations. They didn't have the staff to

1 wire it nor the generators. Our event was slowing
2 down and we sat down with an electrician and utility
3 technicians and we hooked up a generator and we got
4 their pump stations running.

5 So, it's basically cooperation, whether
6 it's Raleigh helping Aqua, Aqua helping Raleigh, or
7 Cape Fear. Cape Fear helped us with getting fuel.
8 It speaks to a lot of utility directors working
9 together to get our -- for us all to meet a common
10 goal which is uninterrupted service. And there's no
11 charge for NCWaterWARN. And it's -- even when the
12 event occurs, I don't know that everyone responds.
13 I believe we, I'll say in the case of Aqua, if we
14 can respond we do. It helps build that cooperation,
15 a cooperative relationship.

16 We can get assistance from NC -- from
17 Aqua's North Carolina sister states. During
18 Florence, we requested assistance from both Virginia
19 and Pennsylvania. It depends on who has what
20 resources. During Florence, we managed to get 13
21 generators down from Pennsylvania, because you
22 couldn't get them in Virginia because they used
23 all -- they needed those in Virginia because the
24 storm affected them also. But sister states does

1 support. We do have some company-wide programs for
2 emergency response, particularly for hurricanes, not
3 so much for inclement weather. Pennsylvania seems
4 to handle storms better than I think North Carolina
5 or Texas would.

6 And lastly we're going to request
7 assistance from State of Emergency Management. We
8 participate in the State Emergency Operation Center
9 through the WebEOC. I've only reached out to them
10 once for -- we provided reports to them about how
11 we're doing at Aqua. We use it so I can basically
12 track road conditions, weather conditions; Duke
13 Energy reports to them as far as number of outages.
14 That's before they report to -- you see things there
15 you don't see on the news; different level. But if
16 you end up needing something that you can't get
17 through your local resources, you can reach out to
18 them.

19 During Hurricane Florence the issue wasn't
20 in Hampstead. The storm rolled around and went up
21 through the Kernersville/Greensboro area and an area
22 called Oak Ridge. It had a lot of trees down. I
23 think we lost 35 systems in one hour, lost power.
24 And Duke was not able to get back to Oak Ridge very

1 quickly. I think on the second or third day we
2 couldn't get generators there. There was so many
3 trees down you couldn't get to them. Bottled water
4 ran out at the grocery stores. We contacted
5 Emergency Management. They arranged for us to get a
6 trailer with water delivered to the local grocery
7 store area. Luckily, the power came back and we
8 didn't have to do it, but they had arranged for it
9 to happen for us. We would have been paying for it
10 but they helped you get that resource. And like I
11 say, Emergency Management isn't just a public
12 entity, they help private also so that's why we stay
13 part of that group.

14 Next question is how would you communicate
15 with customers. For system pressure advisories we
16 provide information by email, text and telephone to
17 those customers that provides us that information.

18 In the case of Do Not Consume, we are
19 doing door-to-door communication. Also, if we get
20 to where we're doing the Do Not Consume, I'm
21 probably reaching out to our local health department
22 also to let them be involved in the task of going
23 door to door. Local health departments are key in
24 that process. We can also use a press release for a

1 larger event.

2 How would you communicate with the
3 government? We send emails to the North Carolina
4 Department of Environmental Quality. We normally
5 have started that process before the event occurs.
6 We normally tell them we're going to respond -- a
7 couple of things we do with DEQ. The first is DEQ
8 is scattered over the entire state and they would
9 contact our folks directly. There would be 20
10 people contacting 20 people. We limit that now to
11 where we have our environmental compliance officer
12 corresponding with each regional office at set times
13 of the day; it's usually 10:00 a.m. and 4:00 p.m.,
14 with a set email giving current status, and they
15 communicate back through her that we can send back
16 through the system. It's easier to maintain
17 knowledge that way as far as putting through a
18 central location with DEQ.

19 In the case of with Emergency Management,
20 we're contacting them through the WebEOC, and we
21 also communicate with the Utilities Commission and
22 Public Staff via email. In the case of the
23 Utilities Commission and Public Staff, that's
24 normally Shannon taking care of that portion of it.

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1 But we try to key in on contact with the -- during
2 the events we really focus on getting the event
3 resolved and the communication outside is, sort of,
4 a secondary, because we have to get the event logged
5 as quickly as possible.

6 What's our key customer message? Need the
7 status of the water supply and/or wastewater
8 treatment; any recommendations for boil
9 water/alternative water supply; and lastly, expected
10 time of recovery.

11 We are conservative on our time of
12 recoveries. You don't ever tell someone that's
13 going to be recovered and you don't make it. So you
14 try to make sure that you're giving them a
15 reasonable time period for that so they can plan for
16 how they're going to respond to the situation.

17 (Inaudible conversation at the witness stand)

18 MR. PEARCE: I didn't mention it yet. So
19 we do have -- there's something new at Aqua which
20 you may not have seen yet. We have a disruption map
21 online. It's not as -- not quite as nice as Duke
22 Power's but if you pull up -- if you're able to get
23 to the internet during the event, you can go to
24 Aqua's website, you can pull up a map and it will

1 show you, if you'll put in the address or your zip
2 code and it will take you to that local area and
3 tell you what's going on in your area. There will
4 be a little polygon. It will say here's what's
5 going on here and here's the expected time of
6 recovery for you. I've not used that yet during an
7 event.

8 MR. BECKER: It's new.

9 MR. PEARCE: It's new. I think the last
10 question was any operational issues due to cold
11 weather in the last three years. No. 2019 and 2020
12 and 2021 have been relatively quiet for us for
13 inclement weather events. 2018 was interesting.
14 That was winter storm Grayson. They did have some
15 freezing. They had a water tank up in Gaston County
16 that froze up in Moratuck Manor and they had to thaw
17 it. They had a lot of water meters in 2018 they had
18 to close off, but that's my understanding on 2018.
19 I was not here for that 2018 event. I joined after
20 that point.

21 CHAIR MITCHELL: Mr. Pearce, I recognize
22 you weren't with the Company, but what about during
23 the Vortex events in 2014 and 2015?

24 MR. PEARCE: So on that one I asked my

1 staff, the 2014, I saw that question yesterday and I
2 asked the senior staff there, people that have been
3 there -- when I say senior, they've been there 30
4 years -- and they didn't seem to remember it. So, I
5 apologize, Commissioner Mitchell, I don't have an
6 answer for you about the 2014-2015 event.

7 Grayson - I was working for the
8 municipality when Grayson hit, and they lost a water
9 tower about an hour and a half, but not for -- they
10 had actually had sprinkler heads freeze in unused
11 buildings at the university. So, the sprinkler
12 heads all open if you lose your water towers.
13 Thankfully, we had other options. We had four or
14 five million gallons of water we could use until we
15 would figure things out, but there are other things
16 that happened.

17 If we end up with a severe event, we will
18 probably end up enlisting people to go door to door.
19 What happens is the water lines freeze under
20 people's houses, so it's not your asset that
21 freezes. The lines under people's houses freeze and
22 then when those thaw you lose water through those
23 people. So you'll need to go door to door and
24 figure out if you've got water loss and basically

1 check the meter and cut off the meters. And the
2 city I was working for when Grayson came through,
3 well the fire department actually visited about
4 12,000 homes over three days and cut off water
5 because we had over 80 little line breaks under
6 people's homes. But at Aqua, the '14-'15, I don't
7 have any information on. I apologize.

8 MR. BECKER: And Chair Mitchell, I was in
9 Virginia in 2014 and '15. I am not aware of Tom
10 Roberts, my predecessor, having to go through
11 anything significant. In Virginia, the extent of
12 our issues with regards to those events was really
13 frozen meter boxes. Just getting out and trying to
14 prepare individuals of how they can unfreeze their
15 own, but it was really very limited.

16 MR. PEARCE: In Texas, after they had
17 their freeze last year, they called us to ask how to
18 unfreeze meter boxes, and we told them the way we
19 did it. The good way and the bad way. We told them
20 just to use the good with the torch and to stay away
21 from the plastic meter box and stay away from the
22 plastic meters with a torch.

23 CHAIR MITCHELL: That sounds like good
24 advice. I hope they took it.

1 MR. PEARCE: I think they did. I think
2 they were busy because I didn't get a lot of
3 feedback.

4 CHAIR MITCHELL: Let me see, check in with
5 Commissioners. Questions for Aqua before we let the
6 Public Staff loose? Commissioner Hughes?

7 COMMISSIONER HUGHES: Thank you very much.
8 Could you talk a -- just little specifics about your
9 communication channels with customers? I've just
10 been both as a consumer and Utilities Commission --

11 MR. PEARCE: Sure.

12 COMMISSIONER HUGHES: -- curious about how
13 connected are we to people with cell phones. Is it
14 a volunteer opt in? Do you ever kind of go through
15 and do tests to see? Are you reaching 80 percent of
16 your customers with text messages or 20 percent?
17 Just, you know, some general --

18 MR. PEARCE: If you will allow me just a
19 moment, I think I've got an answer for that one.

20 COMMISSIONER HUGHES: Okay. Great. I'll
21 try to come up with a question you don't. Let me
22 see.

23 MR. PEARCE: Great. In the case of email,
24 we have 68 percent of our customers connected via

1 email.

2 COURT REPORTER: I'm sorry. Did you say
3 68 percent?

4 MR. PEARCE: Yes, 68 percent of our
5 customers connected via email. In the case of
6 phone, it's 97 percent, which is actually lower than
7 I thought. I thought we'd have -- so apparently
8 three percent of our customers don't have --
9 wouldn't give us a phone number.

10 COMMISSIONER HUGHES: But not -- for 97
11 percent. And did they have to opt in or you get
12 their number and they don't get a choice for some of
13 these things?

14 MR. PEARCE: I believe our current
15 applications you have to give a phone number but
16 these may be old, old customers that's been for
17 awhile.

18 MR. BECKER: And you can opt in and you
19 can select a method by which you'd like to be
20 contacted, and you can pick multiple. Right. So by
21 phone, email, or text, or and all, all three.

22 MR. PEARCE: Text is 51 percent which is
23 still pretty good. And we think about that on the
24 municipal side I don't know if -- sure if they do

1 the same thing. I'd never worked for a municipality
2 that provided email, phone, and text for events, but
3 I may not have worked for the best utilities either
4 on the municipal side. And you know where I worked,
5 Commissioner Hughes.

6 So, it's a pretty -- it's a fair
7 percentage, and it does depend upon affluence
8 perhaps though. I know that maybe in Bayleaf, the
9 north Raleigh area, we're at about 80 percent
10 saturation, 86 on email. We had to deal with
11 that -- you know, look at that. It's a pretty high
12 percentage. But they also communicate in other
13 ways. There's this thing called Nextdoor. So you
14 send a comment to one and it travels pretty quick on
15 their own social media sites.

16 COMMISSIONER HUGHES: Thank you for that.
17 It's very interesting. We asked you mostly
18 questions about water and you talked mostly about
19 water. Are there any unique challenges that you
20 faced either both in a cold event and just in
21 general with your wastewater systems? Particularly,
22 you know, I think at the systems that are grinder,
23 heavy with grinder pumps, so what happens when all
24 those individual assets that you might not control

1 them might go down for extended periods?

2 MR. PEARCE: So, there are two things.
3 Grinder pumps I can speak about first. The power
4 goes off for an extended period. Those homeowners
5 don't have a way to flush. For all purposes their
6 tanks will fill. And when they all come back on
7 they'll come on simultaneously. You'll lose a fair
8 number of your -- grinder pumps will fail because
9 they're not meant to run for hours on end, so it is
10 a higher failure rate.

11 During Hurricane Florence I think there
12 was one particular area we lost maybe 20 percent
13 when the grinder pumps failed, where they ran so
14 many hours they overheated and failed. So there is
15 a greater failure rate for grinder pumps. There are
16 homeowners that think we should go home to home and
17 hook up generators and that's really not an option.
18 But when they sign their agreements for their homes
19 that was in their agreements, that we do not provide
20 power service to grinder systems. That's their
21 responsibility to provide power.

22 When all of those grinder pumps come on,
23 they can also overload the wastewater plant
24 temporarily. Normally, we've handled that fairly

1 well with the plant itself. So grinders are an
2 issue. It's not gravity. It doesn't get to the
3 wastewater plant. Gravity always works, almost
4 always. So, there's a greater risk for those
5 homeowners on grinder pumps.

6 The other thing that can happen is these
7 are small wastewater plants and a lot of them use
8 something called Airlift for return activated
9 sludge. When these get really cold the Airlift line
10 can freeze and when the RAS, return sludge, quits
11 working then your clarifier will build up and your
12 plant has an issue. So you can have some issue with
13 the plants themselves. I have seen plants in North
14 Carolina that we operate operating at 1°C and is
15 still producing pretty good wastewater which shocks
16 me. I'm not sure how it does anything at that
17 temperature but it's still doing it. So the plant
18 stuff will run but the RAS, it's called the RAS
19 line, return activated sludge lines will freeze on
20 its own so we have to watch those. We will increase
21 those flow rates to try to keep them from freezing.

22 COMMISSIONER HUGHES: And just back to tie
23 to the first question, I mean, with contacting
24 people with grinder pumps you mentioned

1 door-to-door. I mean, do you have a separate
2 text --

3 MR. PEARCE: We do --

4 COMMISSIONER HUGHES: -- to send out just
5 so the people with grinder pumps can get it.

6 MR. PEARCE: So, when we do these system
7 pressure advisories and SPLs or any of those to the
8 customer, we actually take a GIS map, draw on the
9 map who you want to contact and we do custom
10 messages. So, we'll send messages about grinder
11 pumps. In fact, even our standard inclement weather
12 includes a small note about grinder pumps. I'll say
13 grinder pumps are a greater risk system so we do
14 reach out to those people along. We try not to send
15 a grinder pump message though to non-grinder pump
16 communities.

17 COMMISSIONER HUGHES: Okay --

18 MR. PEARCE: They tend to get confused.

19 CHAIR MITCHELL: Go ahead, Commissioner
20 McKissick.

21 COMMISSIONER McKISSICK: Thank you, Chair
22 Mitchell. Just one question. And I appreciate your
23 presentation. It answered the questions that were
24 posed pretty thoroughly, broad, expansive, and so I

1 appreciate that.

2 Are there any measures that have been
3 taken by other water companies in this same vein in
4 terms of preparedness that you have not adopted or
5 implemented, whatever the reason might be, perhaps
6 cost, that you feel would be things that might be
7 worthy of implementing longer term but they're not
8 part of your toolbox today?

9 MR. PEARCE: I may -- Chair, may I speak
10 about Texas? Texas had something called Senate Bill
11 3 that was passed. Texas is currently evaluating
12 and getting pricing for putting a generator at every
13 system, every water system, every wastewater system.
14 I haven't heard what the final cost is going to be
15 for Aqua Texas. If you can imagine, we direct --

16 COMMISSIONER McKISSICK: Sure.

17 MR. PEARCE: -- to each other. We looked
18 at that after Hurricane Florence. Aqua will put a
19 generator at every water system and every
20 wastewater -- you know, every possible location.
21 Back then, I think back of the envelop was
22 \$25 million for North Carolina. Now it would
23 probably be forty or more to put generators at every
24 system. I'll say that there's two things it will

1 do, it will increase the -- invest in the operations
2 cost for that, too, to maintain that many
3 generators. That will increase the liability. It
4 will greatly increase the costs. It will reduce our
5 safety risk at Aqua because driving generators
6 around is dangerous, but it's also \$25 to \$40
7 million to put generators at every well site and
8 every well treatment facility. So that's probably
9 the one -- that's the one we have not adopted and
10 that's to have generators installed at every system.

11 COMMISSIONER McKISSICK: And typically
12 those generators, I mean, will be powered. How
13 would they be powered typically?

14 MR. PEARCE: So, there is some debate at
15 the State about what's allowed around the well.
16 Some parts of the State will allow diesel, others
17 will require natural gas or LP, the thought being
18 how quickly it can contaminate your well. If you
19 use diesel you'll get diesel spills. Diesel spills
20 then infect the groundwater then you've got
21 groundwater entering your well. So, if it was my
22 choice I'd be using L -- low LP gas or natural gas.
23 But they will -- there are some areas of the State
24 where they allow diesel. That's -- if I was going

1 to do a new one I'm putting in LP and natural gas,
2 unless someone -- our portables, that's really not
3 an option for a portable. But we're not leaving our
4 portables there fueling continuously at the same
5 site.

6 COMMISSIONER McKISSICK: And have you
7 given any thought to perhaps increasing over time
8 the number of generators that might be at the more
9 strategic locations that would --

10 MR. PEARCE: We have --

11 COMMISSIONER McKISSICK: -- might help,
12 you know?

13 MR. PEARCE: At some of the higher
14 producing wells, we have a -- one in particular, a
15 large well in Bayleaf that's equivalent to probably
16 10 other wells. It's going to be a lot of money --
17 I'll say it's going to be a fair amount of money to
18 put a generator that large to serve it, but we
19 probably will put a generator there in the next year
20 or two on the key ones.

21 COMMISSIONER McKISSICK: Sure.

22 MR. PEARCE: And the generators we have at
23 well sites, we have some now, but they're at the
24 coast because of the high capacity well, and by

1 having a generator there it allows you not to build
2 as much water storage. It was done for a financial
3 reason and a prudent reason, because if you put in
4 generators it allowed you to have less water storage
5 and that cost of water storage. But we could
6 consider them for the ones that I consider the
7 high -- probably the high production systems first.

8 COMMISSIONER McKISSICK: Exactly. Very
9 good. Thank you.

10 MR. BECKER: We do continuously assess the
11 risks of the different wells and the sizes of the
12 wells to assess whether or not we should acquire
13 additional mobile generators. So that's something
14 we're always looking at. And if the risk goes up
15 for a certain well or an area and we think it's
16 prudent for us to position a generator in that area
17 we will go ahead and acquire one in our budgets.

18 MR. PEARCE: Right.

19 COMMISSIONER McKISSICK: Got it.

20 MR. PEARCE: We do typically -- we put
21 fences around the areas we store our generators
22 because they're with wheels and a tow hook. They
23 are -- even with a LoJack GPS unit they are still
24 very attractive units for resell. So they're not a

1 good solution. And, even then, with the portables
2 we have a lot. We have a fair number, 41 portable
3 generators in the State; 19 in the west, 10 in the
4 central, 12 at the coastal areas, that we jockey
5 around.

6 But as far as staff, they're really
7 qualified to take those generators and hook into
8 power, that's probably as many staff as I have also.
9 They're really good at doing that. Most staff I
10 don't feel comfortable with hooking a generator up.
11 Now, if they have quick connects one thing, but we
12 don't have that many quick connects either. So you
13 basically -- I've got the right number of -- I feel
14 like I've got the right number of portable
15 generators for the number of staff I have that are
16 qualified to drive them and hook them up. They will
17 have other people with them that assist but as far
18 as really qualified, you know, almost electrician to
19 put one in.

20 COMMISSIONER McKISSICK: And how often do
21 you test the generators that you have today? I
22 mean, to make sure they're fully functional and
23 operational so that when they're dispatched they
24 are --

1 MR. PEARCE: So they're started -- they
2 are load tested for delivery. We don't do that much
3 load test -- we do not load test the portables. The
4 large ones are tested against the systems they're
5 operating.

6 COMMISSIONER McKISSICK: Sure. That makes
7 sense.

8 MR. PEARCE: But the portables we don't
9 load test. It's a pretty expensive task to do.

10 COMMISSIONER McKISSICK: I see.

11 MR. PEARCE: But I'm not aware of ever
12 having one fail where it didn't produce. It was a
13 30-kW generator that didn't produce 22 or 23 as it
14 specified.

15 COMMISSIONER McKISSICK: Very good. Thank
16 you.

17 MR. PEARCE: You're welcome.

18 CHAIR MITCHELL: Let's hear from the
19 Public Staff. Questions?

20 MR. LITTLE: Your Honor, I'm going to
21 defer to Mr. Junis.

22 CHAIR MITCHELL: Mr. Junis, you're up.

23 MR. JUNIS: So, I'm let loose now. All
24 right.

1 If it would so please the Chair and this
2 Commission -- sorry -- and this Commission, could we
3 have Aqua file supplemental responses to our
4 questions that we sent last week?

5 CHAIR MITCHELL: Gentlemen -- are you --
6 Mr. Junis, are you asking them to supplement with
7 the information they have provided here today?

8 MR. JUNIS: To address all those
9 questions. They've hit on it a little bit but I'd
10 like full responses to all of those questions.

11 CHAIR MITCHELL: All right. Well --

12 MR. JUNIS: And as opposed to taking up
13 folk's time in this hearing and asking every single
14 one of those, I think it would be more efficient if
15 they submit it in writing.

16 CHAIR MITCHELL: Okay. Are there specific
17 questions you'd like to ask them to respond to more
18 fully or all of them?

19 MR. JUNIS: I would say more fully to all.
20 I was trying to keep track and I would say we've
21 gotten partial on a couple of them but they have not
22 all been addressed.

23 CHAIR MITCHELL: Ms. Sanford, do you have
24 a --

1 MS. SANFORD: I'm just looking around my
2 part of the room here. We perhaps would, I think,
3 follow up with the Public Staff in a conversation to
4 figure out where we need to emphasize or I think
5 that a discussion is in order and then the Company's
6 will certainly commit to a written follow up.

7 CHAIR MITCHELL: All right.

8 MR. JUNIS: That will work. I mean, based
9 on what we saw from Carolina Water, it seems like
10 they've addressed those questions and will further
11 in their presentation. So, I'm going to avoid those
12 right now, but I do have some follow-up questions
13 regarding the presentation.

14 Mr. Pearce, you had mentioned meter boxes
15 as being one of the primary concerns for freezing.
16 With the shift to AMR/AMI capable meters, obviously,
17 then the access to read the dials is not as frequent
18 and so is it appropriate to start or at least
19 consider insulating meter boxes, especially perhaps
20 in the most vulnerable systems for cold weather
21 impacts?

22 MR. PEARCE: Well, there's one nice
23 thing -- if I may answer. There's one nice thing
24 about the AMR meters and they will give us

1 notification of leaks. If there's 10 straight days
2 of certain gallons, one or two gallon per minute, it
3 will provide a leak notification during part of the
4 read and it will allow us then to notify the
5 customers of that leak.

6 As far as insulating meter boxes, I have
7 not evaluated what that cost would be as that part
8 of this project. I'm not aware if that's a standard
9 procedure for others but in the northeast, of
10 course, they've stored their meter boxes under the
11 buildings and in their basements that also freeze.
12 But I'll -- I can review and see what the cost would
13 be for that project.

14 MR. JUNIS: You just mentioned AMR meters
15 and leak notifications but that information is only
16 available when you actually go collect those
17 readings, right? So, it's not instantaneous data --

18 MR. PEARCE: Correct.

19 MR. JUNIS: -- or even available in a
20 short period of time unless you go out and read
21 those meters remotely?

22 MR. PEARCE: Correct. And if there is a
23 situation where we're looking for a leak in a system
24 we will send out someone to read AMRs to try to

1 notify customers.

2 MR. BECKER: I'll also say there's error
3 reports. If we do happen to have, I guess, a frozen
4 meter when we actually do the reading and maybe the
5 reading is not accurate, we do get error reports
6 when it's not working correctly or if there's a
7 variance. So, we'll use the error reports but then
8 we also know when we go back the next month it will
9 usually true itself up. Again, looking at the cost
10 benefit of insulating the meter boxes, we have not
11 done.

12 MR. JUNIS: Again, with the error reports,
13 that's only available after a reading has been done?

14 MR. BECKER: Right. So, if you don't get
15 a reading, we'll know we didn't get a reading, it
16 will do -- we automatically do an estimate based on
17 history, historic usage. And then the next month,
18 assuming the freeze event is over, it's likely that
19 you're going to be able to get a reading or if it's
20 damaged it will tell us so we'll eventually go out
21 there to do a check.

22 MR. JUNIS: Okay. And again to clarify,
23 that requires a truck roll that somebody is driving
24 through the neighborhood to pick up those readings?

1 MR. BECKER: The meter reader when they do
2 their route is in a truck. Yes.

3 MR. JUNIS: There is conversation about, I
4 think this was in response to question 6, regarding
5 sort of cooperation. Two questions there: Has the
6 Company ever coordinated with FEMA as part of that
7 process?

8 MR. PEARCE: No.

9 MR. JUNIS: Okay.

10 MR. PEARCE: The EOC, as you're going
11 through this process, they'll make determinations
12 about -- well they'll say it may not be, basically,
13 you may not be eligible for FEMA recovery, and I'll
14 say understood we still want the help.

15 FEMA recovery is not -- through the event
16 that's not our main concern. If FEMA -- if it does
17 make it available we'll use it.

18 MR. JUNIS: Also, regarding supply of
19 water, does -- the Company has some emergency
20 interconnections with municipal or local government
21 systems, correct?

22 MR. PEARCE: A few.

23 MR. JUNIS: Specifically, you have an
24 emergency connect to Raleigh for the Bayleaf system;

1 is that correct?

2 MR. PEARCE: Raleigh for Stonehenge.

3 MR. JUNIS: Okay. Stonehenge.

4 MR. PEARCE: Stonehenge is a smaller
5 system just south of Bayleaf.

6 MR. JUNIS: So that's potentially one
7 other source of water if you had a --

8 MR. PEARCE: Anything that creates an
9 issue with providing water. Correct.

10 MR. JUNIS: Has the Company considered
11 additional potential emergency interconnects or
12 switching systems to purchase water?

13 MR. PEARCE: We have others but normally
14 that's where other utility -- we have some with PWC
15 down in Fayetteville. Our systems, if they're
16 putting in a new line and stops near ours I ask for
17 them to give us a quick connection. We're trying to
18 get some now with Friendship in Apex where their
19 lines terminate near ours. The people that will not
20 annex and will not provide water but their line
21 stops near us, if I can get an agreement -- we've
22 got a signed agreement with Apex for emergency water
23 supply for one system in particular. So, we do
24 everything we possibly can to keep people in water

1 and that includes using our neighbor's water if
2 they'll let us use it.

3 MR. JUNIS: I think this was regarding --

4 MR. PEARCE: Oh, Mr. Junis, one thing
5 about that though, when these events occur, if the
6 neighbor has water supply issues they're not going
7 to allow you to hook on. I've dealt with that on
8 the municipal side where I was with the city and I
9 was able to borrow the county water until the county
10 got in trouble, and then the county closes their
11 value and you're swimming on your own.

12 So, just understand that if the event is
13 severe enough even Raleigh could have an issue in
14 North Raleigh and not be able to provide their
15 connection to us. Municipalities are hit pretty
16 heavily also during these events.

17 MR. JUNIS: I think this is regarding
18 question 7. You had talked about basically quick
19 the connects for auxiliary or backup power, is that
20 now a design standard when you're putting in filters
21 on systems to put a quick connect on those wells?

22 MR. PEARCE: I don't think so.

23 MR. JUNIS: Okay. Do you have an
24 approximation of the cost to install a quick

1 connect, basically a retrofit?

2 MR. PEARCE: Not off the top of my head.
3 It would -- I don't -- it's not a guess that I would
4 be willing to make.

5 MR. JUNIS: Would you mind providing that
6 information as a late-filed exhibit?

7 MR. PEARCE: No. I think it's more than a
8 thousand and less than ten thousand, and probably
9 closer to ten. It might be more than that these
10 days.

11 MR. JUNIS: When you talked about
12 potentially, I think it was Texas Senate Bill 3,
13 basically a generator to every I think you said
14 "system", but also perhaps switch to every well,
15 lift station, wastewater treatment plant --

16 MR. PEARCE: Yeah. So, I know they're --
17 Texas is different. I don't believe they have
18 generators currently on their wastewater plants, as
19 far as Aqua Texas on their wastewater plants, on
20 their pump stations, or on their water systems. So
21 they are currently deciding where they are putting
22 generators first, what the timeframe is, and how
23 much it's going to cost.

24 MR. JUNIS: Yes.

1 MR. PEARCE: I believe there's a lot of
2 money being put just into the study because of
3 the -- I mean, what's going to happen in the future
4 and what type of cost is going to be with it.

5 MR. JUNIS: And, for reference, how many
6 wells does Aqua have in North Carolina?

7 MR. PEARCE: Thirteen hundred and
8 something I believe.

9 MR. JUNIS: And most of those are
10 basically isolated away from each other, correct?

11 MR. PEARCE: Correct. Our average is 49
12 connections for system.

13 MR. BECKER: It's in upper 40's, low 50's.
14 I have to take out some of the larger systems.
15 Bayleaf is one system and it has 6000 customers, and
16 the Cape as well with on average it's about 50
17 customers a system.

18 MR. JUNIS: So, even if there was say some
19 efficiency that you could say under emergency
20 circumstances you don't need backup power on every
21 single one of those wells, but because they are
22 isolated you're looking at pretty close to that
23 number of potentially generation to meet a standard
24 like that, correct?

1 MR. PEARCE: Probably 700 to 800.

2 MR. BECKER: On just the water side.

3 MR. PEARCE: Right. We have over 700
4 individual systems so every system is going to need
5 at least one.

6 MR. JUNIS: And, ballpark, I think you
7 have at least some generation -- well, let me ask
8 this. How many lift stations does Aqua have for the
9 wastewater side?

10 MR. PEARCE: Allow me a second and I'll
11 look it up.

12 MR. JUNIS: All right.

13 MR. PEARCE: You mentioned -- if I may
14 ask, you mentioned questions earlier. We received
15 two sets of questions yesterday. Which ones are you
16 looking for responses to?

17 MR. JUNIS: I think we sent our questions
18 either Thursday or Friday.

19 MR. PEARCE: It took us a while to get
20 through the -- to get to me at least.

21 MR. JUNIS: Ours were numbered similarly
22 to the Commission's, so basically we used them as
23 follow-up questions to the seven questions posed by
24 the Commission. The top of it has the Docket Number

1 and then the Company name and then it jumps into,
2 like, question one, there's parts A and B.

3 MS. SANFORD: If I might, Chair Mitchell.
4 We received your questions last week, Mr. Junis, and
5 then yesterday we received some questions from the
6 Commission staff.

7 MR. PEARCE: Repeat your first question
8 again.

9 MR. JUNIS: How many lift stations does
10 Aqua have? Aqua NC, sorry. I don't want all of
11 Aqua.

12 MR. PEARCE: I've got to find the right
13 set of answers. I believe it's around 187.

14 MR. JUNIS: And how many of those have
15 permanent backup generation?

16 MR. PEARCE: Seventy-nine. So it's 44
17 percent of our wastewater pump stations have
18 generators, so it's 79 of them.

19 MR. JUNIS: Okay. Thanks.

20 MR. PEARCE: So there are -- Aqua has 79
21 pump stations with generators and that's 44 percent
22 of our pump stations.

23 MR. JUNIS: Sorry. I'll slow down a
24 little bit. I get so excited about this stuff.

1 I'll be a little more careful not to dive into those
2 questions that we've asked you guys to respond to in
3 writing, but I'm just trying to add context to this
4 number that you threw out of the 25 to 40 million.
5 That's what you had in your head when you were
6 coming up with that number, right, is putting backup
7 power on that other 56 percent of those lift
8 stations and --

9 MR. PEARCE: Primarily the water systems.
10 I mean, the water systems is where the big count is
11 and most of the generators are being installed. In
12 the case of the pump stations, those that we have
13 were installed because of regulation; required
14 because of their capacity.

15 MR. JUNIS: Right. And I think Carolina
16 Water has done a great job on hitting on that in
17 their supplemental answers dealing with storage of
18 finished water, you brought that up, the need for
19 elevated storage or if you have those have high
20 capacity aquifer wells. But I would say, you know,
21 how -- do you have a ballpark on how many wells
22 would fall into that category of high yields, you
23 know, over hundreds of gallons of water per minute?

24 MR. PEARCE: So, I think it's all but two

1 of the ones. So, on our wells we only have 13
2 generators. I believe 11 of those are high
3 capacity. And we have two other wells with
4 generators where the developer installed them
5 originally and if they installed the originally, we
6 will maintain them.

7 MR. JUNIS: Has the Company considered
8 making that a design standard for new systems?

9 MR. PEARCE: It's not required by the
10 regulation -- if it were a required thing for new
11 developers that are not required by regulation.

12 MR. JUNIS: If the Commission had made a
13 requirement for that as a new design standard for
14 new systems, would that level the playing field with
15 other private utilities?

16 MR. PEARCE: If it was applied to all
17 private utilities, it probably would be best though
18 to make it the same for private and public.
19 Public's do operate as an enterprise, not as a
20 social group, so it would appear that the same rules
21 should apply to both. And I'm trying not to be
22 political.

23 MR. JUNIS: Forgive me, Chair. I'm just
24 running through my notes to make sure I've asked the

1 follow-up questions that I had identified.

2 (Pause).

3 So Chair, I've run through my questions
4 and we just look forward to, like I said, those ones
5 that we submitted in writing to get addressed.

6 MS. SANFORD: And we look forward as well
7 to discussing the whole panoply of questions. As I
8 say, some came in last week, some came in yesterday,
9 some are answered here, some here, so we'll pull
10 this altogether after the hearing.

11 CHAIR MITCHELL: I'm counting on you-all
12 to do that.

13 MS. SANFORD: We will.

14 CHAIR MITCHELL: Okay.

15 MR. JUNIS: We promise to cooperate on
16 that.

17 CHAIR MITCHELL: All right. Perfect.

18 MR. PEARCE: There may be a few
19 confidential because of the Infrastructure Security
20 Act that we don't want widely distributed.

21 CHAIR MITCHELL: That's no problem. Let's
22 do this -- all right, Commissioner Clodfelter.

23 COMMISSIONER CLODFELTER: I've saved it
24 til now. I have a question that has nothing to do

1 with the topic of today. It's a curiosity question.
2 So, on your usage, seasonal usage chart, in most of
3 the six years there's this funny little dip in
4 August and then a peak in September. Is that
5 vacation? What's going on there? Is there
6 something weird going on?

7 MR. PEARCE: I think that's the Bermuda
8 people seeding fescue. The fescue seeding season --

9 COMMISSIONER CLODFELTER: Is September --
10 so they're putting the grass out in September,
11 that's why you have a September peak?

12 MR. PEARCE: I haven't spoke to them but I
13 haven't -- I don't have a masters in the seeding
14 schedules but it appears to be that's the seeding
15 schedule.

16 COMMISSIONER CLODFELTER: I just -- again,
17 you have a little dip in August and then it goes
18 back up and I was just curious what's going on. I
19 thought it might be vacations.

20 MR. BECKER: Internally we attribute it
21 typically to irrigation, unless it's a very wet
22 season in which case that will not hold true but,
23 for the most part, September is an increase.

24 COMMISSIONER CLODFELTER: Thank you.

1 CHAIR MITCHELL: At this point we will
2 take a 10-minute recess for our court reporter.
3 We'll come back with Carolina Water on the stand.

4 (A recess was taken from 10:44 a.m. to 10:55 a.m.)

5 CHAIR MITCHELL: Let's go back on the
6 record. So, we've got Carolina Water. Y'all may
7 proceed.

8 MR. DENTON: Thank you very much for the
9 opportunity. I'm Don Denton, President of Carolina
10 Water. With me is Dana Hill, our Director of
11 Operations for our eastern region. A lot of our
12 answers are going to be very similar to what Aqua
13 had earlier this morning, but I love to have a good
14 dialogue and if there's questions please don't
15 hesitate to ask. We've -- Dana is going to walk
16 through -- we don't have a presentation the same as
17 Aqua but we do have a handout that hopefully
18 everybody has a copy of with our responses. So,
19 with that, I'll turn it over to Dana.

20 MR. HILL: Good morning. It's working.
21 (Checking microphone)

22 So folks, we take that initial list of
23 questions, if it's okay, and we'll just walk through
24 those then we can move over into any other

1 supplemental follow-ups that you want to address in
2 any more detail.

3 So the first item was the question of any
4 changes that had been implemented since the
5 February 2021 events in the Texas area. I can say
6 that we haven't made any changes directly related to
7 those events. We have made some improvements that
8 would certainly benefit the Company and our
9 customers in that type of event as well as other
10 natural disasters and other disasters.

11 The biggest of those changes I think are
12 how we communicate with our customers and give them
13 prior knowledge of events and preparations that they
14 need to help us make to maintain service. We've
15 implemented the "MyUtilityConnect" system which is
16 an app, a portal, that our customers have access to.
17 In addition to being able to go in and see their
18 consumption, their outstanding bill amounts, and
19 that type of thing, we're able to push messages out
20 on a specific system-specific area to those
21 customers. In addition to being able, we also
22 maintain a list of email addresses, cell phone
23 numbers for text, telephone numbers for voice calls,
24 and we're able to reach out to them in those manners

1 as well.

2 Another improvement that I believe we've
3 used in the last few years is we also have a much
4 more cooperative relationship I'd say with our
5 electric providers, Duke Energy being the largest,
6 but also some of the smaller co-op utilities in the
7 rural areas. We, as well, have a specific account
8 manager in our area that we can reach out to
9 directly to talk about outages that may -- that we
10 feel like require a faster response than others.
11 We're able to talk to that account manager about
12 anticipated timelines for restoration so that if we
13 need to take a step further on our response, and
14 that's worked out to be a very good relationship.

15 So any -- I don't know if we need to stop
16 at each question or if you want me to just roll
17 right through.

18 CHAIR MITCHELL: Keep rolling.

19 (Laughter)

20 MR. HILL: So, the second question was
21 whether or not we forecast usage due to weather, and
22 we don't. We really don't, really, have a manner to
23 do that I would say. We don't see huge variations
24 in water usage when we talk about extreme cold

1 weather. We see more of those extreme seasonable
2 variations in normal usage but not directly related
3 to colder weather activities.

4 The next question was speaking to the
5 coldest ambient air temperature at which we could
6 operate the system, and I'm not able to provide a
7 temperature for that number. Our systems are
8 designed by NC DEQ standards so all mains are buried
9 at that 30 inches or below the frost line depth that
10 Mr. Pearce mentioned earlier. All our exposed
11 piping are wrapped with both heat tape and jacketed
12 insulation. We do have some piping that remains
13 exposed. That's generally dealing with our
14 wastewater treatment facilities and it's just simply
15 because those pipes are very difficult or unsafe to
16 access to install that heat tape and insulation.
17 Those lines would generally -- they would generally
18 maintain a fairly high rate of flow, so during cold
19 weather events they're susceptibility to freezing is
20 very low both in terms of the volume of water moving
21 through the pipe as well as the biological activity
22 that's associated with wastewater.

23 CHAIR MITCHELL: I actually have a couple
24 of questions for you on your responses to this

1 particular question. You mentioned heat tape. What
2 exactly is heat tape?

3 MR. HILL: So, it's really just a, you
4 have an electrical cord, drop cord, that routes into
5 a, really, just an unexposed wire. So it's a flat
6 piece of tape that you lay against your pipe, you
7 wrap it with insulation and plug it in and it just
8 brings that temperature up to, you know, above
9 freezing levels.

10 CHAIR MITCHELL: So how is the -- how is
11 it powered?

12 MR. HILL: Electricity generally; it's
13 plugged in.

14 CHAIR MITCHELL: Okay. And so for those
15 facilities that are wrapped with this heat tape, is
16 there generator backup for the heat tape? I mean,
17 what happens if the electricity goes down?

18 MR. HILL: Sure. And so on the facilities
19 that don't have a stationary generator the heat tape
20 goes out along with the electricity. So, back to my
21 earlier mention of the insulated, the jacketed
22 insulation that's around the pipe, so the heat tape
23 is really a secondary protection source; just a
24 matter of comfort, if you will, to us. The jacketed

1 insulation will also go a long ways in protecting
2 that.

3 CHAIR MITCHELL: Okay. In your -- in the
4 Company's written response you-all indicate that
5 wells, pump stations, and other critical facilities
6 are heated. What is the heat source?

7 MR. HILL: It is also electricity; yes,
8 ma'am.

9 CHAIR MITCHELL: And how many -- so, how
10 many of those facilities are backed up by
11 generators?

12 MR. HILL: Of the wells?

13 CHAIR MITCHELL: Well, those facilities
14 that you've heated?

15 MR. HILL: So, yeah, 14. About
16 4.5 percent of our wells have stationary generators
17 that will automatically come on. Those heaters that
18 are installed in the wellhouses are a part of the
19 wellhouse electrical circuit. So, when either the
20 stationary generator comes on or we move a portable
21 generator in to recharge that system, it also runs
22 that heater -- that generator.

23 CHAIR MITCHELL: Are all of your -- just
24 as to I'm clear the wells and the pump stations and

1 other critical facilities that are heated, are they
2 all located -- are they located throughout the State
3 or are they located in a particular area of the
4 State?

5 MR. HILL: Throughout the State; yes,
6 ma'am.

7 CHAIR MITCHELL: All right. And then one
8 other question I have for you before you move on to
9 your responses to question number 4. You indicate
10 those pipes which have constant flow, which pipes
11 have constant -- which wastewater facilities have
12 constant flow?

13 MR. HILL: So, at all of the wastewater
14 treatment facilities the lines, as Mr. Pearce spoke
15 of, you have lines that are moving activated sludge
16 from one portion of a facility to another and that's
17 a continuous flow. It's very critical to the life
18 and treatment process of --

19 CHAIR MITCHELL: So, those would be
20 lines -- pipes that are internal to the treatment
21 plant, not necessarily transmission lines?

22 MR. HILL: Correct. Yes, ma'am.

23 CHAIR MITCHELL: Okay, got it.

24 MR. HILL: I believe I was on question 4,

1 and this is speaking to participating in demand
2 response or interruptible tariffs and we do not.

3 So, question 5 speaks to --

4 CHAIR MITCHELL: Follow up there.

5 MR. HILL: Yes.

6 CHAIR MITCHELL: So, one of the -- the
7 second part of that question is what alternative
8 means are available to supply power when there are
9 electric outages. You've mentioned some generators,
10 so talk for a minute about generators. How many
11 generators does the Company deploy? Where are they?
12 When are they activated? What's your maintenance
13 and operation program for those generators?

14 MR. HILL: Okay. So, in addition to the
15 stationary generators that we talked about --
16 and let me see I've got numbers here.

17 MR. JUNIS: Chair, if it would so please,
18 in the questions we submitted and the Company has
19 provided some responses, and I don't know if they
20 preferred some of that to be confidential or not,
21 they do have responses to questions regarding number
22 and percentage of all their wells and wastewater
23 pump stations that have generators and then they
24 indicate that they do have an annual maintenance

1 contract for all generators.

2 CHAIR MITCHELL: Okay. All right --

3 MR. JUNIS: I'm not sure if Mr. Hill --

4 CHAIR MITCHELL: And that would answer my
5 question. Is there anything y'all want to add
6 beyond what you've put here in writing?

7 MR. HILL: No, ma'am.

8 CHAIR MITCHELL: Okay. Perfect. Thank
9 you.

10 MR. HILL: The next question talks about
11 from an operation standpoint anything that we may do
12 differently. Again, if we talk about cold weather
13 events specifically, ahead of those events staff
14 would go out to confirm that heat tape and
15 insulation is in good condition installed on those
16 pipes that we talked about and make sure the heaters
17 in the buildings are functional.

18 Certainly the big objective, we'd check
19 all the generators in addition to our weekly -- we
20 crank our generators weekly to make sure they run.
21 We load test them monthly and they are under an
22 annual maintenance contract. But ahead of those
23 events we would certainly make sure that they crank
24 and make sure all the fuel tanks were topped off.

1 We have portable fuel tanks mounted on trailers for
2 refueling purposes, we'd make sure all of those are
3 full, you know, trailers are in good condition, that
4 type of thing.

5 MR. DENTON: One comment, Dana. Just
6 so -- and in this response I just want to clarify
7 one thing where in the last paragraph where we
8 talked about the emergency response plans being
9 filed with NC DEQ that was an error in this
10 write-up. We do not file those with NC DEQ. But we
11 do have them within our office and on-site should
12 anybody would like to see an example of that we can
13 provide that.

14 CHAIR MITCHELL: Thank you, Mr. Denton,
15 for that clarification. Is that something that the
16 Public Staff -- that you-all routinely discuss with
17 the Public Staff? Have you ever discussed it with
18 the Public Staff --

19 MR. DENTON: Not to my knowledge.

20 CHAIR MITCHELL: -- to your knowledge?
21 Okay.

22 MR. JUNIS: Chair, I mean, if they could
23 file a couple of those maybe by one by a region as
24 sort of an example, I think that would be helpful.

1 CHAIR MITCHELL: Mr. Denton, to the extent
2 that they are not confidential could you file them?

3 MR. DENTON: We will.

4 CHAIR MITCHELL: Thank you.

5 MR. JUNIS: Thank you.

6 CHAIR MITCHELL: And you don't need to
7 file all of them but just representative.

8 MR. DENTON: Okay.

9 MR. HILL: Yeah, just a few other things
10 as far as preparation ahead of a cold weather event,
11 or really, this applies to hurricanes which we're
12 much more frequently affected by. You know, we make
13 a round of our lift stations to make sure that both
14 pumps are operable at each station, that those
15 would, not as great a holding capacity, are all
16 pumped down and prepared for possible failures to
17 give us time to respond and that sort of thing.

18 MR. DENTON: And I would say in addition
19 it's not in this response but similar to Aqua we do
20 have an incident command structure that we put in
21 place. We evaluate case-by-case, storm-by-storm,
22 whether or not it's needed or not. And the
23 structure is very similar to what was described
24 earlier this morning. So --

1 CHAIR MITCHELL: How many times have y'all
2 implemented the incident command system?

3 MR. DENTON: Since I've been here which is
4 over the past two and a half years we've done it
5 once. But prior to that, Brice Mendenhall who was
6 Vice President of Operations for Carolina Water
7 Service had implemented it. I think during Florence
8 was one and maybe prior, one prior to that.

9 CHAIR MITCHELL: And who are the incident
10 commanders?

11 MR. DENTON: I would. So Dana, his
12 counterpart for the western region, Tony Consul, and
13 myself.

14 MR. HILL: So question 6 talks about
15 emergency plans, specifically, towards if the water
16 becomes unsafe to drink. And much like Mr. Pearce's
17 conversation, we -- if there is an event where we
18 know we have lost water pressure on a system we
19 would issue a Boil Water Advisory to make those
20 customers aware of that potential for contamination.
21 We push those advisories as well as any other
22 message that we need to send out to the customers.
23 Again, we push out through the MyUtilityConnect app
24 as well as those that have signed up for emails,

1 texts, and phone calls. We'd push that out as well.
2 If -- sorry.

3 MR. DENTON: I would say in addition to
4 that, and I'm sorry for interrupting, but we have
5 good relationships with a lot of our HOA's, and so
6 direct contact with those HOA Board Presidents. We
7 notify them and they go out and they use that
8 channel as well as a communication medium for those
9 communities that are affected.

10 MR. HILL: And then we also make aware our
11 customer service, customer experience team of the
12 specifics of any issue, why that Boil Water Advisory
13 was issued, for example, and the time we expect it
14 to take that sample to come back for the advisory to
15 be lifted so that when those customers reach out to
16 our customer experience team they can get a good
17 solid answer from the first call.

18 The next portion speaks to how we
19 communicate with state government regulators, and I
20 think that's probably a two response approach.
21 Generally, obviously, in conversations with Public
22 Staff and the Commission, those communications would
23 go through our president or our community engagement
24 manager. Generally, when we're communicating with

1 DEQ and other operational regulators that's left to
2 each director of operations to make those contacts
3 with the appropriate regional office.

4 The last question, talking about any
5 problems that initiated from cold weather in the
6 last three years, and we have not had any
7 operational issues from cold weather.

8 MR. DENTON: I know there was the question
9 earlier about 2014, I believe it was. I, in a
10 similar fashion, wasn't here with the Company and
11 neither was Mr. Hill, but I did ask around and there
12 was no knowledge at least or response of any issues
13 related associated with the storm of 2014.

14 CHAIR MITCHELL: Gentlemen, we heard from
15 Aqua about their participation in NCWaterWARN, is
16 that something that Carolina Water participates in?

17 MR. DENTON: We don't currently but after
18 learning more about it today I think it's worth --
19 we're going to look --

20 CHAIR MITCHELL: It's on the to-do list?

21 MR. DENTON: Absolutely.

22 CHAIR MITCHELL: Got it. Okay. Can you
23 talk some about your relationship with Duke Energy
24 or with electric power suppliers in your respective

1 areas and coordination that is ongoing or will be
2 ongoing subsequent to this conversation?

3 MR. DENTON: Similar to the
4 conversation -- I'll let Mr. Hill respond here.
5 Similar to the conversation earlier about the
6 account, accounting issues, and different companies
7 and cleaning up those, we as well have an account
8 manager with Duke. We're in that same process of --

9 CHAIR MITCHELL: Is it the same account
10 manager as Aqua's?

11 MR. DENTON: It is not.

12 CHAIR MITCHELL: Okay.

13 MR. DENTON: But we are working through
14 those same issues. The relationship has gotten
15 better over the past few years. And we are looking
16 to continue the conversation around the priority
17 restoration that we would be identified as one of
18 those accounts or a number of accounts that would
19 have priority restoration for service, and similarly
20 with the co-ops and the other utilities that we
21 interface with.

22 MR. HILL: And again, our -- in addition
23 to our account manager our operation staff for the
24 most part has developed very good working

1 relationships with Duke Energy's field staff, for
2 example. So, it's not unusual for our staff to
3 reach out directly to a district engineer or a line
4 crew to say look we've got this issue, we've run it
5 through customer service and it's going to take a
6 little bit too long, can you help us? And they --
7 when those issues have arose they have been very
8 accommodating.

9 CHAIR MITCHELL: Can you talk some -- we
10 heard from Aqua leaning on neighbors for assistance
11 when you get to that point. Specifically, Aqua was
12 discussing it in the context of gasoline fuel. Does
13 Carolina Water have some of those same relationships
14 or arrangements in place specifically with respect
15 to fuel whether it's for the generators or for your
16 vehicles?

17 MR. HILL: We do from a couple of
18 different standpoints. I think probably most
19 importantly we have developed relationships with
20 local bulk fuel suppliers. These are mostly the
21 folks that we buy our generator fuel from on a
22 normal basis but those relationships have gained us
23 that priority service that Aqua spoke of, so they've
24 committed to saving a truck for us, for example, of

1 a load of diesel in a severe weather event. And in
2 return, you know, we go fill up our portable fuel
3 tanks at their facilities. We do have those
4 relationships. I think as well we're -- in the
5 past, you know, when we're talking about a severe
6 weather event, whether it's cold or a hurricane, it
7 generally has not affected the entire state, so
8 we're not able to pull from our internal resources
9 to pull from our western region folks and resources
10 to the east and vice versa depending on where that
11 has or is.

12 MR. DENTON: Well, and expanding upon
13 that, across Corix if we did enable an incident
14 command we would pull from other regions as well as
15 needed, whether that's materials, fuel, equipment.
16 In the case of the freeze in Texas I know that
17 expertise including maintenance crews were flown out
18 of Alaska down to Texas to support the Texas team
19 with their cold weather expertise.

20 CHAIR MITCHELL: Let me check in with my
21 colleagues to see if there are questions for
22 Carolina Water. Commissioner McKissick?

23 COMMISSIONER MCKISSICK: Thank you, Chair
24 Mitchell.

1 One of the things which I raised with Aqua
2 was, you know, to make sure that they might
3 implement and go further and beyond what they're
4 doing today in making Senate Bill 3 down in Texas
5 and the potential of putting generators at each
6 water system and potentially at critical lift
7 stations as well.

8 Have you-all given any thought to that
9 type of program or initiative of what the cost might
10 be if something major like that were taken over some
11 period of time either at the most critical locations
12 or however you might identify increasing system
13 reliability under these circumstances?

14 MR. HILL: Yeah, no, I would agree with
15 that statement. I think an initiative to at least
16 put a stationary generator on every system may be,
17 you know, as opposed to every well, at least you
18 could keep a system pressurized.

19 I think some things that we probably
20 should have the conversation about leading from this
21 discussion is looking into alternative powering
22 methods if you will. Maybe LP for heaters or LP for
23 running generators and things like that. I think
24 that's a conversation worth having and looking into.

1 I'm also a big fan of adding portable generators to
2 the fleet because you don't tie that resource to one
3 individual geographic area. It can be moved across
4 the states.

5 MR. DENTON: But making sure the proper
6 breakers are installed, the quick disconnects, those
7 kinds of things for those facilities, and making
8 sure as we go through and upgrade we're making sure
9 to include that as part of the design.

10 COMMISSIONER McKISSICK: It seems to me
11 those types of initiatives have strategically taken
12 over a period of time in a very measured way. It
13 could be very valuable, you know, in the event of
14 some type of extreme weather condition that where
15 they might be necessary.

16 Are there any other measures that you can
17 think of or have considered that might be
18 implemented elsewhere that you might be -- would
19 bring value to system reliability on these extreme
20 weather conditions?

21 MR. DENTON: Well, one thing I think as we
22 move into the next generation and it was mentioned
23 earlier about the AMR meters. We are moving towards
24 a combination of AMR and AMI. That will benefit

1 down the road specifically when you get to leak
2 protection on the customer side. For instance,
3 talking about freezing of pipes under houses
4 earlier, the AMI of course would give more of an
5 instantaneous type of information. Whereas, the
6 AMR, while if you were able to ping it on a regular
7 basis you could get that information or do the
8 driveby. So, that technology will benefit
9 significantly and at least in restoration.

10 COMMISSIONER McKISSICK: Excellent. Thank
11 you. I don't have further questions, Chair
12 Mitchell.

13 CHAIR MITCHELL: Commissioner Clodfelter.

14 COMMISSIONER CLODFELTER: You've got a
15 number of fairly substantial systems that are second
16 home, vacation, do you experience a different
17 incidence of frozen meter boxes or busted pipes on
18 the customer premises at those systems than you do
19 elsewhere and, if you do, do you have different
20 protocols or procedures in place for how you respond
21 in those communities?

22 MR. HILL: So I don't -- I wouldn't say we
23 notice an increase in those events. Generally
24 speaking, those second-home communities, you know,

1 those customers either call in to have service
2 disconnected when they leave for the season or many
3 of them do it themselves. They just cut it off when
4 they are leaving for an extended amount of time. So
5 I wouldn't say there's a huge difference.

6 COMMISSIONER CLODFELTER: You've not seen
7 a difference so that requires you to take any
8 different action then?

9 MR. HILL: No, sir.

10 COMMISSIONER CLODFELTER: Thank you.

11 COMMISSIONER BROWN-BLAND: Just one
12 question. Does CWS also have a checklist for its
13 inclement weather emergency response?

14 MR. HILL: Yes, ma'am. For preparation,
15 you mean? Yes, ma'am, we do.

16 COMMISSIONER BROWN-BLAND: I'd like to
17 request that. If you can, you can to provide that
18 to us.

19 MR. HILL: Sure.

20 COMMISSIONER BROWN-BLAND: And also, just
21 to be sure I heard Aqua make that offer, but that
22 formal request that you provide your checklist as
23 well. Thank you.

24 MR. HILL: And ours is in more of a plan,

1 pre-planning form than a checklist so-to-speak, but
2 we'd be happy to provide that.

3 COMMISSIONER HUGHES: I just wanted to see
4 if you had anything to add to Aqua's response
5 related to grinder pumps and assets that are on
6 people's property. Is that a problem for you-all,
7 too? Any secret way of reducing the headaches
8 related to those?

9 MR. HILL: No, sir, nothing to add. I
10 would agree with Mr. Pearce's statements. They are
11 challenging to some degree. I think a benefit in
12 our case is many of our grinder pumps and
13 residential lift stations are in those seasonal
14 areas, you know, Outer Banks, coastal areas in
15 particular. So, while I have personally not had to
16 deal with those in a freezing event, typically in
17 hurricanes you deal with them, but our advantage is
18 those residents are leaving going home ahead of
19 those storms.

20 COMMISSIONER HUGHES: Along with their
21 waste.

22 MR. HILL: Correct. Correct.

23 COMMISSIONER HUGHES: Thank you for that.
24 The other question was the -- I think as some of

1 these big incidents have occurred, the federal
2 government has reacted with funding programs. And I
3 understand this is a big topic of discussion and
4 access to -- what you have access to versus local
5 governments, but it does seem like generators were a
6 popular thing to help water operators by, and I just
7 wondered if you had any experience, you know,
8 whether those programs, whether you were eligible
9 for those, you know, if you had any comments about
10 that, because I do think that a lot of money went
11 into that specific type of asset.

12 MR. DENTON: Right. I don't know that we
13 pursued funds and I don't know if they were
14 available or evaluated whether or not they were
15 available, but we definitely would be interested if
16 funding was available. It is something that I think
17 is, it was mentioned earlier about leveling the
18 playing field, it hasn't been as level as we would
19 like it to be.

20 COMMISSIONER HUGHES: Thank you.

21 CHAIR MITCHELL: Mr. Junis?

22 MR. JUNIS: Let loose again. All right.
23 I'm going to try to go in order. Well, first, we
24 posed this question to Aqua and we would like to get

1 your insights. Any consideration of insulating well
2 or meter boxes.

3 MR. HILL: Again, that's not something I'm
4 familiar with as a process. No, sir. We would be
5 glad to look into it.

6 MR. DENTON: Yeah, we can look into it. I
7 think one of the things that lessons learned at
8 least from our mountain communities is those meter
9 boxes are a little deeper, obviously, which so you
10 get natural insulation from the ground.

11 MR. JUNIS: I think it was in response to
12 the Chair's question in terms -- there was mention
13 of priority restoration. Are there obvious concerns
14 or challenges to priority restoration for a utility
15 that's spread out like Carolina Water? Obviously,
16 you have assets and infrastructure throughout the
17 State and how Duke might go about prioritizing that?

18 MR. DENTON: I think the biggest challenge
19 so far is similar to what was mentioned earlier,
20 it's the number of accounts and the names associated
21 with those accounts and getting all of that
22 straightened out first so that we can then be within
23 the systems and it's clear which accounts need that
24 priority service.

1 MR. JUNIS: So, it sounds like there's
2 some miscommunication of which -- basically when you
3 say a name that might not match up with what Duke
4 has and there's miscommunication of what you're
5 trying to get prioritized or have concerns about.

6 MR. DENTON: That's correct.

7 MR. JUNIS: And you say that is a work in
8 progress --

9 MR. DENTON: It's a --

10 MR. JUNIS: -- not quite resolved?

11 MR. DENTON: Yes, it's a work in progress,
12 but we are making progress.

13 MR. JUNIS: There is mention --

14 CHAIR MITCHELL: I'm going to jump in
15 here.

16 Mr. Denton, how many accounts does the
17 Company have with Duke?

18 MR. DENTON: I do not have that number but
19 I can get it for you.

20 CHAIR MITCHELL: I mean, is it ten,
21 hundreds? Is it --

22 MR. DENTON: (Nods head affirmatively).

23 CHAIR MITCHELL: Hundreds, okay. You
24 don't need to get the specific number. That's all,

1 I just kind wanted --

2 MR. JUNIS: So, Chair, just ballpark, I
3 mean, they have over 300 wells and over 200 lift
4 stations or pump stations that probably all have
5 separate accounts. So, A little assist there.

6 MR. DENTON: Thank you.

7 MR. JUNIS: Regarding the
8 MyUtilityConnect, when did the -- when did CWSNC
9 start it?

10 MR. DENTON: Have you got that? It was
11 right before I came on board I think. 2019, maybe.
12 (Speaking to Mr. Hill)

13 MR. HILL: I want to say early -- late '18
14 or early '19. Don't hold me to that, please, but
15 that's close.

16 MR. JUNIS: And I assume that that is a
17 question when someone signs up for an account. Do
18 they want to register. Has there been in other
19 initiatives to, sort of, push customers to either
20 download or join that?

21 MR. HILL: Yes, several initiatives. One,
22 our communications team participates in these
23 communities - Facebook and Nextdoor pages - they try
24 to push the MyUtilityConnect preparation or

1 participation. We meet very frequently with several
2 of our larger homeowner associations in large groups
3 and try to push that idea through those meetings as
4 well.

5 MR. JUNIS: Has the Company made any
6 effort to, sort of, host one of these events to
7 assess or communicate with customers on what
8 communication work best for them?

9 MR. HILL: I'm not aware of that.

10 MR. DENTON: We've had in these homeowners
11 association board meetings. We actually just had a
12 great meeting recently about a number of topics, but
13 communication was one, and we did ask the question
14 what's your prime method of communication? What
15 would you like to do?

16 Interestingly, obviously, the board has
17 one communication method. They want to control the
18 message, right, and so they -- we communicate
19 through the board but we also want to communicate
20 directly with the customer, and so, but we want the
21 message to be the same. And so that's been an
22 interesting conversation which we're trying to
23 expand upon but it's, so far, those conversations
24 are going well.

1 MR. JUNIS: Do you feel that one or the
2 other is more reliable in terms of an email
3 notification or a text?

4 MR. DENTON: It's actually, it's
5 individual dependent, right, and so it's a
6 preference. It's personal preference. And so we're
7 trying to hit as many communication channels as we
8 can. That's, I mean, been part of the methodology
9 and it's hard to keep up with everything new that's
10 coming out.

11 MR. JUNIS: Regarding, sort of, getting
12 into planning for a weather event, how far in
13 advance would you start taking some of these
14 actions, you know, mobilizing equipment, pushing
15 boots on the ground to start preparing?

16 MR. DENTON: So, there's two different
17 answers to that. One is we know hurricane season is
18 coming so we start prep for hurricane season long
19 before hurricane season gets here. And then we
20 start to prepare for an individual storm and that
21 can be anywhere from a couple of days before,
22 because we just don't know where the track is going
23 to be, right, but the individual storm prep could be
24 anywhere from a week to a couple of days ahead of

1 time.

2 Now, in reference to that, though, I'll
3 add onto that because we have multiple
4 jurisdictions, basically all through the southeast
5 from Texas all the way up to Virginia, that have the
6 potential for an impact of the storm. We actually
7 have a conversation amongst the presidents and say
8 what are we doing, where do we need to move people,
9 potentially to support other jurisdictions.

10 MR. JUNIS: I think to piggyback --

11 CHAIR MITCHELL: Mr. Junis, I'm going to
12 jump in --

13 MR. JUNIS: Please do.

14 CHAIR MITCHELL: -- for just one question.
15 Mr. Denton, how bad was -- I mean, what was the
16 experience of your analog in Texas? How -- was
17 there service interruption?

18 MR. DENTON: Most definitely there was.
19 We did have frozen pipes. We did have systems that
20 went down. And I'm sure that there will be much
21 more conversation when the electric side is in here
22 of the impacts due to the electric failure that
23 occurred in Texas being more of a merchant-style
24 market with the ISO, a very different type of market

1 than what we have here.

2 And so it's a -- the impact was much
3 longer and sustained on the electric side. Now,
4 I'll say that the water systems were back up pretty
5 quickly because once the cold front went through the
6 pipes were able to be thawed out and generators
7 being able to put online, but the power system was
8 still having trouble. So, I'm sure that the
9 electrical side will talk through that in much more
10 detail than I have. But we did have some impacts
11 down there but we were able to respond pretty
12 quickly.

13 CHAIR MITCHELL: Have you-all -- are you
14 instituting operational changes in Texas as a result
15 of what happened in Texas to the extent that you're
16 aware?

17 MR. DENTON: They are. I mean, they are
18 looking at the House Senate Bill 3. I can't
19 remember which one it is. And they are evaluating
20 if they need to be doing other additional insulation
21 or more, obviously, the backup generation or changes
22 to like meter boxes and those kinds of things. So,
23 they are looking at all of that right now. But it
24 was such an unanticipated event that it just caught

1 so many people off guard.

2 CHAIR MITCHELL: Understood. And is there
3 intention at the corporate level to disseminate the
4 information and lessons learned --

5 MR. DENTON: Absolutely.

6 CHAIR MITCHELL: -- from Texas and the
7 studies that are ongoing to other operating
8 companies in other jurisdictions.

9 MR. DENTON: We do and we share on a
10 regular basis. The leadership of the company gets
11 the operational leadership of the company together
12 and we talk through lessons learned from anything
13 from safety to compliance to just operational
14 improvements and so those are all shared across the
15 organization.

16 CHAIR MITCHELL: Okay. Thank you.

17 MR. JUNIS: I think to piggyback off the
18 Chair's question, would you say that the water and
19 sewer utilities are highly dependent on reliable
20 electric service? Does that make your job a lot
21 easier if there's not an outage or there is a quick
22 restoration of service?

23 MR. DENTON: Dana is over here nodding his
24 head. Yeah absolutely.

1 MR. JUNIS: Regarding Commissioner Hughes'
2 question about funding availability, and I probably
3 should have asked this to Aqua too, but because
4 we're in just a little bit more of a casual setting
5 they might be able to chime in also, but are the
6 utilities making any effort to gain access to some
7 of this additional funding?

8 MR. DENTON: We definitely will be
9 pursuing that. I mean, we're going to be looking.
10 I actually in my past was part of obtaining some
11 federal money for the Grid Modernization Program
12 within Duke. And so we'd love to see some of those
13 opportunities come our way as well.

14 MR. JUNIS: So, I guess a follow up would
15 be are there legislative initiatives to gain access?
16 Are there efforts and conversations with DWI and
17 state government? What actions are being taken to
18 attempt to gain access to those funds?

19 MR. DENTON: We're just getting started on
20 that front. So, I think we're going to -- there's
21 going to be a multi-prong type of look and see where
22 is our best opportunities. I think, obviously, time
23 is limited on resource availability, but we're going
24 to be looking and seeing what we can do.

1 MR. JUNIS: Is it okay if Aqua would
2 respond if they want to?

3 CHAIR MITCHELL: Ms. Sanford, did y'all
4 hear the question?

5 MS. SANFORD: I do have a question as to
6 whether you're talking about the substance of the
7 filing we'll make later today or are you talking
8 about something else?

9 MR. JUNIS: So just answer this question
10 here in the hearing about Commission Hughes'
11 question about availability of funds and trying to
12 gain access to those funds like ARPA or other
13 initiatives for --

14 MR. PEARCE: Jo Anne, I can answer pretty
15 easily.

16 MS. SANFORD: Mr. Pearce can --

17 MR. PEARCE: I'm sorry. I'm Joe Pearce.
18 I've had conversations with Jon Risgaard from the
19 Division, DWI about availability versus municipality
20 versus investor-owned utilities. He did a
21 presentation about two weeks ago when he started
22 modifying his presentation of which parts were -- he
23 had muni-only and some of those were muni and IOU.
24 I hope in the future maybe he'll do one just for

1 IOU's so that we know what's available to us and
2 what's not, but they are very early in the process.
3 They have not laid out their whole program so
4 it's -- they're just in the infancy, you know, the
5 infancy of following the BIL and getting the
6 information out there, and that was just in the last
7 month.

8 CHAIR MITCHELL: And I do anticipate we
9 will learn more from the Companies as they make
10 their filings in the docket that we have open at
11 this time.

12 MS. SANFORD: Correct, today.

13 MR. JUNIS: Just one second to make sure
14 I'm running down through my questions.

15 I'm not sure this was asked or maybe I'm
16 missing it. How many portable generators does
17 Carolina Water Service have?

18 MR. HILL: I don't know that I can give
19 you an exact number. Somewhere between 55 and 60
20 statewide.

21 MR. JUNIS: And are those typically the
22 trailer mounted or is that some combination of back
23 of a work truck, smaller ones versus than the
24 larger --

1 MR. HILL: Yeah, those are all trailer
2 mounted, yes. We do have -- we have a number of the
3 smaller portable handheld generators but I honestly
4 don't even count those.

5 MR. JUNIS: Has the Utility considered or
6 looked into any form of battery storage for an event
7 like this?

8 MR. HILL: For batteries to operate the
9 generators?

10 MR. JUNIS: As opposed to an electric
11 generator but battery storage potentially.

12 MR. HILL: I am not aware of any.

13 MR. DENTON: Not within Carolina Water
14 Service. But right now we are -- we have a study
15 ongoing that's looking at a combination of in
16 another jurisdiction of solar combined with battery
17 storage.

18 CHAIR MITCHELL: Which jurisdiction is
19 that?

20 MR. DENTON: Florida.

21 CHAIR MITCHELL: Okay.

22 MR. JUNIS: Chair, that's all I have right
23 now.

24 CHAIR MITCHELL: Let me just check in one

1 last time with colleagues. Any questions for these
2 gentlemen before we let them go?

3 (Pause).

4 Thank you very much. Y'all may step down.
5 Ms. Sanford?

6 MS. SANFORD: If I might, Chair Mitchell,
7 Carolina Water has made available to me a document
8 that I think will be of --

9 MR. BECKER: Aqua.

10 MS. SANFORD: Aqua. I am so sorry. It
11 must be time for lunch or something. That I think
12 is relevant and will be interesting to the group.
13 And it has to -- if you'll pass those out to the
14 Public Staff -- it simply has to do with a disaster
15 management mitigation session. It's to your
16 interest in cooperation among entities including
17 FEMA. So, if I might, I'd like to pass this out.
18 It may be that it may be of interest to members of
19 your staff.

20 CHAIR MITCHELL: Please do. And I believe
21 that brings us to the end of the morning. I will
22 check in just to make sure there are no other
23 questions.

24 (Pause).

1 With that, we've come to the end of the
2 morning, so we will be adjourned. Thank you very
3 much.

4 -----
5 Proceedings were adjourned
6 -----

C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that
the Proceedings in the above-captioned matter were
taken before me, that I did report in stenographic
shorthand the Proceedings set forth herein, and the
foregoing pages are a true and correct transcription
to the best of my ability.

Kim T. Mitchell

Kim T. Mitchell

NORTH CAROLINA UTILITIES COMMISSION