

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

November 8, 2022

A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Via Electronic Delivery

Re: Docket No. W-354, Sub 400
Application by Carolina Water Service, Inc. of North Carolina for Authority to Adjust and Increase Rates and Charges for Water and Sewer Utility Service in All Service Areas of North Carolina and Approval of a Three-Year Water and Sewer Investment Plan
--Response to Virtual Public Hearing (October 19, 2022) and Jacksonville Public Hearing (October 25, 2022)

Dear Ms. Dunston:

Attached for filing please find Carolina Water Service, Inc. of North Carolina's response to the virtual public hearing, which was held on October 19, 2022, and to the Jacksonville public hearing, convened at the Onslow County Courthouse on October 25, 2022.

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

Sincerely,

Electronically Submitted

Sanford Law Office, PLLC

/s/Jo Anne Sanford

N.C. State Bar No. 6831

Attorney for Carolina Water Service, Inc.
of North Carolina

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 400

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Carolina Water Service,)
Inc. of North Carolina for Authority to)
Adjust and Increase Rates and) **REPORT ON CUSTOMER**
Charges for Water and Sewer Utility) **COMMENTS FROM PUBLIC**
Service in All Service Areas of North) **HEARINGS HELD VIRTUALLY**
Carolina and Approval of a Three-Year) **ON OCTOBER 19, 2022 AND IN**
Water and Sewer Investment Plan) **JACKSONVILLE, NORTH**
) **CAROLINA ON OCTOBER 25,**
) **2022**

NOW COMES Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) and files this report in response to customer concerns raised at the virtual public hearing and the Jacksonville public hearing held by the North Carolina Utilities Commission (“NCUC” or “Commission”).

The virtual public hearing was convened at 6:30 p.m. on October 19, 2022, via the Commission’s WebEx platform. Commissioner Floyd B. McKissick, Jr. presided on behalf of the Commission, joined by Commissioners ToNola D. Brown-Bland, Daniel G. Clodfelter, Kimberly W. Duffley, Jeffrey A. Hughes, Karen M. Kemerait and Charlotte A. Mitchell, Commission Chair. Gina Holt, Manager in the Legal Division of the Public Staff, appeared for the Public Staff on behalf of the using and consuming public, accompanied by Lindsay Darden, engineer with the Public Staff. Mark R. Alson of Ice Miller LLP appeared on behalf of CWSNC, joined by CWSNC State President Donald Denton.

The Jacksonville public hearing was convened at 7:03 p.m. on October 25, 2022, at the Onslow County Courthouse in Jacksonville, North Carolina. Commissioner Floyd B. McKissick, Jr. presided on behalf of the Commission, joined by Commissioners Kimberly W. Duffley and Karen M. Kemerait. Staff Attorney John D. Little appeared for the Public Staff on behalf of the using and consuming public, accompanied by Shashi Bhatta, engineer with the Public Staff. Jo Anne Sanford of Sanford Law Office, PLLC appeared on behalf of CWSNC, joined by CWSNC State President Donald Denton.

A. INTRODUCTION AND ORGANIZATION OF REPORT

The Company values this opportunity to hear from concerned customers across its service areas and appreciates its responsibility to investigate and respond. This report will discuss a number of principles and facts that impact both the Company's service obligation and the rules that apply to the rate-setting process for public utilities such as CWSNC, assuring protections to customers and fair compensation to the utility. These general principles are addressed in Appendix A and are referred to throughout as "General Responses." The Company's General Responses pertain to important topics such as proposed rates, "cost of service ratemaking," the rigorous audit process underway in this proceeding, rate comparisons among providers, legal compliance regarding notice, level of service inquiries, investment in replacing aging infrastructure, and water quality (both primary and secondary).

B. OVERVIEW OF THE VIRTUAL AND JACKSONVILLE PUBLIC HEARINGS

Five witnesses testified during the virtual hearing, and one witness testified during the Jacksonville hearing. The customer who testified at the Jacksonville hearing (Mr. Gumbel) had previously testified during the virtual hearing. Due to the fact that he was the only witness who testified at the Jacksonville hearing, and he raised similar issues at each hearing, Mr. Gumbel's collective comments are being addressed in this report.

C. SPECIFIC RESPONSES TO CUSTOMER TESTIMONY

John Gumbel, Carolina Pines, 107 Boros Landing, New Bern, North Carolina, *Virtual Transcript ("V. Tr."), pp. 14-23; Jacksonville Transcript ("J. Tr."), pp. 13-27.*

Mr. Gumbel, a fixed rate sewer customer, reviewed the amount and cumulative effect of recent rate increases. He testified that the annual cost for utilities at his address are all trending down from 2005 to 2022, but CWSNC's costs are increasing. He attributes this to having no control over the fixed costs of his sewer bill. He alleged that the level of rate increase is not just, fair, reasonable or sustainable for customers, and is a violation of NC General Statutes Chapter 62, Article 7. Mr. Gumbel asserted that the Commission appears to have no process for determining what is fair and reasonable for the consumer. In response to a question from Ms. Holt, Mr. Gumbel provided no testimony as to any service-related problems. V. Tr., p. 20, lines 7-13.

Mr. Gumbel also questioned why he was just recently notified that CWSNC would not charge for use of a credit or debit card for payment of bills, when the

Commission approved that program last February. He also stated that the website continued to state that there were charges for use of credit and debit cards.

In response to questions from Commissioner Hughes, Mr. Gumbel stated that his water usage has decreased, and that his last water bill from Craven County was \$21.30, having used 5,100 gallons. V. Tr., p. 22, line 2 to page 23, line 11.

Mr. Gumbel supplemented his oral testimony with a written statement which was admitted into the record.

CWSNC's Response to Customer Gumbel:

While understanding the appeal of Mr. Gumbel's theory regarding the trend line of sewer rates and its comparison to the rate of inflation, CWSNC respectfully suggests that it would ignore the core principles of regulatory oversight of the Company, which require it to provide an essential service within its franchised territory, in compliance with environmental and public health standards, and at rates that hold it strictly accountable for proof of the actual, reasonable, audited cost of service. Regulated utilities are required to invest reasonably, prudently and adequately, and are entitled to the opportunity to earn a reasonable, Commission-authorized return on the investment they are required to make, which implicates the charge for flat rate sewer customers such as Mr. Gumbel. Decisions about investment in infrastructure and operations necessary to ensure environmental and public safety standards cannot reasonably or safely be predicated upon funding levels that are driven by returns solely fixed to an external economic index.

Additionally, as explained in the General Responses, a comparison of rates charged by a regulated water and wastewater company to rates charged by a governmental provider such as Craven County is not a meaningful examination of the fairness of rates.

As to the notification of implementation of the fee free payment program, the Company's notification to customers has been careful and prudent. Mr. Gumbel mistakenly stated that the program was approved last February; however, the Commission's Order approving the fee free payment program was issued in April 2022. Upon receiving the Order, the Company contracted with its customer portal processor and coordinated with its IT department in order to begin the development work which took approximately 90 days. Once the development work was completed, CWSNC engaged in testing of the system, and upon appropriate confirmation, notice was provided to customers in September 2022. CWSNC's fee free payment program went live on September 8, 2022, and since that date, no residential customers have been charged convenience fees for payments. To the extent the Company's website or My Utility Connect portal is unclear or has not been recently updated, the Company is in the process of clarifying and updating.

Danny Conner, Treasure Cove, 231 Long John Silver Drive, Wilmington, North Carolina, V. Tr., pp. 24-30.

Mr. Conner testified that he is water customer of CWSNC. He stated that he objects to most all rate increase requests, but it does not appear customers are protected. He also stated that despite Treasure Cove's sewer being provided by Cape Fear public utilities, CWSNC's rate request "includes – increases the

Treasure Cove for sewer, which is not supplied by CWS. This probably falsifies the overall financial information being presented to the Utilities Commission.” V. Tr., p. 25, line 24 to page 26, line 4.

Mr. Conner testified that he pays about \$70 a month for bottled water used for drinking and cooking. He stated he has red mud and mineral residue from time to time. He chooses not to drink any water with any GenX chemicals such as PFAS or PFOS.

Mr. Conner stated that he has previously asked questions to CWSNC, but the company did not provide full responses, particularly regarding specific financial information for Treasure Cove.

Mr. Conner also questioned why Treasure Cove is having its rates increased when no projects for upgrades and expenditures on the CWSNC website were near Treasure Cove.

CWSNC’s Response to Customer Conner:

With regard to Mr. Conner’s objection to the rate increase, CWSNC first states that the water rates proposed by CWSNC in this proceeding will not impact the sewer rates and fees charged by Cape Fear Public Utility Authority. With regard to projects, in this proceeding, the Company is proposing a Capital Improvement Plan as part of its WSIP proposal. To the extent specific projects may not be listed for any specific area, the requested rate increase will also fund routine maintenance projects and expenditures. History and experience have shown that routine maintenance is a necessary and prudent expenditure in running a utility,

and as such the Company has included reasonable estimates for such maintenance in this case. Thus, things like individual pump and motor replacements, main line breaks, and electrical component failures will be timely repaired or replaced, which the requested rate increase would fund.

With regard to minerals in the water, the Company refers to its General Responses. As to GenX chemicals, monitoring is completed on a yearly basis and results are disclosed in the annual Consumer Confidence Report, which is mailed to customers and which is available at <https://www.myutility.us/CarolinaWaterServiceNC/water-quality-reports/pfas-information>.

Mr. Conner referred to previous requests for information, some of which was not provided because it was confidential. CWSNC did provide substantial information to Mr. Conner. However, when a customer requests confidential information of a privately-held company, the Company is not obligated to provide any and all information to the general public. Nonetheless, within the contours of a regulation by the Commission generally, and particularly in a rate case proceeding, the Public Staff and Commission engage in a detailed, rigorous review of a utility's financial information, culminating in a judicial proceeding by the Commission.

Larry Lotspeich, The Pointe, 224 Fallmouth Road, Mooresville, North Carolina, V. Tr., pp. 31-36.

Mr. Lotspeich objected to the rate increase, describing how he had asked the Commission to re-evaluate the prior rate increase. He characterized the proposed rate increase in this case as unprecedented and unconscionable. Mr.

Lotspeich also questioned whether water-only customers were bearing a disproportional cost of sewer investments.

Mr. Lotspeich also stated concerns with the drinkability of the water provided by CWSNC. He uses bottled water, as the water from his tap stains his toilets and sinks.

CWSNC's Response to Customer Lotspeich:

With regard to water quality, please see the General Response for a discussion of the issue. The Company notes that, following the virtual customer hearing, and in response to the water discoloration issue raised by the customer, the Company's Area Manager contacted the customer. Among other things, they discussed the status of the customer's water discoloration. During the conversation, the customer clarified that water discoloration issues arise when the fire department has tested hydrants or when a nearby leak occurs. The Company also offered to explore potential ways to help alleviate water discoloration issues, such as increased flushing for his area. To that end, on October 25, 2022, and with the customer onsite, Company personnel flushed the nearby hydrant, which improved the customer's water quality. The Company asked Mr. Lotspeich to call customer service if he sees any future water discoloration, so that it can be investigated further.

Additionally, the customer's system currently receives purchased water from the Town of Mooresville and an interconnect project is currently underway for an additional line. The project will allow CWSNC to accommodate the seasonal

increased water usage due to irrigation and other outside water usage. Additionally, the project is anticipated to reduce hardness levels to customers in The Pointe subdivision.

With regard to the proposed rate increase, please see the General Responses for a detailed statement. Generally, the Company reiterates that the statutory process for a proposed rate increase, including under the WSIP paradigm, involves a rigorous audit by the Public Staff and a thorough review of all evidence, conducted in a judicial proceeding by the Commission, all of which can take up to 300 days. The burden of proof in support of the request is on the utility. As such, all proposed rate increases necessitate a detailed process set forth in North Carolina General Statutes, Chapter 62, and in rules promulgated by the North Carolina Utilities Commission under those statutes.

CWSNC would note that water customers are not burdened by the cost of the Company's sewer investment. Investments in sewer utility plant in service are directly charged to sewer utility operations and the revenue requirements for those plant investments are subsumed by sewer customers.

David Biernat, Aragona Village, 101 Butternut Circle, Jacksonville, North Carolina, V. Tr., pp. 37-44.

Mr. Biernat objected to the proposed rate increase. A sewer-only customer, Mr. Biernat contended that the fixed rate sewer charges were excessive compared to anywhere else he has lived. Mr. Biernat testified that should the proposed increase be approved, his combined water/sewer charge would be his third highest charge, behind his mortgage and food expense.

Mr. Biernat stated that the Company did not appear to have proposed projects in his area, or in the state, which support the proposed rate increase.

CWSNC's Response to Customer Biernat:

With regard to the proposed rate increase, please see the General Response. Similarly, to the extent the customer is comparing the sewer portion of his bill to the water portion – which is provided by Onslow Water and Sewer Authority – the General Response explains why it is inapposite to compare the rates of a regulated utility to those of a public instrumentality.

With regard to projects, CWSNC recently rehabbed the WWTP filters in order to increase effluent quality. Additionally, in this proceeding, the Company is proposing a Capital Improvement Plan as part of its WSIP proposal. Moreover, to the extent specific projects may not be listed for any specific area, the requested rate increase will also fund routine maintenance projects and expenditures. History and experience have shown that routine maintenance is a necessary and prudent expenditure in running a utility, and as such the Company has included reasonable estimates for such maintenance in this case. Thus, things like individual pump and motor replacements, main line breaks, and electrical component failures will be timely repaired or replaced, which the requested rate increase would fund.

Michael Kahrmanian, Fairfield Harbour, 913 Sea Holly Court, New Bern, North Carolina, V. Tr., pp. 44-51.

Mr. Kahrmanian objected to the proposed rate increase, asking that his water and sewer rates go back to the May 2020 rates, which would be in line with

current inflation rates. Mr. Kahrmanian, who lives only part time in his North Carolina home, objects to paying for wastewater when there are months that he has zero usage. In response to questions from Commissioner Kemeraït, the customer acknowledged that his water/sewer bill in New York, which is less than the rates from CWSNC, is provided by a municipal provider – Erie County Water Authority.

Mr. Kahrmanian also was critical of incurring a service charge for paying his bill out of his checking account, and in response to a question from Commissioner Hughes, he states that he mails in his payment.

CWSNC’s Response to Customer Kahrmanian:

With regard to the proposed rate increase, please see the General Response. In terms of a comparison of his New York water/sewer bill to the CWSNC water/sewer bill, Commissioner Kemeraït elicited the critical point that the water/sewer utility service in New York is provided by a municipal provider. As explained in the General Responses, these are not apples-to-apples comparisons and can lead to an inappropriate conclusion about the fairness of rates.

Regarding Mr. Kahrmanian’s objection to incurring a charge for months that his home has no usage, base facilities charges reflect, as much as possible, the fixed costs of the facilities required to provide service. These are static amounts and do not disappear when residents are away. The system must be able to provide service on demand, whether or not the customer is there to exert a demand for usage.

Finally, with regard to Mr. Kahrimanian's comment regarding a service charge for payment from a bank account, CWSNC does not charge a fee to customers when payment is made directly from a customer's bank account. The Company's records indicate that, subsequent to the virtual hearing, this customer paid his bill directly from his bank account, and incurred no fee. Additionally, as noted above, CWSNC has implemented the fee free payment program, which has eliminated electronic payment fees associated with residential customers paying with a credit card. Therefore, should the customer desire to make an electronic payment, may avail himself of either option without being charged a fee by CWSNC.

D. CONCLUSION

CWSNC appreciates the willingness of its customers to participate in this process and the Company understands customers' opposition to rate increases. However, this is a capital-intensive industry and, since the last rate case, CWSNC has invested approximately \$17,300,000 in capital improvements in North Carolina. Therefore, if the new, additional capital investments made by CWSNC are proved to be necessary and prudent, the opportunity to recover those costs is required by law and in order for the Company to continue to provide adequate service. The public's assurance of fairness to customers is found in the strict, highly-skilled oversight and regulation by the Public Staff and the Commission.

Respectfully submitted, this the 8th day of November, 2022.

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

APPENDIX A

CWSNC'S GENERAL RESPONSES TO GENERAL CUSTOMER CONCERNS

1. Proposed Rates – The legal principles that govern ratemaking are set forth in North Carolina General Statutes, Chapter 62, and in rules promulgated by the North Carolina Utilities Commission under those statutes. By law, CWSNC receives a rate increase only if it proves, following an investigation by the Public Staff (and any Intervenor opposition), that such an increase is authorized under the law, based on the actual cost and level of prudent and reasonable investment in plant and operation. Further, under the Water and Sewer Investment Plan (“WSIP”) paradigm, the Commission may only authorize rate changes based on reasonably known and measurable capital investments and anticipated reasonable and prudent expenses, provided the Commission finds the WSIP results in rates that are just and reasonable and in the public interest. Moreover, in reviewing a WSIP application, the Commission must consider whether the water or sewer utility’s application, as proposed: (1) establishes rates that are fair both to the customer and to the water or sewer utility; (2) reasonably ensures the continuation of safe and reliable utility services; (3) will not result in sudden substantial rate increases to customers annually or over the term of the plan; (4) is representative of the utility’s operations over the plan term; and (5) is otherwise in the public interest. From filing of a rate increase application until issuance of a final Commission order can take 300 days; much of that

time is spent in a rigorous audit by the Public Staff and a thorough review of all evidence, conducted in a judicial proceeding by the Commission. The burden of proof in support of the request is on the utility.

2. Rate Comparisons – An attempt to make meaningful comparisons between statewide average costs for all water and wastewater service providers and the costs of a provider like CWSNC generally results in an “apples to oranges” assessment. The core distinction is found in the concept of “economies of scale.” The costs of serving an individual customer in Raleigh or Charlotte, by a governmental utility enterprise, will likely on average be less than the cost of serving the typical CWSNC customer. The urban areas are densely populated, they generally source water from large surface impoundments or rivers, they treat waste in large central treatment facilities, governmental entities tax their citizens, and they are often not required to utilize “cost-of-service” ratemaking, as are the utilities regulated under Chapter 62 of the General Statutes. Contrast this to the areas served by CWSNC and others like it: often rural, far less densely populated, and frequently served by smaller wastewater treatment plants and by hundreds of wells, drawing water up from rock, and dispersed across the state. The difference in cost attributes is obvious and should inform any conversation about comparisons in respective average costs.
3. Legal Compliance Regarding Notice – In a general rate case, the Public Notice to customers is prescribed by the requirements of statute and is

issued by the Commission, based upon the input of CWSNC and the Public Staff. It is a joint effort to provide specific information to all customers about current and proposed rates. In a general rate case like this, the length and complexity of the Public Notice serves the purpose of detail and transparency yet may be daunting to many customers who attempt to understand all its contents and the personal impact.

With respect to the timing and means of customer notice in this particular case, CWSNC undertook, on its own volition, to activate a series of its communications mechanisms to provide additional layers of notice to customers and to owners' associations to alert them to their opportunity to be heard at the public hearing.

4. Investment in Replacing Aging Infrastructure – As documented by the U.S. Environmental Protection Agency (“EPA”), the American Water Works Association (“AWWA”), and the American Society of Civil Engineers (“ASCE”), significant investment is needed throughout North Carolina—more than \$20 billion over the next 20 years—to replace aging water and wastewater infrastructure, including drinking water pipes, wastewater collection pipes, lift stations, and wastewater treatment facilities.
5. Water Quality – Water quality can be impacted by, among other things, unplanned water main breaks, unexpected malfunctioning of equipment, and challenges when implementing capital projects. CWSNC is intently focused on providing a high level of service and compliance with primary

drinking water quality standards. The Company's latest Annual Water Quality Reports are located on its website for review.

6. Secondary Water Quality – The Company is also committed to a high level of service regarding secondary water quality standards. Secondary water quality standards address substances that may impact the taste, odor, or color (i.e., the “aesthetics”) of a customer’s drinking water.
 - a. Iron – The Company regularly tests for Iron to ensure levels are below the Maximum Contaminant Level (“MCL”) of 0.3 parts per million (“ppm”).
 - b. Hardness – Hardness reflects the relative amounts of calcium and magnesium ions within drinking water. Generally, “hard water” can be found throughout North Carolina, including in coastal areas served by groundwater. It is not uncommon for homeowners served by public and private drinking water systems to own and deploy drinking water softeners. However, hardness is not regulated by the North Carolina Department of Environmental Quality (“DEQ”). The Company’s experience is that many drinking water customers acquire their own drinking water softeners. Historically, the Company has heard from customers with in-home drinking water softeners that they do not wish to pay for—i.e., subsidize—an expensive system-wide water softener to support other customers within the community who do not have an in-home water softening system. In summary,

traditionally, the Company leaves drinking water hardness solutions to the individual preferences of its customers, unless a clear and substantial demand for such a capital investment is made by a community.

- c. The Company's On-Going Commitment to Water Quality – The Company is committed to providing the highest level of service to customers, especially regarding water quality. The Company continues to implement its annual flushing program.
7. Customer Assistance – Testimony objecting to rate increases raises the issue of affordability and of assistance to customers with paying bills. CWSNC recognizes the difficulties that some customers face due both to the lingering financial impacts of the COVID 19 pandemic and to the continuing upward pressure on rates. The Company has undertaken a number of measures to help mitigate these concerns. Examples of some measures follow:
- Responding to the pandemic, CWSNC implemented an effective outreach program from the suspension of disconnects through the restart of them (which the Company delayed for a full two months beyond the Commission mandate). The effort targeted customers who needed assistance with bill payments, urging them to contact the Company, and the information was disseminated through the Company's website, social media accounts, and bills. CWSNC added an online portal on its *My Utility Connect* online

application to assist customers in choosing the appropriate payment arrangements and payment plans, based on their ability to pay (this also eased the call volume for the Company's Customer Experience Department). CWSNC continues its outreach to customers as the need for assistance with payment options is ongoing.

- CWSNC maintains an extensive Homeowner Association, Property Owners Association, and Property Management Company database, used to send frequent email and phone updates. This database enhances the Company's ability to reach customers with messages, including the ability, in this rate case, to counter the possibility of delayed USPS delivery of notice of the public hearings. Specifically, CWSNC scheduled in-person meetings with several HOA/POA communities, including The Farms, The Point, The Harbour, Fairfield Harbour, Brandywine Bay, and Carolina Trace, Bradfield Farms, Sugar Mountain, Skyleaf, Sherwood Forest, Village of Nags Head, and Mountain Air. Phone calls were conducted throughout the year with POA/HOA presidents and property management companies such as Sugar Top, Sugar Mountain, Elk River, Skyleaf Condos, Connestee Falls, Sapphire Valley, and Lake Lure.
- In addition to exceeding the requirements of the NCUC's orders in Dockets No. M-100, Sub 158 concerning disconnect, CWSNC raised the amount that triggers disconnection from \$100 to \$300.

- CWSNC participates in the NC HOPE Program. See <https://www.rebuild.nc.gov/hope-program>. The NC Housing Opportunities and Prevention of Evictions (“HOPE”) Program is managed by the North Carolina Office of Recovery and Resiliency, a division of the state Department of Public Safety. HOPE provides rent and utility bill assistance to low-income renters who have been financially impacted by the COVID-19 pandemic. The program is committed to helping North Carolina renters stay safe in their homes by preventing evictions and loss of utility services.
- The Company currently participates in the Low Income Household Water Assistance Program (“LIHWAP”). See <https://www.ncdhhs.gov/divisions/social-services/energy-assistance/low-income-household-water-assistance-program-lihwap>. LIHWAP is a federally-funded program that provides emergency assistance to low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services. The State of North Carolina initiated the program through its local county Health and Human Services offices in December 2021, and CWSNC has accepted payments of over \$82,000 for 242 customer accounts to-date.
- The Company provides customers, through its website and social media, information on non-profit entities offering payment assistance, such as Crisis Assistance Ministries and United Way.

- Specific information concerning all aspects of customer assistance were developed for CWSNC's Customer Experience Team – the Company's first point of contact with the customers.
 - Most recently, CWSNC has implemented a Water Efficiency Program which provides efficient water fixture rebates to customers. Additionally, CWSNC was authorized to enable fee-free payment for residential customers.
8. Communications Generally – CWSNC invests significantly in a robust communications strategy, understanding the need for two-way interaction with customers for matters including customer assistance, and extending beyond that to service and internal operations. Components of this system and examples of its operation include the following:
- CWSNC maintains an extensive Homeowner Association, Property Owners Association, and Property Management Company database to send frequent e-mail and phone call updates. This database enhances the Company's ability to reach customers with messages of all types.
 - Information in the various databases is used to support contacts with customers about service issues, boil water notices, upcoming restrictions on service due to required maintenance or repairs, advice related to weather-related and other emergencies, billing assistance, and a variety of other matters.
 - The database, utilized to target e-mails and phone calls to individual customers as well as to the various representative organizations, is key to

the Company's ability to provide critical and timely information to customers. For example, in this current proceeding, CWSNC initiated outreach through My Utility Connect via email and posted the public hearing information to the front page of the CWSNC website to supplement the required Commission notice of the virtual public hearing. The Customer Experience Team was prepared with helpful information in the event customers contacted the Company for the public hearing information. To attempt to ensure notice was received more timely by a broader range of customers-- particularly in light of the USPS's publicly known issues regarding timely delivery of even first-class mail---the Company voluntarily activated various modes of information delivery to provide supplemental notice of the hearings to as many customers as possible. The Community Management Companies and the Homeowners and Property Owners Board Presidents were emailed the notice ahead of the mailing in order to share in their various communications methods.

- CWSNC improves its capacity to communicate with customers by building and maintaining relationships with the various homeowner/property owners' ("HOA" and "POA") associations in its service territories, by regular postings on its website, and by maintaining 15 separate WordPress web-based pages for the largest HOA/POA communities.
- Additionally, the Company operates the aforementioned *My Utility Connect*, which is an application that allows customers to choose their preferred

method of notifications---through e-mail, text, or phone call. Customers can also start/stop service, pay bills, and monitor monthly usage at any given time.

- Finally, and most significantly, CWSNC communicates directly and on a 24/7 basis with its customers through the Customer Experience Team. This Customer Experience Team is dedicated to providing support and assistance on a wide range of topics, from billing and payment assistance to work orders for main breaks. The team for North Carolina is located in the Charlotte, North Carolina office at 5821 Fairview Road. Operationally, the Company has developed a regionalized support model to offer more localized customer expertise and support. Prior to this change, a CWSNC customer calling for support might have been routed to a Corix customer support representative (“CSR”) located in any Corix location. In contrast, now a CWSNC customer will be directed to a local CSR. The Company submits this is a better model and provides improved customer service support for the current and future needs of customers. A closer connection to the communities CWSNC serves will enable the Company to provide better information and superior efforts to understand and solve customers’ problems.

VERIFICATION


Matthew P. Schellinger II, being duly sworn, deposes and says that he is Regional Director of Financial Planning and Analysis for Carolina Water Service, Inc. of North Carolina; that he is familiar with the facts set out in this **REPORT ON CUSTOMER COMMENTS FROM PUBLIC HEARINGS HELD VIRTUALLY ON OCTOBER 19, 2022 AND IN JACKSONVILLE, NORTH CAROLINA ON OCTOBER 25, 2022**, filed in Docket No. W-354, Sub 400; that he has read the foregoing Report and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

Matthew Schellinger II
Matthew P. Schellinger II

Sworn to and subscribed before me this
the 8th day of November 2022.

James B Hollister
Notary Public

My Commission Expires: July 15 2030

 **James Hollister**
Notary Public for South Carolina
Commission Expires: 07/15/2030

CERTIFICATE OF SERVICE

I hereby certify that on this the 8th day of November, 2022, a copy of the foregoing **REPORT ON CUSTOMER COMMENTS FROM PUBLIC HEARINGS HELD VIRTUALLY ON OCTOBER 19, 2022 AND IN JACKSONVILLE ON OCTOBER 25, 2022**, filed by Carolina Water Service, Inc. of North Carolina in Docket No. W-354, Sub 400, has been duly served upon all parties of record by electronic service.

Electronically Submitted

/s/Jo Anne Sanford

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