

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc.,) VERIFIED RESPONSE OF
202 MacKenan Court, Cary, North Carolina) THE PUBLIC STAFF TO
27511, for Authority to Adjust and Increase) REPORT ON CUSTOMER
Rates for Water and Sewer Utility Service in All) COMMENTS FROM PUBLIC
Service Areas in North Carolina) HEARINGS BY AQUA
) NORTH CAROLINA, INC.

NOW COMES the Public Staff – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, and files this response to Aqua North Carolina, Inc.’s (Aqua or Company) Report on Customer Comments from Public Hearings Held on August 3, 2020 (Report on Customer Comments) filed with the North Carolina Utilities Commission on August 24, 2020.

PURPOSE OF RESPONSE

The purpose of this response is to provide the results of the Public Staff’s review of Aqua’s response to the customer testimony heard at two public hearings held on August 3, 2020, and the Public Staff’s opinion of whether Aqua’s response adequately addressed the customers’ concerns. In addition to the Report on Customer Comments, the Public Staff reviewed Aqua’s response to Public Staff Data Request No. 138 and input the Public Staff obtained from customer witnesses after Aqua filed its Report on Customer Comments.

OVERVIEW OF THE PUBLIC HEARINGS

Twenty-four customers testified at the two virtual public hearings. The 24 witnesses represented 21 subdivisions in 11 counties located within 18 separate water systems, as follows:

Subdivision	Water System	County
Coachman's Trail	Bayleaf Master	Wake
Hunters Landing	Bayleaf Master	Wake
Sussex Acres	Bayleaf Master	Wake
Wood Valley/Heavenridge	Bayleaf Master	Wake
Castle Bay	Castle Bay	Pender
Chapel Ridge	Chapel Ridge	Chatham
Cottonfield Village	Flowers Plantation	Johnston
Emerald Woods	Emerald Woods	Wake
Farrington	Cliffdale West	Cumberland
Mariner's Pointe	Mariner's Pointe	Cumberland
Myatt Mill	Myatt Mill	Wake
Olde Beau	Olde Beau	Alleghany
Park South Station	Park South Station	Mecklenburg
South Hills	South Hills	Johnston
Stagecoach	Stagecoach	Wake
Regency Lake	Regency Lake	Iredell
The Cape	The Cape	New Hanover
Timberline Shores	Timberline Shores	Northampton
Wexford	Wexford	Wake
Wild Wing	Wild Wing	Gaston
Wrightsboro	Wrightsboro	Cumberland

SUMMARY OF SPECIFIC CUSTOMER TESTIMONY AND AQUA'S RESPONSE

A. Water Quality and Low Water Pressure Concerns

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

During the public hearing, Ms. Raymond testified that her toilet has rust-colored stains and her sinks have a “white build-up.” Aqua responded by providing her with sample cleaning supplies to assist with stain removal and recommended that she flush her fixtures, including her hot water heater. Aqua also obtained a water sample from the residence for inorganic chemical analysis, but results of the analysis were not available to include in Aqua’s Report on Customer Comments. After Aqua filed its Report on Customer Comments the Public Staff requested the results of the inorganic chemical analysis through a data request, and the results indicated all potential contaminants were either not detected or were within allowable limits.

On August 25, 2020, the Public Staff contacted Ms. Raymond to follow up on Aqua’s response to her concerns expressed during the public hearing. At the time of the Public Staff’s conversation with Ms. Raymond, the results of the inorganic chemical analysis results were not available. As a result, Ms. Raymond could not comment on the adequacy of the Company’s response. She also had not yet performed the recommended flushing or used the cleaning supplies. She

acknowledged the cleaning supplies only addressed the results of the discolored water and not the cause.

The Public Staff does not believe the actions taken by Aqua address the root cause of the water quality issue experienced by Ms. Raymond. Aqua has taken no additional action and does not appear to have considered whether operational or maintenance issues may be the cause of the discolored water events.

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

Ms. Daniel testified during the public hearing that over the 19-month period from December 2018 until now, she is directly aware of five instances of brown water, four instances of milky water, and one instance of water service cut without notice. She also testified in support of continued reporting on Coachman’s Trail.

Aqua’s Report on Customer Comments did not address any of the water quality and service related issues addressed by Ms. Daniel.

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

In his testimony, Mr. Camp described his experiences with service issues, including: periodic problems with flow and pressure; water that smells earthy; dark stains and “white water” in the summer (which he testified yields to a thin scum after the aeration dissipates); shortened life span of his appliances; the necessity

for use of special cleaners; and an unsatisfactory response from Aqua. Mr. Camp referred to similar testimony he gave in 2011, indicating that nothing had changed. Aqua summarized Mr. Camp's previous testimony in its Report on Concerns from the Evidentiary Hearing in Raleigh filed on June 17, 2011, in Docket No. W-218, Sub 319, as follows:

- Poor service and lack of response from calls;
- Low pressure;
- Water availability declining in area and concern that Aqua is impacting wells;
- Absence of fire hydrants in his subdivision;
- Attributes of water – odor, hardness and milky/cloudy appearance.

In Aqua's Report on Customer Comments in the present docket, Aqua responded to Mr. Camp's testimony by informing him of the recent improvements that have been made in and around his subdivision, including the installation of iron and manganese filters and tank cleanings. Additionally, an Aqua technician flushed the main and the service line to the house, as well as from a spigot on the exterior of the house. Aqua also installed pressure gauges on a spigot and at the water meter to identify potential water pressure issues. The results of these measures were not known at the time of this filing.

On August 28, 2020, the Public Staff contacted Mr. Camp to obtain input on his follow-up conversations with Aqua and actions taken by the Company to address concerns he identified in his testimony. Mr. Camp stated that Aqua took water samples and installed a water pressure recorder at his residence but he has

not received the results of the water sample testing or the water pressure recorder. Mr. Camp reiterated that he gave the same testimony in 2011 and nothing has changed. The Public Staff asked Mr. Camp if he had any confidence that his concerns would be addressed and he would see improved water quality. He stated he does not believe Aqua knows how to control the aeration problem and that it appears to be a system-wide problem. He also stated that the aeration problems have gotten worse over time. When he first moved to the subdivision in 1997, there were no aeration issues. In 2011, the aeration issues were intermittent, and now during the summer it is a constant problem. Mr. Camp believes the aeration issues are related to supply and demand, with higher demand and resulting lower supply during the summer. The Public Staff then asked Mr. Camp if he saw any improvement in water quality from the flushing performed by Aqua at his residence. He responded that he did not see any improvement but thought that may be because the system serving his subdivision was flushed earlier in 2020.

At this time, the actions taken by Aqua to investigate Mr. Camp's water pressure issues are incomplete. In response to Public Staff Data Request No. 138, Question 10, Aqua states it pulled residuals at Mr. Camp's residence then flushed the blow-off connection, the service line, and outside spigots. Aqua did not provide the results of the water quality residuals testing to the Public Staff. Aqua also stated in its Report on Customer Comments that it completed a meter exchange at Mr. Camp's residence and discovered the meter was cross-threaded which "could have caused some aeration at the meter connection." However, this explanation does not align with the increase in aeration Mr. Camp has observed over the past

10 years to the point it is a common occurrence during summer months. As a result, the Public Staff does not believe that any of the actions Aqua identified in its Report on Customer Comments or in its response to Public Staff Data Request No. 138, Question 10, adequately address the aeration of Mr. Camp's water and the resulting milky "white water" he is experiencing.

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

Ms. Jumma testified she experiences occasional "milky" colored water that resolves after two to three minutes. Aqua stated in its Report on Customer Comments that the Company followed up with Ms. Jumma and she stated she did not have water quality concerns similar to some of the other customers but did occasionally have aerated water. The Company did not address the possible cause of the occasional aerated (milky) water Ms. Jumma testified to in its report and the issue was not addressed by any action items.

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

During the public hearing, Mr. Bacasse testified to water quality issues including milky water and iron deposits in toilets. In its Report on Customer Comments, Aqua addressed Mr. Bacasse's non-water quality related concerns, but did not address the iron deposits in Mr. Bacasse's toilet. In response to Public

Staff Data Request No. 138, Question 12, Aqua stated that the staining was not discussed during follow-up discussions by the Company with Mr. Bacasse. Aqua did explain to Mr. Bacasse the possible causes of aerated water. However, no action was taken by Aqua to address the issue at Mr. Bacasse's residence. Therefore, the Public Staff believes Aqua's post testimony follow-up response to Mr. Bacasse is insufficient.

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

Ms. Alexander testified that her water is milky and is slimy in the winter; that there is a black ring in her toilet bowl; and that she has spent a lot of money buying bottled water. Ms. Alexander further testified that the water improved after an investigation in 2017 but has since degraded.

In its Report on Customer Comments, Aqua described a number of actions it took to address Ms. Alexander's concerns. Aqua ran all residual tests from an outside spigot with all residuals within allowable limits. Approximately two weeks later Aqua returned to Ms. Alexander's residence and drew water from an outside spigot. Aqua stated the water was clear, but was aerated and the air dissipated rapidly. Aqua further stated that it will determine whether an air release valve can be installed to address Ms. Alexander's aerated water concern.

The Public Staff contacted Ms. Alexander on August 25, 2020, to obtain her input on Aqua's response to her concerns expressed during the public hearing. Ms. Alexander stated the residual results were provided to her on a yellow

doorknob hanger without any explanation regarding the acceptability of the results. During her conversation with the Public Staff, Ms. Alexander read the residual test result values listed on the doorknob hanger. While they did not match exactly the values listed in Aqua's Report on Customer Comments, they were within allowable limits. Ms. Alexander was unaware that Aqua was investigating the possibility of installing an air release valve to address the aerated water she is experiencing. Ms. Alexander stated she is "totally dissatisfied" with Aqua and if the Public Staff were to interview residents of her subdivision, the Public Staff would hear complaints similar to hers.

In response to Public Staff Data Request No. 138, Question 13, Aqua stated that on August 10, 2020, an Aqua technician discussed the initial residual results with Mr. Alexander since he was the only person home at the time. The results from the water sample taken on August 23, 2020, were provided on a door tag as no one responded when the Aqua technician knocked on the door. It appears these are the same results Ms. Alexander was referring to in her discussions with the Public Staff.

In its Data Request No. 138, Question 14, the Public Staff asked Aqua to provide a summary of any post-hearing discussions with Ms. Alexander or actions taken by Aqua related to the water quality issues Ms. Alexander discussed in her public hearing testimony (i.e., slimy water, black film, and muddy colored water). In its response, Aqua indicated that Ms. Alexander stated in follow-up discussions with the Company that the water is only slimy and muddy in color during the winter. Aqua also indicated that the water sample taken on August 10, 2020, showed no

evidence of any slimy or muddy water. Aqua further indicated that neither slimy, muddy water nor black rings came up with the conversation between the Aqua technician and Mr. Alexander on August 10, 2020. It is unclear whether Aqua prompted a discussion of those water quality concerns with Mr. Alexander.

Based on Aqua's Report on Customer Comments, its responses to Public Staff Data Request No. 138, Question 14, and the feedback received from Ms. Alexander, the Public Staff believes there are a number of deficiencies with Aqua's response. These include ineffective communication with Ms. Alexander regarding the residual results and the potential actions being investigated to address aerated water. Additionally, Aqua did not address the cause(s) of the black ring in Ms. Alexander's toilet or the slimy water she experiences during winter.

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

In his testimony, Mr. D'Andrea reported numerous line breaks; low pressure; cloudy water which sometimes tastes stale or overly chlorinated; water stains in tubs and toilets; and "milky" looking water from air, which clears eventually.

Aqua stated in its Report on Customer Comments that its most recent (August 2019) inorganic compounds sample results for iron and manganese on both wells serving Regency Village were all below the sMCLs for both iron and manganese. Aqua stated it placed a second well in service in June 2020 to

compensate for new connections and increased water demand. Aqua's report also stated Aqua reviewed with Mr. and Mrs. D'Andrea Aqua's valve replacement project slated to be completed in their water system in the five-year plan and how it would help minimize the number of customers affected by a line break.

Aqua's Report on Customer Comments does not address the stale taste of the D'Andrea's water or milky water. The Public Staff spoke to Mrs. D'Andrea on August 25, 2020, to obtain her input on Aqua's response to the concerns expressed by her husband during the public hearing. Mrs. D'Andrea stated there are frequent leaks and Aqua should take better care of the infrastructure instead of asking for more money. The Public Staff asked Mrs. D'Andrea for her opinion on the valve replacement project and she repeated her concern over the age of the infrastructure and main breakage.

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

Ms. Moreland testified during the public hearing that she had her water tested approximately 10 years ago. The test results prompted Ms. Moreland to purchase a whole house water filtration system. However, due to the high maintenance costs for the filter, her family switched to purchasing bottled water approximately five or six years ago. Ms. Moreland stated she has replaced showerheads every four to six months because of an "orangey-yellow" build-up.

In Aqua's Report on Customer Comments, Aqua advised Ms. Moreland of the importance of regular flushing of the hot water tank, the fact that iron can cause

staining on plumbing fixtures; and the fact that a red or pink biofilm commonly forms around water fixtures in damp locations, such as bathrooms and kitchens. Aqua advised Ms. Moreland that the film can be removed through scrubbing.

Additionally, Aqua stated that it had inorganic chemical analysis performed on a water sample from Ms. Moreland's home. The results of the chemical analysis revealed nothing detectable except for sodium and sulfate, which were at low and very low levels, respectively. Aqua discussed these results with Ms. Moreland and informed her of a manganese dioxide filter installed on the well serving her subdivision. Aqua stated that after the follow-up Ms. Moreland received from Aqua, Ms. Moreland felt utilizing bottled water was unnecessary.

The Public Staff contacted Ms. Moreland on August 26, 2020, to obtain her input on Aqua's response to her concerns expressed during the public hearing. Ms. Moreland stated that when Aqua provided her with the inorganic chemical analysis results, Aqua also provided her the health standards for the mineral content from an independent source and reviewed the information with her. Ms. Moreland also stated that Aqua recommended biannual flushing of the hot water heater. Ms. Moreland informed the Public Staff that she would continue to purchase bottled water in the near-term. She has begun drinking water from the tap herself and, if she is satisfied with the quality of water from the tap, she may eventually transition her family to tap water.

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

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

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

10. Additional Information

In Aqua’s Report on Customer Comments, Aqua refers to a Formal Customer Survey taken in early 2020. In response to Public Staff Data Request No. 138, Question 6, Aqua provided a summary spreadsheet of the results of the customer survey. The Public Staff reviewed the survey responses, including on overall customer satisfaction, water quality, and water pressure. If a survey response was “not very satisfied” or “not satisfied at all,” the Public Staff considered the response negative or unfavorable. Similarly, if a survey response was “fair” or “poor,” the Public Staff considered it a negative response. The table below provides a summary of the results of Aqua’s customer survey related to overall customer satisfaction, water quality and water pressure.

	Overall Satisfaction	Water Quality	Appearance/ Clarity	Smell	Taste	Water Pressure
Number of Respondents	1,507	1,429	1,408	1,412	1,404	1,415
Unfavorable Responses	427	616	503	454	599	443
% Unfavorable	28%	43%	36%	32%	43%	31%

As demonstrated by the table above, 43% of survey respondents responded negatively regarding water quality and 28% responding negatively regarding their overall satisfaction.

B. Customer Communications

During the public hearings, a number of customers provided testimony regarding customer communication-related issues. These include:

1. Oliver Bacasse – 1704 Chatsworth Lane, Raleigh, NC 27614, Hunters Landing Subdivision, Bayleaf Master System (water only), Tr. Vol. 9, pp. 123-135.

Mr. Bacasse stated that, after two and a half months of attempts to obtain information about metrology and validation, Aqua “refused” to give him the information he sought. Mr. Bacasse stated that he stopped calling customer service 12 to 14 months ago because of his dissatisfaction with the responses he received.

In Aqua’s Report on Customer Comments, Aqua stated it addressed the meter in question with Mr. Bacasse and that a test of the meter was not practical or reasonable. Additionally, Aqua provided Mr. Bacasse the direct email contact information of Aqua’s Director of Operations.

Aqua’s refusal to provide Mr. Bacasse the water meter test results is a violation of Commission Rule R7-33(a) which states: “A report giving the result of each request test shall be made to the customer and to the Utilities Commission

with a copy of the Public Staff, and the complete original record shall be kept on file in the office of the utility for at least five years.”

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

In Mr. D’Andrea’s testimony during the public hearing, he did not express a concern regarding communications with Aqua. In Aqua’s Report on Customer Comments, Aqua addressed other concerns identified during Mr. D’Andrea’s testimony and informed Mr. and Mrs. D’Andrea that a well serving their water system was off-line for a time and was recently returned to service. During the Public Staff’s post-hearing conversation with Mrs. D’Andrea, she stated she was unaware of the well’s status and only became aware from the follow-up she received from Aqua because of her husband’s testimony during the public hearing.

3. Cindy Rosado – 2717 Crest Ridge Court, Fayetteville, NC 28306, Mariner’s Pointe Subdivision (water only), Tr. Vol. 10, pp. 19-29.

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

Aqua stated in its Report on Customer Comments that the President of Aqua NC, Shannon Becker, contacted Ms. Rosado to address her concerns and provided his contact number to her to use should she have future questions or problems.

4. Eric Thornton – 8923 Sedgley Drive, Wilmington, NC 28412, The Cape Subdivision (water and wastewater), Tr. Vol. 10, pp. 29-35.

Mr. Thornton testified that for 10 of the last 13 quarters he has received notices that the water provided by Aqua has exceeded the Environmental Protection Agency (EPA) limits for total trihalomethanes (TTHMs). He further testified that, each time he receives such a notice, it states "Aqua is currently adding new water sources and exploring additional treatment options to improve water quality." Mr. Thornton testified he has never been notified of any improvement plans and can find none publicly available.

In Aqua's Report on Customer Comments, Aqua stated that Mr. Thornton was contacted by an Aqua representative who reviewed Aqua's planned actions to address TTHM. These actions include drilling of a new well (on-line September 2020), installing a manganese dioxide filtration system on an inactive well that has historical iron and manganese issues (under review by Public Staff), pursuing new locations for future wells along the northern side of The Cape Master System and away from areas prone to salt water intrusion, and exploring the use of a deeper aquifer (Pee Dee) as a viable alternative water source. Aqua also reviewed with Mr. Thornton its PFAS initiative, the GenX sampling protocol, and other measures. The report stated that, while Mr. Thornton appreciated the information and the

Company's proactive sampling for PFAS and GenX, he recommended that Aqua do a better job of informing its customers about these issues.

5. Kristen Pavlich – 839 Colonial Ridge Drive, Pittsboro, NC 27312, Chapel Ridge Subdivision (water and wastewater), Tr. Vol. 10, pp. 35-47.

Ms. Pavlich testified about several customer service issues, including water quality. Ms. Pavlich also testified that for two consecutive months Aqua billed her the identical 25,100 gallons at a cost each month of \$408.86. She testified she did not believe the exact same gallons were used these two months.

The Public Staff contacted Ms. Pavlich on August 4, 2020, and asked whether Aqua provided her the AMR 40 daily meter readings for each of the two months in question. Ms. Pavlich stated that Aqua had not provided the readings, but that she called Aqua on August 5, 2020, and requested the daily AMR reading for these two months. Ms. Pavlich was told Aqua could not provide this information.

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

The Public Staff is extremely concerned that Aqua does not readily provide customers who call Aqua concerning what the customers consider an unreasonably high water bill a printout of the AMR 40 daily meter readings. The

customers are paying for these AMR readings and are entitled to the written printouts.

Providing customers these AMR 40 daily reading printouts should build customer confidence in the accuracy of the Company's water meter readings.

Mr. Becker testified that Aqua customer service personnel can provide customers the AMR 40 daily meter readings. However, this does not appear to be Aqua's practice. The Public Staff strongly recommends that Aqua regularly provide customers printouts of these AMR 40 daily meter readings whenever a customer contacts Aqua concerning what the customer believes to be an unreasonably high water bill.

The Public Staff's also has an issue with Aqua's response to the continued lack of direct access by customers to their AMR meter data. The AMR meters have capability to log daily meter reads and Aqua customers should have the ability to investigate their usage directly through Aqua's website versus relying on Aqua.

Aqua's Report on Customer Comments also included a summary of conversations Aqua personnel had with Ms. Pavlich regarding her testimony on the quality of water received from the Town of Pittsboro. Aqua stated that Ms. Pavlich thanked Aqua for the information and the attention to customers. She urged Aqua to build further customer trust by updating customers on actions, providing results, and addressing other relevant subjects.

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

Ms. Stevens testified that she did not receive notice from Aqua of the public hearings. In Aqua's Report on Customer Comments, Aqua could not explain why Ms. Stevens did not receive notification. Aqua confirmed that Ms. Stevens' name and correct mailing address were on the mailing lists for all notices. Additionally, Aqua has no record of billing or other information being sent to anyone other than Ms. Stevens at that address. Further, Aqua stated that no mail addressed to Ms. Stevens was returned to Aqua as undeliverable.

As described in Aqua's Report on Customer Comments, the initial notices of the rate increase and the earlier scheduled public hearings were sent by United States Postal Service standard presort mail. Standard presort mail is generally known as bulk mail. Standard presort mail is not a priority service with a fixed delivery time. If it cannot be delivered due to a change or address, it will not be forwarded to the new address nor will it be returned to the sender. The Public Staff recommends all Commission-required customer notices be mailed presorted first class or first class.

With the exception of Aqua's non-compliance with Commission Rule R7-33(a), the Public Staff considers Aqua's post hearing follow-up on the communication-related issues discussed above to be adequate, though there is room for improvement. Aqua's Report on Customer Comments states Aqua has made several improvements to its local communications efforts since the Company's last rate case in Docket No. W-218, Sub 497, and the Company now provides a broad range of options and resources for both one-way alerts and two-

way communications. It remains to be seen whether these communication improvements will improve customer satisfaction.

C. Other Customer Concerns

1. Cost of Wastewater Utility Service: Customers Raymond, Jumma, Galamb, Horrocks, Kretzinger, and McReynolds testified that wastewater utility service was too expensive and did not take into consideration usage. Customers Raymond, Jumma, Galamb and McReynolds testified to their preference for metered sewer rates. During the post hearing discussions, Aqua explained to these customers that the cost of wastewater service is impacted by capital expenditures and investment decisions that are not based on the number of residents in the home.

2. Water Hardness: Customers Camp and Bacasse testified to hard water. In Aqua's Report on Customer Comments, Aqua stated that water hardness is a result of high mineral content (most commonly calcium and magnesium) and does not affect public health. The degree of water hardness is a consumer preference that varies by consumer. Aqua stated it does not treat water to address water hardness.

3. Quality of Aqua's Purchased Water Suppliers: Customers Pavlich and McReynolds testified to "horrible" water and the chemical taste of the water, respectively. Aqua informed both customers of actions the Company is taking to address water quality issues on water purchased from the Town of Pittsboro and Johnston County.

The Public Staff considers Aqua's post-hearing follow-up on these other customer concerns to be adequate.

D. Conclusion

The Public Staff considers Aqua's post-hearing follow-up on customer communication, cost of wastewater utility service, water hardness, and quality of water Aqua purchases from the Town of Pittsboro and Johnston County to be acceptable. However, the Public Staff's considers the Company's post-testimony follow-up actions taken by Aqua and documented in its Report on Customer Comments inadequate for the following reasons:

1. The response failed to identify the root cause of the aerated water many customers testified to experiencing or discuss Aqua's plans to address this issue.

2. The response to discolored water is similar to Aqua's normal procedure of performing residual testing and, in some cases, inorganic chemical analysis, performing flushing at the residence, and/or providing cleaning supplies to customers. If test results are at or below allowable limits, Aqua takes no further action and does not appear to consider whether operational or maintenance issues may be the cause of the discolored water events experienced by customers.

3. Customers testified to issues during the public hearings that Aqua did not address in its customer follow-ups. These include:

a. Ms. Daniel's testimony to five instances of brown water, four instances of milky water, and one instance of water service cut without notice;

b. Iron deposits in Mr. Bacasse's toilets;

c. Stale water taste experienced by Mr. D'Andrea; and

d. Ms. Alexander's testimony to slimy water, black film, and muddy colored water.

4. While Aqua took a number of actions to address the concerns voiced in Ms. Alexander's public hearing testimony, Aqua failed to provide Ms. Alexander the allowable limits for the inorganic chemical analysis from the second water sample taken from her property.

5. Aqua failed to provide Mr. Bacasse the requested meter test results as required by Commission Rule R7-33(a).

6. To ensure certainty of delivery, future Commission-ordered customer notices should be mailed by either presorted first class or first class mail.

7. To resolve customer billing disputes and address customer usage inquiries, Aqua should provide customers printouts of AMR daily meter readings and rapidly develop customer online access.

The Public Staff respectfully requests that the foregoing verified response be entered into evidence in the present docket.

This the 4th day of September, 2020.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Dianna W. Downey
Chief Counsel

Electronically submitted
/s/ Megan Jost
Staff Attorney

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CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing Verified Response on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

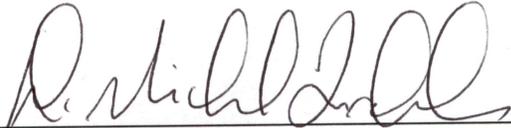
This the 4th day of September, 2020.

Electronically submitted
/s/ Megan Jost

VERIFICATION

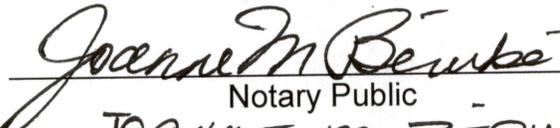
STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

D. Michael Franklin, first being duly sworn, deposes and says that he is a Utilities Engineer with the Water, Sewer, and Communications Division, Public Staff – North Carolina Utilities Commission, that as such, he has read the foregoing Verified Response of the Public Staff to Report on Customer Comments from Public Hearings by Aqua North Carolina, Inc., and knows the contents thereof; that the same are true of his own knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.



D. Michael Franklin

Sworn to and subscribed before me,
this 4th day of September, 2020.



Notary Public
JOANNE M. BERUBE

Joanne M. Berube
NOTARY PUBLIC
WAKE COUNTY, N.C.
My Commission Expires 12-17-2022.

My Commission Expires: 12/17/2022