

1 PLACE: Dobbs Building, Raleigh, North Carolina
2 DATE: October 14, 2019
3 DOCKET NO.: W-354, Sub 364
4 TIME IN SESSION: 7:00 P.M. TO 8:03 P.M.
5 BEFORE: Commissioner ToNola D. Brown-Bland, Presiding
6 Chair Charlotte A. Mitchell
7 Commissioner Lyons Gray
8 Commissioner Daniel G. Clodfelter
9

10 IN THE MATTER OF:

11 Application by

12 Carolina Water Service, Inc. of North Carolina,
13 4944 Parkway Plaza Boulevard, Suite 375,
14 Charlotte, North Carolina 28217

15 for Authority to Adjust and Increase Rates for Water
16 and Sewer Utility Service in
17 All of its Service Areas in North Carolina

18
19 VOLUME 5
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24

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

2

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

4 Robert H. Bennink, Jr., Esq.

5 Bennink Law Office

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7 Cary, North Carolina 27513

8

9 FOR THE USING AND CONSUMING PUBLIC:

10 Zeke Creech, Esq.

11 Gina Holt, Esq.

12 Public Staff

13 North Carolina Utilities Commission

14 4326 Mail Service Center

15 Raleigh, North Carolina 27699-4300

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E X H I B I T S

IDENTIFIED/ADMITTED

Rushatz Exhibit 1.....19/19
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1 P R O C E E D I N G S

2 COMMISSIONER BROWN-BLAND: Good evening. Let's
3 come to order and go on the record. I am Commissioner
4 ToNola D. Brown-Bland with the North Carolina Utilities
5 Commission and the Presiding Commissioner for this
6 hearing. With me this evening are Chair Charlotte A.
7 Mitchell, Commissioners Lyons Gray and Daniel G.
8 Clodfelter.

9 I now call for hearing Docket Number W-354, Sub
10 364, In the Matter of Application by Carolina Water
11 Service, Inc. of North Carolina for Authority to Increase
12 Rates for Water and Sewer Utility Service in All Service
13 Areas in North Carolina, and Docket Number W-354, Sub
14 363, In the Matter of Carolina Water Service, Inc. of
15 North Carolina for an Accounting Order to Defer
16 Incremental Storm Damage Expenses Incurred as a Result of
17 Hurricane Florence.

18 On June 28th, 2019, Carolina Water Service,
19 Inc. of North Carolina, hereinafter CWS or the Company,
20 filed with the Commission an application seeking
21 authority to increase its rates for providing water and
22 sewer utility service in all of its service areas in
23 North Carolina. CWS seeks a 15.25 percent increase in
24 water revenue and 27.51 percent increase in wastewater

1 revenues overall.

2 The Company states in its application that it
3 seeks this increase in rates primarily to recover
4 significant capital investment it has made in its water
5 and wastewater systems in North Carolina since its last
6 rate case. According to CWS, these investments were
7 needed to replace and rehabilitate aging infrastructure,
8 to modernize and increase efficiencies, and to recover
9 from damage resulting from Hurricane Florence.

10 On July 15, 2019, the Commission issued an
11 Order Establishing General Rate Case and Suspending
12 Rates.

13 On August 2nd, 2019, the Commission issued an
14 Order Scheduling Hearings and Requiring Customer Notice
15 which, among other things, scheduled this public witness
16 hearing for today, October 14th, 2019, at this time and
17 place, and scheduled an evidentiary hearing for receiving
18 expert witness testimony beginning on December 2nd, 2019
19 at 2:00 p.m. in Raleigh.

20 Prior public hearings were held in Charlotte,
21 Manteo, Boone, and Asheville. One additional public
22 hearing remains to be held in Jacksonville, North
23 Carolina, on October 22nd.

24 On August 22nd, 2019, Corolla Light Community

1 Association, Inc. filed a Petition to Intervene in this
2 matter, which was granted by Commission Order issued
3 September the 5th, 2019. The intervention and
4 participation of the Public Staff, who represents the
5 Using and Consuming Public, is recognized pursuant to
6 North Carolina General Statute 62-15(d) and Commission
7 Rule R1-19(e).

8 The Commission has received a number of
9 consumer statements of position regarding the Company's
10 application, and they have been filed in the Commission's
11 official docket.

12 Pursuant to the State Government Ethics Act, I
13 remind members of the Commission of our duty to avoid
14 conflicts of interest, and inquire at this time as to
15 whether any Commissioner has any known conflict of
16 interest with respect to this docket?

17 (No response.)

18 COMMISSIONER BROWN-BLAND: The record will
19 reflect that no conflicts were identified.

20 I now call for the appearances of the parties,
21 beginning with the Company.

22 MR. BENNINK: Madam Chair, my name is Robert
23 Bennink. I'm a lawyer in this area appearing here
24 tonight representing Carolina Water Service, Incorporated

1 of North Carolina.

2 COMMISSIONER BROWN-BLAND: Thank you, Mr.
3 Bennink.

4 MR. CREECH: Madam Chair, my name is Zeke
5 Creech. I'm an attorney with the Public Staff here, and
6 with me is Gina Holt, also an attorney on the Public
7 Staff, Gina Casselberry, engineer, and Lindsay Darden,
8 also engineer.

9 COMMISSIONER BROWN-BLAND: All right. Are
10 there any preliminary matters to come to the Commission's
11 attention before we move on further?

12 MR. BENNINK: None from the Company. We would
13 like to make a short opening statement if we could.

14 COMMISSIONER BROWN-BLAND: All right, Mr.
15 Bennink. Does the Public Staff wish to make any
16 statement, opening statement?

17 MR. CREECH: Madam Chair, no.

18 COMMISSIONER BROWN-BLAND: All right.

19 MR. CREECH: Not at this time.

20 COMMISSIONER BROWN-BLAND: Thank you. Mr.
21 Creech, have you identified witnesses who wish to give
22 testimony at this evening's hearing?

23 MR. CREECH: Yes, we have.

24 COMMISSIONER GRAY: Sir, would you pull that

1 microphone towards you?

2 MR. CREECH: Certainly shall. Yes, sir.

3 COMMISSIONER GRAY: Pull it towards you.

4 MR. CREECH: Yes, sir.

5 COMMISSIONER GRAY: Thank you.

6 MR. CREECH: We've identified four witnesses --
7 four individuals who would like to make a statement this
8 evening.

9 COMMISSIONER BROWN-BLAND: All right. Before
10 we do that, just a little bit about this hearing. As you
11 heard, this proceeding was initiated by the Company's
12 filing of an application requesting an increase. In
13 response to that, the Commission has scheduled this
14 proceeding in two parts, one being the public witness
15 testimony portion, and the other portion being the
16 evidentiary hearing at which expert witnesses from the
17 parties will give testimony, and that testimony, of
18 course, will be evidence in the case.

19 The Public Staff is here. They represent the
20 customers, the consumers. We call them the Using and
21 Consuming Public. They do not work for the Commission.
22 They work independently on behalf of the ratepayers and
23 customers. They will review the application filed by the
24 Company. They will study it. They will put all the

1 claims and requests to the test to make sure that
2 investments the Company says it has made have indeed been
3 made, that the investments are what they said they were.
4 They will look to see whether the investments were
5 needed, whether they were necessary, and then they will
6 render an opinion.

7 The people the Public Staff employs to do this
8 tend to be professional engineers, attorneys,
9 accountants, and economists. Once the Public Staff
10 reaches its conclusion on -- on the request, they will
11 make their opinions public and they will be filed in the
12 docket, and that will all be before we get to the
13 evidentiary hearing in the matter.

14 These proceedings -- some of you have been here
15 before, but these proceedings are more like court
16 proceedings and they're not like a protest meeting or a
17 town hall meeting, and it means that the witnesses come
18 up, you will sworn in. The court reporter will take your
19 testimony verbatim. She -- in the end there will be a
20 transcript made of that, and you will be able to see that
21 transcript on our website.

22 As a result of the statements that you make
23 here tonight, the attorneys as well as the Commissioners
24 may ask you questions, but those questions are for

1 clarification purposes. They're not to challenge you or
2 take issue with you so much as to make sure that we
3 understand what it is that you had to tell us.

4 With that said, I ask that you observe a time
5 restraint. We've done that across the state, so we're
6 going to stick to it for the next two public hearings so
7 that everyone had pretty much the same opportunity. The
8 time restraint is a three-minute time restraint for your
9 statement, but as I said, after your statement, questions
10 may be asked, and that's not part of the time count. So
11 we have a clock that's supposed to count down, and as it
12 counts down, when you see it get to one minute, I ask you
13 to start wrapping up so that you can come to a conclusion
14 with your statement.

15 I think that's all that I need to say to get us
16 started. So Mr. Bennink has requested an opportunity to
17 make an opening statement. The opening statement is not
18 evidence. And if it's in accord with what I've heard at
19 the previous public hearings, it is more for your
20 benefit, to let you hear from the Company what they're
21 trying to do and the reasons why, so we'll call on Mr.
22 Bennink.

23 MR. BENNINK: Thank you, Madam Commissioner.
24 Members of the Commission, the Company appreciates the

1 opportunity to appear before you tonight, and we're happy
2 to be here to hear the customer testimony.

3 I do want to introduce a few of the people from
4 Carolina Water Service who are here tonight. This is Don
5 Denton. He is the Company's new President. He is also
6 responsible for the utility operations in North Carolina,
7 South Carolina, and Tennessee. We have two gentlemen in
8 the audience, and I'll ask them to stand when I introduce
9 them. Dana Hill is the Company's Regional Director in
10 North Carolina and Stephen Harrell is the Area Manager in
11 North Carolina. And you may know -- you may know one or
12 both of these gentlemen from your experiences as
13 customers.

14 Commissioner Brown-Bland did a great job
15 describing the proceeding here so I will be very short.
16 A lot of the things she said, I would have said. But
17 this is a court proceeding. Carolina Water Service has
18 the burden of proof. The Company has filed an extensive
19 application with supporting documentation of the rate
20 increase requested. That application is being
21 investigated by the Public Staff, and because this is a
22 court proceeding, they have already engaged in extensive
23 discovery of the Company. They've sent multiple
24 discovery requests asking for backup information

1 concerning the filing.

2 All of the documents pertinent to this case are
3 on the Commission's website, and you can go there and
4 review the testimony, the Company's application, and its
5 supporting documentation at this point.

6 Public Staff will file its testimony, I
7 believe, in -- on November 4th, and at that time their
8 testimony will be on the docket system, too, so you can
9 get basically all of the information that has been filed
10 with the Commission if you go to the website.

11 And with that said, I want to thank you for
12 your participation. We're here tonight to hear your
13 testimony. Company representatives are available at a
14 break or after the hearing to discuss any issues that you
15 may have. Thank you.

16 COMMISSIONER BROWN-BLAND: And before we move
17 on, it reminds me, you heard Mr. Bennink say that the
18 Company representatives will be here to answer questions
19 if they can after the hearing, and I'm sure that the
20 Public Staff and its engineers will be available to meet
21 with you, too. Many times some issues you raise are able
22 to be resolved or at least be followed up on precisely
23 because of coming here to explain what's going on. You
24 have the best firsthand knowledge of that and -- as well

1 as the fact that the Company will be filing its response
2 after each of the public hearings. They'll make an
3 official written report trying to respond back to what it
4 hears from its customers.

5 So with that said, Mr. Creech, if you'd call
6 your first witness.

7 MR. CREECH: Yes. Thank you, Madam Chair. We
8 have four witnesses this evening, and the first of whom I
9 have some difficulty reading their name, but the last
10 name, I believe, is Rustledge (ph). And I'd remind
11 everyone who comes up to speak tonight if you will please
12 spell your name, first and last name, for the record. If
13 you will, sir. Thank you so much.

14 MR. RUSHATZ: My name is --

15 COMMISSIONER BROWN-BLAND: Before you get
16 started, if you'd place your left hand on the Bible and
17 raise your right.

18 ALFRED RUSHATZ; Having first been duly sworn,

19 Testified as follows:

20 DIRECT EXAMINATION BY MR. CREECH:

21 Q First, if you will, please, sir, please state
22 your first and last name and spell them.

23 A Sure. I was too anxious to get that out right
24 now, but anyway, it's Rushatz, R-U-S-H-A-T-Z. First name

1 is Alfred.

2 Q Thank you, Mr. Rushatz. And did you have some
3 comments that you care to make?

4 A I'd like to.

5 Q My apologies. Will you please state your
6 address and your subdivision?

7 A Okay. 199 Saw Timber Road, Sanford, North
8 Carolina, 27332. I live in the North Shore district or
9 area of Carolina Trace.

10 Q Thank you.

11 A Okay?

12 Q Please proceed with your comments.

13 A Sure. Well, what I thought I would do here was
14 give a perspective -- well, first, let me ask, is there
15 any questions on the letter that I wrote to Attorney
16 Drooz? I wrote that letter a couple -- maybe a week ago
17 and it incorporated some of what is happening in the real
18 estate company area or real estate business area because
19 of high water bills. And no questions on that, I'll
20 proceed on here.

21 I put something together for everyone to see,
22 but I understand you don't pass this out, so it's an
23 exhibit here. But I have my water bill, my water bill
24 here, and I have the -- a couple statements to make or

1 descriptions to make before I get into that.

2 There's many people who move into Carolina
3 Trace. And first of all, they come to Carolina Trace
4 looking for a house, and everything goes well with
5 descriptions and everything else until I -- we tell them
6 what the rate of the water/sewer is, and then you get
7 that deer in the headlight look and they're very much
8 disappointed that it's that high. And I know we lose a
9 lot of real estate customers because of that. And that
10 -- you lose from both sides now. The seller who is
11 trying to sell the house in Carolina Trace is losing and
12 the people who want to buy into Carolina Trace are
13 finding out they can't afford it because mostly the water
14 bill, or so they're telling me.

15 A couple recently came to the office looking
16 for some way of solution to lowering it, and they called
17 the -- the customer service at Carolina Water Service and
18 they were told reduce your usage. Well, my example here
19 is reducing the usage of my -- on my water bill, and what
20 I -- what I did is I presupposed that I would take my
21 bill down 50 percent, cut it in half by 50 percent. If I
22 cut my bill in half by 50 percent water and sewer wise, I
23 save \$3 and some cents off of an \$80 bill, and that isn't
24 very impressive.

1 Am I out of time here or what?

2 COMMISSIONER BROWN-BLAND: I'll let you

3 continue for a minute or two, but --

4 THE WITNESS: Okay.

5 COMMISSIONER BROWN-BLAND: -- you need to wrap
6 it up.

7 A All right. Well, then, so what -- what we do
8 here is we see that even with a 50 percent reduction in
9 your usage, they have no control over getting that bill
10 down. In fact, if they use nothing, they still get
11 almost an \$80 bill. I know that's supposed to be a bill
12 that that money goes someplace to maintain that company
13 that's providing the water and sewer, but there just
14 seems to be some blank or dead end you're getting at
15 where you can't do anything about what your water service
16 costs.

17 COMMISSIONER BROWN-BLAND: Mr. Rushatz, is that
18 your main point that you wish to make?

19 THE WITNESS: Yeah. That's it.

20 COMMISSIONER BROWN-BLAND: Okay. Mr. Creech?

21 MR. CREECH: Yes, Madam Chair. I'd like to
22 introduce for the record, if I may, Rushatz Exhibit 1.

23 COMMISSIONER BROWN-BLAND: All right. And if
24 you'd describe what that is for us.

1 MR. CREECH: This is a talking paper for PWC
2 meeting dated October 18th, 2019. It's two pages. The
3 first is the talking paper, and the second page is a
4 Carolina Water Service bill.

5 Q Did you -- Mr. Rushatz, did you intend to
6 provide this as part --

7 A Yes.

8 Q -- of the public record as well?

9 A Yes. Yeah. It refers to it in the letter.

10 Q All right.

11 A Or in the talking paper.

12 MR. CREECH: Two-page exhibit.

13 COMMISSIONER BROWN-BLAND: It will be -- it
14 will -- Mr. Rushatz, did you -- you prepared this
15 exhibit?

16 THE WITNESS: I did.

17 COMMISSIONER BROWN-BLAND: All right.

18 THE WITNESS: I prepared it.

19 COMMISSIONER BROWN-BLAND: It will be so marked
20 and identified. And make sure that the Company ---

21 THE WITNESS: I have other copies if you need
22 more.

23 MS. HOLT: That would be great.

24 MR. CREECH: That would be great, Mr. Rushatz.

1 Thank you.

2 THE WITNESS: Okay. One and one.

3 COMMISSIONER BROWN-BLAND: And you've seen it,
4 Mr. Creech?

5 MR. CREECH: I have. I have now, yes. Thank
6 you.

7 (Whereupon, Rushatz Exhibit 1 was
8 marked for identification and
9 admitted into evidence.)

10 COMMISSIONER BROWN-BLAND: Do you have further
11 questions for this witness?

12 Q Mr. Rushatz, did you have any comment relating
13 to quality of service of the Company?

14 A Not particularly, other than what I might call
15 a short answer to -- from customer service in how can I
16 reduce my electric, what can I do to lower this. And,
17 you know, people that have a couple of kids -- I live
18 alone. People with a couple kids, that bill is going to
19 be over a hundred and a quarter. And a lot of people
20 that we get are first-time buyers, and when they see
21 that, they say they're going to go think about it, but
22 they'll never come back, and I can see why it is.

23 And then what compounds that is that about 50
24 percent of the people who do buy in there, they use

1 outside agents, outside real estate agents, and they
2 usually don't know what goes on in Carolina Trace about
3 water bills and everything like that, so they don't know
4 till they move in there, buy a house, and get their first
5 water bill. A little bit late then. That's where they
6 get -- start talking to customer service and things like
7 that, and it's just a confounding situation, and from a
8 real estate point of view from both sides, the buyer and
9 the seller.

10 Q Thank you, Mr. Rushatz.

11 COMMISSIONER BROWN-BLAND: Does the Company
12 have questions for this witness?

13 MR. BENNINK: No questions.

14 EXAMINATION BY COMMISSIONER BROWN-BLAND:

15 Q Mr. Rushatz, are you a real estate agent?

16 A I am. I am a real estate agent, and I own the
17 real estate company in Carolina Trace. There's a company
18 -- there's a Carolina Trace Real Estate Company in
19 Carolina Trace, but it's not a closed shop. Anybody can
20 come in and out, RE/MAX, ERA, whatever. And many of
21 those people -- some of them even come from Raleigh and
22 they bring folks in there to see the house, they like the
23 house, they buy it, and only then do they find out --
24 some of them don't even know they pay POA dues until they

1 get there, unfortunately. And that's not the company
2 water's -- water company's problem, but it's still, once
3 you -- it becomes your problem. They're your customers,
4 you know, and they're our customers, too, in many of
5 these cases.

6 Q And your testimony here tonight is on your own
7 behalf?

8 A It is.

9 Q And not on behalf of an association?

10 A No. It's on behalf of me and my -- my company.
11 These are our experiences. I thought I'd talk about this
12 because I don't know how often you get it from that point
13 of view --

14 Q All right.

15 A -- the real estate point of view and the actual
16 customer's point of view.

17 Q All right. Well, we thank you for that. Now,
18 you mentioned that you had sent in prior -- you had
19 previously sent in correspondence or some letter about
20 this Company's application?

21 A Yes. I sent a letter to -- I think he's an
22 attorney -- Attorney Drooz. I'm not sure if he's here
23 tonight, but --

24 MS. CASSELBERRY: Yeah. It was filed.

1 THE WITNESS: Yeah. They got it.

2 COMMISSIONER BROWN-BLAND: All right. The
3 Company, you all have had an opportunity to ask him --
4 this is your opportunity now to ask him questions about
5 what he previously filed, so if you have any questions.

6 MR. BENNINK: We don't have a copy of it to
7 look at.

8 COMMISSIONER BROWN-BLAND: It's been filed in
9 the docket, and by --

10 THE WITNESS: Well, I mailed it here.

11 COMMISSIONER BROWN-BLAND: -- by his being
12 here --

13 THE WITNESS: I don't know. Did you get that?

14 MR. CREECH: Mr. Rushatz, we apparently have
15 received the letter. I cannot confirm that it's in the
16 docket as of today, Madam Chair.

17 COMMISSIONER BROWN-BLAND: All right. All
18 right. We'll -- by his being here and being subject to
19 cross examination, it can be reviewed. That's why I
20 raise that issue. But any questions from the
21 Commissioners? Commissioner Clodfelter?

22 EXAMINATION BY COMMISSIONER CLODFELTER:

23 Q Mr. Rushatz, what's your typical monthly bill?
24 How much is your typical monthly bill?

1 A Who's talking here?

2 COMMISSIONER BROWN-BLAND: Do you need -- you
3 need the bill, Mr. Rushatz?

4 A No. It -- it's there. It -- but this
5 particular one that I used as an example is \$75.65, but,
6 you know, that's just me. If you -- a couple, it's going
7 to be at least 10 percent, 15 percent more than that.
8 And if you have a couple kids, I see them as high as 135,
9 \$140 a month.

10 Q Thank you. That gives me the answer I needed.
11 Thank you.

12 COMMISSIONER BROWN-BLAND: All right. Any
13 questions on Commission's questions?

14 MR. BENNINK: No questions.

15 COMMISSIONER BROWN-BLAND: All right, Mr.
16 Rushatz. We thank you. You may be excused.

17 THE WITNESS: My pleasure. Thank you.

18 (Witness excused.)

19 MR. CREECH: Madam Chair, I'd like to call the
20 next individual who'd like to make a statement tonight,
21 and that is Vince Roy.

22 VINCE ROY; Having first been duly sworn,
23 Testified as follows:

24 DIRECT EXAMINATION BY MR. CREECH:

1 Q Mr. Roy, if you will please provide your --
2 spell your name, and then provide your address and
3 subdivision, please.

4 A My name is Vince Roy, R-O-Y, Carolina Trace
5 just south of Sanford in Lee County. And if I may just
6 explain that I am the community utilities representative.
7 I've been doing this for 13 years, and I attend the
8 monthly Carolina Trace Association meetings to keep the
9 people informed about what's happening in the world of
10 water and sewer, and trying to get them concerned and
11 involved, and attend these meetings and send the
12 appropriate correspondence to you all to let you all know
13 how we are behaving and how we feel about the water and
14 sewer that we get out of Carolina Water Service.

15 In that regard, as I always say, if you're old
16 enough to have watched the Honeymooners with Jackie
17 Gleason and Art Carney, you know that Art Carney was a
18 sewer guy, and I'm the Art Carney of Carolina Trace, and
19 I've gotten to the point where I know where most of the
20 water and sewer lines are, too, and -- at any rate -- can
21 I continue now?

22 Q Yes, please.

23 A Okay. As I said, I've been doing this for 13
24 years and keeping the community as well involved and

1 concerned and informed about what's going on, and I do
2 have a quarterly meeting that I hold with Carolina Water
3 Service. They come to our place, and we've been -- in
4 the past been able to effectively resolve local issues
5 and problems regarding our water and sewer operation.

6 Of late, I'm concerned about the current water
7 service current application for another full rate
8 increase which will essentially increase the Carolina
9 Trace water/sewer base rate from about 20 more percent
10 and the average monthly bill from about \$89.30 to about
11 \$126.91. And as I see the numbers and work with the
12 Public Staff, it looks to me like essentially
13 guaranteeing Carolina Water Service a greater than 9
14 percent profit even if we never even turn the water
15 faucet on or flush the toilet.

16 More specifically, I'm concerned about the
17 methodology used by Carolina Water Service where they
18 employed the special North Carolina House Bill -- I
19 forget whether it's HR 710 or HR 910, went into effect
20 about five or six years ago -- which amended Chapter 62,
21 allowing utility companies to come forth with an interim
22 rate increase, recognizing the amount of paperwork it
23 takes for them to put together a rate application for you
24 all to review and approve or disapprove. While I did --

1 I did try to fight that because I saw some inequities in
2 that with our county representative at the Legislature,
3 Mike Stone, nevertheless they did pass that bill.

4 But in my opinion, based on the -- the way that
5 Carolina Water Service used that, it seemed to be taking
6 advantage of the current Chapter 62 allowance. What I'm
7 saying is that in my opinion, Carolina Water Service used
8 the amendment of Chapter 62 to get the maximum of 5
9 percent increase which the amendment to 62 allows, and
10 once they got that, they immediately came forth on June
11 20th with an application, which we're working on now, for
12 a full rate increase. It looked to me like they kind of
13 blindsided us, the Public Staff, and hopefully you guys,
14 too.

15 What I'm really concerned about is the change
16 in the Carolina Water Service management, and in my
17 opinion it's -- it has -- the attitude, I feel at our
18 meetings now somewhat of a degradation in their concern
19 for their customers and others -- us people out at
20 Carolina Trace and probably the other 12 members of our
21 uniform rate consortium.

22 Carolina Water Service has been working on an
23 upgrade to their GPS/GIS mapping of their sewer and water
24 lines in Carolina Trace for a couple years, and our

1 people in the community have been helping to the sense of
2 locating and finding and identifying for them manholes.
3 You might find it hard to believe, but the system is old,
4 and it's not uncommon us to find a new or -- one or two
5 new manholes every year. They've been covered up,
6 something growing over them, whatever. And we've been
7 helping do that. And at our quarterly meeting in July
8 with Dana and Steve I asked for our -- to get a copy of
9 the GPS/GIS mapping of our sewer and water lines because
10 of the fact that we in Carolina Trace, recognizing the
11 roads and everything else is over 40 years old and
12 they're degraded, that our 18 POAs can use that data when
13 they have construction people out repairing roads, which
14 is a pretty common event in Carolina Trace, repairing a
15 road. And not wanting to cut a water line or a sewer
16 line, in our opinion it was useful to have the latest
17 GPS/GIS mapping that they all did with a company. I
18 think it was called Red Hat. And in July they denied --

19 COMMISSIONER BROWN-BLAND: All right. Mr. Roy,
20 we need you to bring it to a close now.

21 THE WITNESS: I'm going faster.

22 A But the point is that they've refused to give
23 us that mapping, which I think would benefit both them
24 and us.

1 Secondly, they've denied us now the opportunity
2 for our residents to communicate directly with the two
3 engineers they have on site, which has been very helpful
4 to our people to understand water cleanout, where it is,
5 and -- and they've been very generous in their time
6 coming and explaining that to our residents, and now the
7 new dictate is that we'll no longer be allowed to
8 communicate directly with your two people on station at
9 Carolina Trace.

10 Lastly, as further evidence of their lack of
11 concern for customer -- our customer concern, is when the
12 Legislature -- the North Carolina Legislature passed the
13 -- in December 2017 the reduction in corporate taxes,
14 Carolina Water Service did not see fit to pass that
15 reduction on to us residents. And we complained, the
16 Public Staff complained, and you all took that issue and
17 you got -- I don't know what you all did or said, but you
18 caused them to effectively pass that corporate rate
19 decrease, tax decrease, on to us. And they've done it
20 grudgingly, in my opinion, but it now appears on our bill
21 as a -- as a negative. In other words, we're getting
22 credit for about \$5.38 for the average bill because of
23 the Legislature's corporate tax rate reduction.

24 COMMISSIONER BROWN-BLAND: All right, Mr. Roy.

1 Let's see if we can stop right there and get questions to
2 you and flush out -- flush out anything that we have
3 remaining.

4 Q Mr. Roy, if you can, just please for one
5 moment, you indicated a concern about the inabil--- you
6 traditionally had communication with line staff members
7 of the Company, and you've been asked -- well, can you
8 please restate and explain a little bit more about your
9 concern there?

10 A Specifically, what I'm talking about is the
11 ability for a resident in Carolina Trace -- and I may
12 have not acknowledged that up front, but we do have 1,600
13 homes in Carolina Trace and over 4,000 people living
14 there, and we have a lot of military families there with
15 the husband in Afghanistan and the wife there with a
16 couple kids, and there are times when they're knocking on
17 my door, calling me, or emailing me, and they need to
18 know something about the water or sewer or something
19 going on in the backyard. And I've been able to contact
20 the two local people, which are very intelligent and
21 capable people, and get them on the phone and get the
22 parties together and resolve that issue. The direction I
23 received from Dana and Steve sitting behind me, hopefully
24 no weapons -- you checked them for weapons, right, so I

1 can talk freely -- that they denied us that opportunity
2 now, and it seem -- it may seem -- look like a small
3 thing to you, but it's a big thing for some residents,
4 living in a house having a water problem, to have Dean or
5 somebody come out and look at the place and say this is
6 what you need to do or whatever the case is, and we no
7 longer -- no longer have that opportunity because they --
8 they told us to stop doing that because their people, in
9 their words -- your words -- they're too busy to take
10 time to help us.

11 Q Mr. Roy, thank you for that. Do you have any
12 other service related comments at this time?

13 A I do, but it would take more than an hour and
14 so, no, I'll pass them up to the Public Staff as we go
15 through and get ready for the December 2nd hearing.

16 Q This is your opportunity, of course, Mr. Roy,
17 but if you have anything momentarily you'd like to
18 mention, great. If you'd like to hold on to it, great.

19 A No. I'll hold what I have right now.

20 MR. CREECH: Madam Chair, if we may, we'd like
21 to introduce Roy Exhibit 1 for the record, please. I
22 think --

23 Q Mr. Roy, how many copies did you have of this?

24 A I brought five and I gave four out and I have

1 one here.

2 Q Okay.

3 MR. CREECH: It is -- it's entitled NCUC Public
4 Hearing, October 14, 2019, Vince Roy, CTA Utilities Rep.
5 It's two pages.

6 COMMISSIONER BROWN-BLAND: And -- correct.
7 It's two pages. And the Company has seen this exhibit?

8 MR. BENNINK: Yes. We've got it.

9 COMMISSIONER BROWN-BLAND: All right. Without
10 objection, it will be marked Roy Exhibit 1 and it will be
11 received.

12 MR. CREECH: Thank you, Madam Chair. Thank
13 you.

14 (Whereupon, Roy Exhibit 1 was marked
15 for identification and admitted into
16 evidence.)

17 COMMISSIONER BROWN-BLAND: All right. Are
18 there questions for this witness from the Company?

19 MR. BENNINK: No questions.

20 COMMISSIONER BROWN-BLAND: Any questions from
21 the Commissioners?

22 (No response.)

23 COMMISSIONER BROWN-BLAND: Thank you, Mr. Roy.
24 Thank you for coming out again, and we appreciate that

1 you're the Art Carney of Carolina Trace.

2 THE WITNESS: Thank you for the opportunity.

3 COMMISSIONER BROWN-BLAND: A few of us in here
4 know what you're talking about.

5 THE WITNESS: Well, at this rate I'll see you
6 next year.

7 COMMISSIONER BROWN-BLAND: All right.

8 (Witness excused.)

9 COMMISSIONER BROWN-BLAND: Mr. Creech, you may
10 call the next witness.

11 MR. CREECH: Thank you. Mark Gibson, please.
12 If you can, Mr. Gibson, please state your name and spell
13 your name once you're sworn.

14 COMMISSIONER BROWN-BLAND: Hold on. Let me get
15 him sworn in.

16 MR. CREECH: Very good.

17 MARK GIBSON; Having first been duly sworn,

18 Testified as follows:

19 COMMISSIONER BROWN-BLAND: Now Mr. Creech has
20 got questions for you.

21 MR. CREECH: Thank you.

22 DIRECT EXAMINATION BY MR. CREECH:

23 Q Mr. Gibson, if you'll please state and spell
24 your name for the record, and then provide your address

1 as well as your subdivision, please.

2 A My name is Mark Gibson. My address is 3316
3 Smithfield Road, Knightdale, North Carolina, 27545, and I
4 am part of the Ashley Hills North Subdivision.

5 Q Thank you, Mr. Gibson. And did you have a
6 statement you care to make tonight?

7 A Yes. I have lived at that address for 33 years
8 and have been a customer of Carolina Water Services for
9 33 years, so I have seen a good many rate increases in
10 that time. And understanding -- if I've understood
11 correctly the application, the -- in my case, over and
12 above the current rate structure, my sewer will increase
13 by 29 percent, the water base charge will increase by 8
14 percent just for having a meter, and the charge per 1,000
15 gallons of water would be -- would increase by 24.6
16 percent.

17 Last year there was a substantial increase. I
18 did have the opportunity to come before you, but I was
19 busy so I didn't do that. Rate increases have been
20 approved for -- yearly for several years, and I have -- I
21 have a couple of bills here to illustrate the rate
22 increases, on average, for the last six years. I chose
23 six years because this bill was the easiest or the
24 furthest back in my file to pull out, so I figured six

1 years would be a fairly good indication.

2 In July of 2013, my total water and sewer bill
3 was \$78.98. This month, October 2019, my total water and
4 sewer bill is \$135.26. That amounts to a 71 percent
5 increase over six years or an average of 11.8 percent per
6 year. For a comparison, I looked up the Consumer Price
7 Index for exactly the same period and it is 23.163
8 percent or 3.86 percent per year. So the -- over the
9 last six years the cost of my water and sewer has
10 averaged over three times the -- the rate of inflation.

11 I'm an architect. I work for the North
12 Carolina Department of Transportation. And I understand
13 that 40-year old water systems will need some repair. I
14 understand that. But I have some questions that I would
15 like to pose. Perhaps these have been answered. I don't
16 know.

17 I would have to assume that as part of the
18 application a thorough estimate of repairs as a result of
19 damage by the hurricane or normal wear and tear has been
20 submitted for review, but I would ask -- I would ask are
21 customers getting value for their money? Is the work
22 being done by the Company or by subcontractors? And what
23 is the procurement method? Are there competitive bids
24 for any of this work, or is all the work being done by

1 Company forces? Who monitors and approves the work as
2 it's done? And my experience is that all construction is
3 subject to approval by an authority having jurisdiction.
4 I'd like to know who, you know, who that authority having
5 jurisdiction is.

6 So if you have any questions for me, I'd be
7 happy to answer them.

8 Q Mr. Gibson, thank you. A couple questions, if
9 I may, Mr. Gibson. Have you -- you've been a customer
10 for the Company for 33 years; is that correct?

11 A That's correct, yes.

12 Q And have you come before the Commission and
13 testified before?

14 A Once before.

15 Q And when was that?

16 A Probably 20 years ago.

17 Q Okay. In the last 20 years have you --
18 approximately 20 years have you come before this
19 Commission?

20 A Not in the last 20 years, no.

21 Q And what would you say is the primary -- and
22 you work with the State; is that correct?

23 A I work for the State, yes.

24 Q You have a full-time job?

1 A Yes, I do.

2 Q And what would you say the primary reason for
3 your being here tonight is?

4 A Well, I question the magnitude of the request.

5 COMMISSIONER BROWN-BLAND: Mr. Gibson, come on
6 up to your mic.

7 THE WITNESS: Oh, sorry.

8 A I question the magnitude of the request,
9 mainly. I don't have any -- anything negative to say
10 about the service itself. I understand there are things
11 like testing that have to be done, I guess, to comply
12 with EPA, maybe state regulations and that sort of thing,
13 but I'm very curious to know how those things would add
14 up to 71 percent in the last six years.

15 Q Mr. Gibson, do you have any other comments this
16 evening that you'd like to expand upon?

17 A I did have some other things written down, but
18 they may or may not be germane, so I will --

19 Q Very good. Thank you.

20 A -- not do that.

21 MR. CREECH: That's all, Madam Chair.

22 COMMISSIONER BROWN-BLAND: All right. Any
23 questions from the Company?

24 MR. BENNINK: No questions.

1 COMMISSIONER BROWN-BLAND: Any questions from
2 the Commission? Commissioner Gray?

3 EXAMINATION BY COMMISSIONER GRAY:

4 Q Mr. Gibson, you've indicated your rather large
5 increases you suggest over the last six years. If you
6 were looking at those two bills from July of '13 and
7 October of '19, could you tell me what the water usage
8 was?

9 A Water usage. In July of 2013 the water base
10 charge was \$15.92.

11 Q Yes, sir. I'm looking for the usage, that is,
12 how many gallons were you being charged for --

13 A 5,200 gallons.

14 Q Say again?

15 A 5,200.

16 Q Thank you. And that was in July of '13. How
17 about October of '19?

18 A 6,400.

19 Q Thank you. And does it also show the same for
20 the sewage?

21 A The sewage was a flat rate in 2013 of \$40.14.

22 Q There was no usage, that is, no gallons charge?

23 A No.

24 Q I see.

1 A This month's bill does have a usage of 6,400
2 gallons.

3 Q Okay. So it monitors, it marks the water use.
4 Thank you.

5 COMMISSIONER GRAY: Thank you, sir.

6 THE WITNESS: You're welcome.

7 COMMISSIONER BROWN-BLAND: Any questions, Mr.
8 Bennink?

9 MR. BENNINK: One request. If Mr. Gibson does
10 not object, we'd like to have those bills made exhibits
11 and put in the record, please.

12 COMMISSIONER BROWN-BLAND: Mr. Gibson, did you
13 bring -- those copies that you brought, are those copies
14 you can leave with us, or would you like copies to be
15 made?

16 THE WITNESS: If copies could be made, I'd
17 appreciate that, yes.

18 COMMISSIONER BROWN-BLAND: Can the Public Staff
19 accommodate?

20 MR. CREECH: Absolutely, Madam Chair.

21 COMMISSIONER BROWN-BLAND: The bill -- how many
22 bills is that?

23 THE WITNESS: These are two separate bills.

24 COMMISSIONER BROWN-BLAND: Two separate bills.

1 THE WITNESS: Yes.

2 COMMISSIONER BROWN-BLAND: They will be marked
3 collectively as Gibson Exhibit 1.

4 MR. CREECH: Thank you.

5 COMMISSIONER BROWN-BLAND: And they will be
6 received. The Public Staff will take responsibility for
7 making copies.

8 (Whereupon, Gibson Exhibit 1 was
9 marked for identification and
10 admitted into evidence.)

11 COMMISSIONER BROWN-BLAND: All right. There's
12 no further questions for the witness?

13 MR. BENNINK: No.

14 COMMISSIONER BROWN-BLAND: Mr. Gibson, you may
15 be excused. And Mr. Gibson, I think with regard to some
16 of the questions that you raised, the Public Staff will
17 be happy to give you some indication that will help
18 assist you in answering those questions, and so you might
19 stick around for when we adjourn and --

20 THE WITNESS: Okay. Thank you.

21 COMMISSIONER BROWN-BLAND: All right. Thank
22 you.

23 (Witness excused.)

24 MR. CREECH: Madam Chair, if we may, there's

1 one more individual who would like to make a statement
2 this evening. That's David Smoak.

3 DAVID SMOAK; Having first been duly sworn,
4 Testified as follows:

5 DIRECT EXAMINATION BY MR. CREECH:

6 Q Sir, can you please state and spell your name
7 for the record, as well as provide your address and your
8 subdivision?

9 A Yes. My name is David Smoak, S-M-O-A-K. My
10 address is 96 Northridge Trail, Sanford, North Carolina,
11 and it's in Carolina Trace.

12 Q And Mr. Smoak, do you have comments you care to
13 make this evening?

14 A Yes, I do. I am President of Carolina Trace
15 Association, a representative organization of 18
16 independent property owner associations in Carolina
17 Trace, with approximately 1,600 homes and over 4,000
18 residents.

19 While I've heard many concerned citizens
20 express outrage over yet another CWS rate increase, my
21 remarks have not been reviewed or approved by my Board of
22 Directors, so I'll emphasize that I'm speaking as a
23 private citizen affected by this proposal; however, my
24 many years' involvement in community government

1 associations has put me in a position to listen and
2 possibly represent many others of my community tonight.

3 First, I would like to thank Carolina Water
4 Service for providing essential services to our
5 community. Without clean, safe water there is no life,
6 and as a retired Army soldier, I am well aware that
7 public sanitation and sewage treatment has saved more
8 human lives from sickness and death than all the doctors
9 and hospitals in the world.

10 I would like to express the following points of
11 concern, though. I have three.

12 The recently announced federal increase of
13 Social Security and retiree benefits is 1.6 percent.
14 This is supposed to reflect the annual CPI increase
15 across the nation. CWS' already approved increases over
16 the last two years is far exceeding the matching
17 inflation increases for many seniors and retirees, and
18 this further rate increase, if approved, will further
19 exacerbate the deteriorating personal finances of many
20 people.

21 I understand that CWS is providing a vital
22 service, and if the necessary cost of providing those
23 services increases disproportionately due to factors
24 beyond their control, then that is the cost of doing

1 business and we need to pay for it; however, I would hope
2 that this board and Public Staff continue to inspect and
3 challenge the declared cost of CWS to differentiate
4 between reasonable and unreasonable costs that are
5 expected to be borne by us residents.

6 As a former federal employee I am well aware of
7 the cost control audits that are required when cost plus
8 contracts are awarded to private corporations that reward
9 those corporations for increasing cost to thus increase
10 their percentage share of profits.

11 Personally, I would like to see these rate
12 increases add a column for annual rates. My personal
13 annual billing rate for CWS services is about \$1,000 a
14 year. This rate increase, if approved, would result in
15 an approximate \$200 annual rate increase.

16 I would like to focus especially on the
17 wastewater cost and rate increases being proposed. At
18 one time in our community residents were allowed to
19 provide their own septic wastewater service on their own
20 property, and there are several homes that still do. At
21 some point all residents were forced to switch their
22 septic systems to CWS sewage before they could sell their
23 homes. This has provided a captive and growing
24 population for CWS' revenue base. It was a great idea at

1 the time, but my concern is that these rapidly escalating
2 wastewater increases are going to harm the very housing
3 market that is it trying to service.

4 I request this Commission to consider giving us
5 citizens the future option to disconnect from CWS
6 wastewater services if they continue to refuse to control
7 their costs. We have given this business a monopoly and
8 the results are apparent. Allowing household septic
9 systems again would give us a chance to vote with our
10 money, similar in concept to homes deciding on streaming
11 television services instead of the cable and satellite
12 monopolies.

13 Finally, I ask that this Commission allow its
14 future hearings to be scheduled closer to the residential
15 populations that are being affected. For small-town
16 residents to travel to the state capital for public
17 hearings is daunting at best, and for many seniors the
18 night driving is an additional risk factor that they will
19 avoid. Thank you.

20 COMMISSIONER BROWN-BLAND: Mr. Creech, do you
21 have questions?

22 MR. CREECH: Madam Chair, I believe I -- Madam
23 Chair, I have at least one, please.

24 Q Mr. Smoak, you mentioned that you were forced

1 -- individuals or residents were forced to connect to the
2 wastewater system; is that correct? Can you then
3 elaborate on that, please?

4 A Yes, sir. I don't when the exact date was, but
5 there was an agreement that was made that for houses to
6 be sold, they have to connect to the CWS sewage system.
7 They have -- the new -- the new owners of the homes will
8 be required to be CWS sewage as well as water service
9 customers.

10 Q And do you know who -- the parties to that
11 particular agreement?

12 A No. I cannot say on the record. I believe it
13 was an agreement between the organizations representing
14 the residents and the corporation.

15 Q Do you believe it could have been the HOA and
16 the Company came to that agreement?

17 A Right. Yeah.

18 Q Okay.

19 A The -- yeah. The associations. Yes, sir.

20 Q Mr. Smoak, you indicated that you're the head
21 of the POA, is that correct, or one of the HOAs there
22 or --

23 A I'm the President of the collective
24 representative body of the 18 individual property owner

1 associations.

2 Q And you indicated that the -- that it was
3 daunting to drive to the state capital and that there are
4 a lot of senior citizens in that community; is that
5 correct?

6 A That have expressed dismay and outrage at this
7 rate increase? Yes. Yes, sir.

8 Q How many conversations have you had recently
9 relating --

10 A Since this proposal was announced, I have had
11 online and in person I think at least 20.

12 Q And how many conversations of those were online
13 that you had and how many were in person and/or phone?
14 What was the form of those conversations?

15 A The online commentary is Nextdoor. If people
16 haven't heard of Nextdoor, it's a Facebook for local
17 communities. And those comments reflect about two-
18 thirds, you know, roughly 12 to 15, and then I've had
19 about five actual personal conversations with different
20 people concerning this recent rate increase.

21 And I would also say beyond that, it was also
22 discussed in our monthly Carolina Trace Association
23 meeting, as Vince described, and out of that room it was
24 a general expression of discontent and being upset.

1 Q And when did that meeting take place?

2 A It's the first Tuesday of the month, sir. Is
3 that October 1st? I think it was October 1st. Yeah,
4 yeah.

5 Q Did you have any other service related comments
6 that you care to make tonight?

7 A No, sir. No.

8 Q Very good.

9 MR. CREECH: Thank you, Madam Chair.

10 COMMISSIONER BROWN-BLAND: All right.

11 Questions by the Company?

12 MR. BENNINK: No questions.

13 COMMISSIONER BROWN-BLAND: Any questions by the
14 Commission?

15 EXAMINATION BY COMMISSIONER BROWN-BLAND:

16 Q Mr. Smoak, you heard Witness Roy speaking to
17 the issue of being able to communicate with personnel
18 from CWS or have their involvement or have their
19 participation in meetings, so forth. Do you have
20 anything to add about that? Do you have any personal
21 knowledge?

22 A No, ma'am. I've allowed Vince to exercise his
23 role as our liaison. I support him, and what -- I have
24 no reason to doubt anything that he's reported as the

1 truth.

2 Q You -- not to question the truth, but have you
3 experienced issues of you personally or other -- others
4 that you represent having any issue with being able to
5 reach the Company to -- or to have the Company's input
6 when you need it?

7 A The examples that Vince gave were directly
8 relating, in my opinion, to his role as the CTA liaison.
9 I have not interacted with CWS at that level, so I do not
10 have any personal experience on that matter, ma'am.

11 Q All right. And you do not -- or do you have
12 any service issues with the Company? Did you -- do you
13 have any service quality issues or otherwise that you
14 would like the Company to address?

15 A There have been communication problems. We are
16 an older community that, you know, we'll have water
17 pressure or water break issues. And I understand it is a
18 constant challenge for anyone to communicate with so many
19 homes for breaks that affect specific areas of such a
20 large region. There are always complaints being brought
21 to both me and Vince of -- there's two factors. You
22 know, one, you have to be notified that there is a
23 problem. You know, that comes with the boil water
24 advisory. The second part is telling people that they

1 can stop the boil water advisory. And we -- I frequently
2 hear that one or the other is missing. You know,
3 sometimes they will be told that the boil water advisory
4 has ended and they never got the word that it began, and
5 some people will say, well, I was told that it began and
6 they never hear until they talk to a neighbor that it
7 ended.

8 Q All right. And do you know if that problem has
9 been raised with the Company?

10 A It is my understanding that it has been raised
11 through Vince, yes, ma'am.

12 Q All right.

13 COMMISSIONER BROWN-BLAND: Are there questions
14 on Commission's questions?

15 MR. BENNINK: I've got one question.

16 COMMISSIONER BROWN-BLAND: Mr. Bennink.

17 EXAMINATION BY MR. BENNINK:

18 Q Mr. Smoak, I think you came here tonight and
19 you said you had three basic issues you wanted to
20 present --

21 A Uh-huh.

22 Q -- correct?

23 A Yes, sir.

24 Q And quality of service or service problems with

1 Carolina Water Service was not one of those problems that
2 you came here to address, was it?

3 A Correct.

4 Q And do you personally have any problems with
5 the service you get from Carolina Water Service for
6 either water or sewer service?

7 A Not personally, no, sir.

8 Q Thank you.

9 COMMISSIONER BROWN-BLAND: All right. Mr.
10 Smoak, you may be excused, and we thank you for coming
11 out.

12 (Witness excused.)

13 COMMISSIONER BROWN-BLAND: We thank all of the
14 witnesses for coming out. Mr. Creech, is there anyone
15 else?

16 MR. CREECH: Not that has signed up, Madam
17 Chair.

18 COMMISSIONER BROWN-BLAND: Are there any other
19 customers from CWS who wish to give testimony tonight?

20 (No response.)

21 COMMISSIONER BROWN-BLAND: Let the record show
22 no one is coming forward. Again, we appreciate you all
23 coming out. We will be --

24 MR. CREECH: Madam Chair, I have one more

1 comment. My apologies. We do have -- we have made
2 copies of the Gibson exhibit that we can distribute --

3 COMMISSIONER BROWN-BLAND: All right.

4 MR. CREECH: -- for the record.

5 COMMISSIONER BROWN-BLAND: Please do that.

6 It's already been received.

7 MR. CREECH: Thank you.

8 COMMISSIONER BROWN-BLAND: And it was marked as
9 Gibson Exhibit 1.

10 MR. CREECH: Thank you.

11 COMMISSIONER BROWN-BLAND: We have one
12 additional public hearing which will be in Jacksonville.
13 And after that, in December the evidentiary hearing will
14 be held here in this room. You can follow this case by
15 going to the Commission's website at www.ncuc.net, and
16 you enter the docket number for this case, and if you
17 need any assistance kind of figuring out how to follow
18 your way around, you may contact the Public Staff or
19 perhaps even the Commission's clerk's office can help you
20 walk through and find what you're looking for.

21 As indicated earlier, both the Public Staff and
22 the Company representatives will stick around for a
23 little while to answer any questions that you might have
24 for them tonight. And, again, we thank you and we'll be

1 adjourned.

2 MR. CREECH: Thank you.

3 (Proceedings adjourned.)

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STATE OF NORTH CAROLINA

COUNTY OF WAKE

C E R T I F I C A T E

I, Linda S. Garrett, Notary Public/Court Reporter, do hereby certify that the foregoing hearing before the North Carolina Utilities Commission in Docket No. W-354, Sub 364 was taken and transcribed under my supervision; and that the foregoing pages constitute a true and accurate transcript of said Hearing.

I do further certify that I am not of counsel for, or in the employment of either, of the parties to this action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of October, 2019.



Linda S. Garrett, CCR

Notary Public No. 19971700150

FILED

OCT 17 2019

**Clerk's Office
N.C. Utilities Commission**