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Please note the following inclusions/attachments to the record:

- PowerPoint Slides (PDF)

Note: For identification of additional referenced materials and/or links for same, please see Certification correspondence filed by the Office of Regulatory Staff.

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P R O C E E D I N G S

CHAIRMAN HALL: Thank you. Be seated. Good morning, everyone. Welcome.

I'll turn it over to let Mr. Melchers to read the Docket for us, please.

MR. MELCHERS: Thank you, Madam Chairman.

We are here pursuant to a Notice of Request for Allowable Ex Parte Briefing filed by Palmetto Utilities, Inc., Palmetto Wastewater Reclamation, LLC, and Palmetto of Richland County, LLC, scheduled for today, October 22nd, commencing here in the Commission hearing room at 10:30. And the subject matter to be discussed at this briefing is: Installation of new telecommunications software for the purpose of improving tracking of customer calls, call center performance, related indicators, goals, and results for the companies; and secondly, ultimate ownership of the parent company of the companies by a South-Carolina-based corporation.

Madam Chairman, all is in order.

CHAIRMAN HALL: All right, thank you.

Mr. Melcher, welcome back. Mr. Beard, welcome. Thank you. Whenever y'all are ready.

MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken Utilities]: Thank y'all, very much.

1 **CHAIRMAN HALL:** I'm sorry, Mr. Hoefer. Hey to
2 you, too.

3 [Laughter]

4 **MR. HOEFER:** Thank you, Madam Chair.

5 **CHAIRMAN HALL:** Sorry.

6 **MR. HOEFER:** It's good to be here.

7 I just wanted to introduce the two gentlemen
8 who are here today on behalf of the three
9 certificated utilities: Palmetto Utilities,
10 Incorporated; Palmetto Wastewater Reclamation, LLC;
11 and Palmetto Richland County, LLC.

12 As you've already recognized, Madam Chairman,
13 David Beard is here; he is the director of Energy
14 Development for Pacolet Milliken Enterprises,
15 Incorporated. Seated next to him is a figure that
16 I think all the Commissioners know: Mr. Rick
17 Melcher. He's manager of Public Relations for Ni
18 Pacolet Milliken Utilities, LLC. And they will be
19 making the presentation, so I will sit down and
20 shut up. Thank you.

21 **CHAIRMAN HALL:** Thank you.

22 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
23 **Utilities]:** Thank you, Mr. Hoefer.

24 Thank you, Commissioners. It's always a
25 pleasure for us to be here before you. We

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certainly appreciate your time this morning. We are pleased to be able to talk to you today about some improvements we've made in the company.

[Reference: PowerPoint Slide 2]

We are very pleased with a couple of the improvements that have been made during this past year. With respect to the Call Center and our Customer Service Department, it has been mentioned before that we had invested some money in new telephone and billing software in the Customer Service group, and so I'm pleased that we have been able to implement monitoring, call monitoring, of all those live calls and the recorded calls in the Customer Service group.

I show you this page here to indicate the volume of customers, the customer base, that we have for the three entities in the Columbia area. It is really this number of customers that allowed us to make that investment and make it feasible for the cost of the software that we purchased.

[Reference: PowerPoint Slide 3]

We have not gone overboard in the development of key performance indicators. We think that these four, which will refer to and describe our process of call-taking in the Call Center – we have

1 response time, call duration, hold time, and
2 abandoned calls. And I think one of the keys that
3 we've got here is the response time and how fast
4 we're able to get to the call. There have been
5 times when our 20-second target was not achievable.

6 [Reference: PowerPoint Slide 4]

7 As we see on this next page, I would point out
8 that the information there at the bottom on call
9 volume, there was a 45-day period in 2013, shortly
10 after our acquisition of the City of Columbia
11 customers with PRC – that was approximately 11,000
12 customers – and it was an educational process, to
13 say the least, during the next year to let those
14 customers know that they actually needed to pay a
15 wastewater bill, and that it came to us.

16 As you can see, from 2013, in that process, we
17 were only able to get to about 64 percent at that
18 time, of those incoming calls. We certainly
19 coordinated that occasion and the process that was
20 taking place there with ORS so that, in case ORS
21 got any calls, they were aware of the action we
22 were taking. We are pleased that, by now, that has
23 certainly been taken care of. All customers are
24 paying properly and on time, and, of course, that
25 we're able to answer from 98 to 100 percent of all

1 of our incoming calls.

2 [Reference: PowerPoint Slide 5]

3 Here are our 2015 results thus far, in call
4 processing, meeting all the objectives that we set
5 except for that one two-second miss of hold time in
6 this past July.

7 [Reference: PowerPoint Slide 6]

8 This contact evaluation form, I think, is one
9 of the most important items on this very brief
10 presentation. These are the items that we've
11 selected that I think what we'll refer to as the
12 perfect call, if our call reps handle each of these
13 properly. Much of these are simply phone etiquette
14 that any Call Center would consider required. I
15 would particularly note item number 11 because, to
16 me, as the most important item in this list, it
17 will include the quoting of rates and fees and
18 charges, and South Carolina utility regulations,
19 where I don't want any of our service reps to miss
20 any of these items. If, while our management is
21 listening in on calls to a live call, they will
22 obviously go to that call and interrupt to correct
23 any errors or statements made by a service rep on
24 item number 11. When we, if we, determine in
25 reviewing recorded calls that an error was made in

1 item number 11, we'll give a call back to that
2 customer to let them know that we made a mistake in
3 what we said and we want to correct that.

4 Obviously, to a number of people in this room,
5 item number 12 is very important also, and I agree.
6 Whenever a customer is dissatisfied with the action
7 that we're taking or the opinion that we're giving,
8 we let them know that we certainly respect their
9 point of view and that we are not their last word,
10 or the last word, in any issue, that they are free
11 to call the Office of Regulatory Staff to voice a
12 complaint and get proper resolution to that.

13 That was the last Item on this customer
14 service presentation at we had for you. I think
15 one of equal, as big an improvement to the company
16 that's been made is our new parent company or new
17 investor/partner of Pacolet Milliken. I'd like to
18 have David Beard say a few words to you on that
19 subject. Thank you, so much.

20 **MR. DAVID BEARD [Pacolet Milliken**
21 **Enterprises]:** Good morning, Madam Chairman,
22 Commissioners. It's good to be with you. I have
23 had the pleasure of being here at the Commission in
24 a number of capacities over the last – I don't want
25 to say how many years, but a long time. But I

1 think being here this morning representing the
2 ownership of Ni Pacolet Utilities is one of the
3 highlights.

4 I know that many of you are familiar with Ni –
5 or, Pacolet Milliken probably through Lockhart
6 Power. We're the owner of Lockhart Power, who is
7 here on occasion. But let me tell you a little bit
8 about Pacolet Milliken to make sure we all
9 understand our involvement here. Mr. Roger
10 Milliken started us December of 2007 and took out
11 assets – mainly land and Lockhart Power – and put
12 it in a separate company. We're split into two
13 parts: One, real estate; and the other, energy and
14 infrastructure, and that's the area that I am in.

15 We, of course, have Lockhart Power, but we've
16 also invested in a number of other energy projects:
17 Landfill gas. We do have some solar – just not any
18 in South Carolina at the moment, but we do have
19 solar projects. And Bushy Park, the industrial
20 park outside of Charleston; that's from the
21 infrastructure side. And when we were looking at
22 other investments, and the Ni project came
23 available, and it being in South Carolina, it was
24 something that we felt that we were just perfect, a
25 perfect match to pick them up. Hopefully, you will

1 agree with the history of Lockhart doing things
2 right, doing things the right way, doing what we
3 say we're going to do when we look to improve the
4 operations, look out for our customers. And we
5 felt that Ni was on a good footing, but there are a
6 lot of opportunities to grow the operation.
7 Columbia was growing, and we saw that we thought or
8 we felt we could really help grow the operation,
9 help the community, help South Carolina – and, of
10 course, help ourselves as well.

11 So we look forward to continuing – and you
12 know that, as with Lockhart Power, we're 102 years
13 old that we've owned that asset. We aren't looking
14 to take Ni, improve it, and then flip it. We
15 intend to own Ni for as long as we are around.
16 We're part of the community, and it will be a South
17 Carolina company. We're located in the upstate,
18 and we will have offices here, of course, but this
19 will be a South Carolina company.

20 So we look forward to working with you and
21 improving the operation here in Columbia. It's
22 just going to be an exciting time. We wish we
23 hadn't had the flood. It kind of changed some
24 things, but it also gave us the opportunity to make
25 some improvements that we were going to make

1 anyway, but it pushed them ahead a little quicker
2 than we had intended. Anyway, we look forward to
3 working with you, look forward to making the
4 Columbia area and South Carolina a much better
5 place. Thank you.

6 **CHAIRMAN HALL:** All right. Thank you, so
7 much, Mr. Beard and Mr. Melcher. Can you take some
8 questions?

9 **MR. DAVID BEARD [Pacolet Milliken**
10 **Enterprises]:** Sure.

11 **CHAIRMAN HALL:** Okay. Commissioners, any
12 questions? Commissioner Elam.

13 **COMMISSIONER ELAM:** Thank you.

14 Good morning. Mr. Melcher, the customer
15 service side, is that located in Columbia or where?

16 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
17 **Utilities]:** It's the eastern edge of Columbia, in
18 Elgin.

19 **COMMISSIONER ELAM:** Okay. Is it serving any
20 other companies than Palmetto?

21 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
22 **Utilities]:** It serves all three of our entities
23 here in South Carolina, including Alpine here where
24 we are located.

25 **COMMISSIONER ELAM:** Okay. I didn't know

1 whether it might serve Lockhart, as well.

2 MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken
3 Utilities]: No, sir.

4 COMMISSIONER ELAM: It doesn't All right.
5 Thank you.

6 MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken
7 Utilities]: Sure.

8 CHAIRMAN HALL: Thank you. Commissioner
9 Fleming.

10 COMMISSIONER FLEMING: Good morning.

11 MR. FRED 'Rick' MELCHER [Ni Pacolet
12 Utilities]: Good morning.

13 MR. DAVID BEARD [Pacolet Milliken
14 Enterprises]: Good morning.

15 COMMISSIONER FLEMING: Nice to have you here
16 today. Well, first of all, have you invested –
17 have you just invested in the South Carolina
18 companies, or have you purchased all – I know that
19 you were originally Texas-based, I believe.

20 MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken
21 Utilities]: Ni America was headquartered in Texas.
22 We held utilities in three states: Texas and
23 Florida and South Carolina.

24 COMMISSIONER FLEMING: And so, has Ni America
25 been purchased?

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MR. DAVID BEARD [Pacolet Milliken Enterprises]: Yes.

COMMISSIONER FLEMING: So, now, your home base is South Carolina, I take it?

MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken Utilities]: Yes, ma'am.

MR. DAVID BEARD [Pacolet Milliken Enterprises]: Yes, it is.

COMMISSIONER FLEMING: Good for you, Mr. Beard. It's nice to have another industry in South Carolina – corporation in South Carolina. I wanted to – first of all, could you talk a little bit about what did happen during the flooding with your particular company?

MR. FRED 'Rick' MELCHER [Ni Pacolet Utilities]: Yes, ma'am.

COMMISSIONER FLEMING: And I must admit, I'm not as aware of all of the tragedy that happened in Columbia. I just heard about it.

MR. FRED 'Rick' MELCHER [Ni Pacolet Utilities]: Certainly.

COMMISSIONER FLEMING: So I'd like to find out what you did and how you compensated.

MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken Utilities]: Certainly. As we even saw on the

1 national news, and the Governor of South Carolina
2 was in the news regularly, it was referred to as a
3 1000-year flood. The impact was beyond what anyone
4 would or could've expected. Very pleased to be
5 able to say that our largest plant, which is the
6 Palmetto plant on Spears Creek – a 6-million-
7 gallon-a-day plant – it never lost power or
8 treatment abilities, capabilities. We were on-line
9 and treating throughout the process.

10 There was some damage. We are addressing that
11 damage now, but it never lost treatment capability.
12 So we're very pleased with that.

13 **COMMISSIONER FLEMING:** I'm sure your consumers
14 are, too.

15 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
16 **Utilities]:** We – yes, ma'am. And we had regular
17 updates on system information with the chairman of
18 the Richland County Council, who I understand was
19 giving daily press conferences on conditions
20 throughout the county. And it helped my sleeping
21 at night to be able to inform them every day that
22 that plant stayed on-line.

23 Certainly, throughout the region, there has
24 been impact out in the field, in the collection
25 system, the hundreds of manholes and the piping

1 that goes throughout all the neighborhoods.

2 There's been some damage there. We have identified
3 and stopped any spills that were occurring due to
4 the flood in the manholes throughout the area.
5 That took several days before you could even access
6 the field.

7 There was still flooding after that Sunday and
8 Monday when the majority of the flood occurred.
9 The largest area of damage that we did have, and it
10 was on the news, was right here in the Alpine and
11 Woodlands plant. The creek behind our Woodlands
12 lagoon came out of the bank completely. It was
13 over the railroad track and there was even some
14 low-lying residential neighborhoods that were
15 evacuated, from the flood itself.

16 We have got the aerators back on-line in the
17 Woodlands plant, so that is working properly. Even
18 more important, the Alpine plant that was entirely
19 underwater and sustained damage, we had enough
20 people, crews, pumps, and backup power that, within
21 48 hours, it was back on-line and treating all of
22 the flow that was coming to it.

23 There were six pipelines that crossed the
24 Saluda River where our discharge is for Alpine.
25 Some of them were ours, some of them were not ours,

1 but in our inspection of the creek crossings, we
2 repaired all six of those pipelines, regardless of
3 who owned them, because they were spilling at the
4 time. And those have all been repaired.

5 So, today, we've still got water damage to
6 correct, but it's got no impact on the treatment
7 capacity and the fact that all plants are working
8 properly now.

9 **COMMISSIONER FLEMING:** Great. I also saw that
10 you had a major drop in call volume from 2013 to
11 2015.

12 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
13 **Utilities]:** Yes, ma'am.

14 **COMMISSIONER FLEMING:** What would you say the
15 reason for that is?

16 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
17 **Utilities]:** Yes, certainly. I tried to address
18 it. I can give you more information on that now.
19 It was specifically due to the 11,000 customers we
20 acquired from the City of Columbia. We had sent, I
21 believe, two specific letters to all of those
22 customers, letting them know that we had acquired
23 them from the City and that they would, going
24 forward, receive two bills, one for water from the
25 City and the wastewater bill would be coming from

1 us. Obviously, some customers could've overlooked
2 or not understood that information, and that could
3 have caused them to have a delay in their payment
4 of their wastewater bill to us. That volume of
5 calls specifically happened when we began to – in
6 conjunction with our contract with the City, their
7 water service would be interrupted after the proper
8 notification of their need to pay the wastewater
9 bill. A third of those 11-12,000 customers were
10 affected. We had 3-4000, a month, customers in our
11 PRC that weren't paying their bills. So we
12 prioritized, by the level of the past-due amounts,
13 which ones we could or should potentially
14 disconnect – or have disconnected – their water, in
15 order to get wastewater bills paid. Then that took
16 several months to get that education through to all
17 those customers. And within, I think, a six-month
18 period, the call volume due to disconnections of
19 water, regarding their wastewater bill – that was a
20 difficult, understandably, point to get across to
21 those customers.

22 **COMMISSIONER FLEMING:** In 2013, that was –
23 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
24 **Utilities]:** Yes, ma'am.

25 **COMMISSIONER FLEMING:** So it's all settled

1 now.

2 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
3 **Utilities]:** Completely in the past. It was all a
4 result of that transition with City customers that
5 we acquired.

6 **COMMISSIONER FLEMING:** And, Mr. Beard, can you
7 tell me a little bit about what your mission is, as
8 with energy and your buying up utilities in our
9 State and throughout the country?

10 **MR. DAVID BEARD [Pacolet Milliken**
11 **Enterprises]:** Right. We are very fortunate, in
12 that Mr. Milliken left us in good shape financially
13 to invest in projects. We are focused on renewable
14 energy more than anything else. We are of the
15 size, of course, much larger than mom-and-pop
16 operations but not like some of the big boys. So
17 we're kind of in a niche that we can find good,
18 solid projects.

19 Like I say, we are energy and infrastructure;
20 therefore, the Bushy Park Industrial Park there in
21 Charleston. And that part of it is interesting,
22 because we're bringing in new industry in South
23 Carolina, of course, as long as we can still be
24 furnishing infrastructure for those plants, so
25 that's got a twofold purpose. We have three solid-

1 landfill gas projects, two of them in South
2 Carolina and one of them in California, believe it
3 or not. That's a long way from South Carolina.
4 Our solar projects right now are in the Northeast,
5 and the real reason there is because they're
6 willing to pay for it. We were talking to our
7 local utilities about a couple of projects here, so
8 hopefully we'll get something in South Carolina in
9 the not-too-distant future. So while we're not
10 against conventional-energy kind of projects, our
11 focus is renewables, so that's what we're looking
12 for.

13 **COMMISSIONER FLEMING:** And how do water and
14 sewer utilities figure into it?

15 **MR. DAVID BEARD [Pacolet Milliken**
16 **Enterprises]:** Well, that's a good question. I was
17 asked that by some other folks in this room.

18 **COMMISSIONER FLEMING:** Oh, okay.

19 **MR. DAVID BEARD [Pacolet Milliken**
20 **Enterprises]:** We had never, obviously, been into
21 the water/wastewater business, but, if you run the
22 number of textile plants that we had on the
23 Milliken side, we used to produce our own water and
24 a lot of wastewater treatment plants were a part of
25 that. So we have a history.

1 When this opportunity came up, we spent a lot
2 of time talking about it and said, "Well, it is a
3 utility; we've got some utility experience. We do
4 have some water/wastewater experience, some of us
5 that were on the Milliken side at one time." Plus,
6 we thought it was a good investment. Columbia is a
7 growing area. Ni had done a good job bringing it
8 up from where it was, where it was when we bought
9 it, and we saw the growth opportunity. We knew
10 that the people with Ni were good people, and we
11 just thought it would be a great investment, and in
12 South Carolina.

13 **COMMISSIONER FLEMING:** And how about Act 236?
14 Will that help you with your solar –

15 **MR. DAVID BEARD [Pacolet Milliken**
16 **Enterprises]:** Oh.

17 **COMMISSIONER FLEMING:** – investments? The
18 DERPA?

19 **MR. DAVID BEARD [Pacolet Milliken**
20 **Enterprises]:** It may. It may.

21 **COMMISSIONER FLEMING:** Oh, okay. Well,
22 hopefully, you'll have some opportunities here in
23 South Carolina –

24 **MR. DAVID BEARD [Pacolet Milliken**
25 **Enterprises]:** We hope so.

1 **COMMISSIONER FLEMING:** – for some of those
2 investments.

3 **MR. DAVID BEARD [Pacolet Milliken**
4 **Enterprises]:** We hope so.

5 **COMMISSIONER FLEMING:** Okay, thank you.

6 **CHAIRMAN HALL:** Thank you. Commissioner
7 Hamilton.

8 **COMMISSIONER HAMILTON:** Thank you, Madam
9 Chair.

10 It's good to see both of you gentlemen here
11 today with us. Commissioner Fleming pretty well
12 covered the questions that we could ask you today,
13 but I would like to take an opportunity to
14 compliment you, Mr. Beard, on acquiring this
15 company. When Mr. Melcher first came to us, his
16 positive attitude was radiant in the Commission.
17 And the hearings he had and the efforts they went
18 through to try to get this company going in the
19 right direction, we appreciated that, and
20 apparently it has continued throughout the
21 acquisition of the Columbia part of it. So it's
22 nice to have people like you, and Mr. Beard, we've
23 worked with you for many, many years, with
24 different hats on, and you've always been one that,
25 when you tell us something, we carry it to the

1 bank. And we appreciate that, and I think we can
2 see great things happening with this. Thank you,
3 very much.

4 **MR. DAVID BEARD [Pacolet Milliken**
5 **Enterprises]:** Well, we are a company of our word
6 and our ethics. And I think this is just the first
7 of many improvements that you'll see. We have a
8 long list of things that we want to accomplish over
9 the next few years. Look forward to seeing a lot
10 of you.

11 **COMMISSIONER HAMILTON:** Very good.

12 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
13 **Utilities]:** Commissioner, may I add a comment?

14 **CHAIRMAN HALL:** Please.

15 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
16 **Utilities]:** While I certainly have not met, yet,
17 the Board of Directors for Pacolet Milliken, there
18 has been an occasion where I was able to have
19 dinner where one of them attended. He asked me –
20 and I'm sorry, I don't know the man's name, but he
21 asked me how I felt about what we were doing in
22 South Carolina as a utility company, and I said, I
23 think, for me personally, I felt like we had been
24 problem solvers. I've been able to speak to
25 regulators and customers, as well, with my head up,

1 and felt good about the message that we were
2 giving. We've been problem solvers. And he looked
3 at me and nodded his head, and he said, "I see
4 myself the exact same way. I want to be a problem
5 solver." I think that goes somewhat to your
6 question about why, perhaps, the investment.

7 **COMMISSIONER FLEMING:** Thank you.

8 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
9 **Utilities]:** Thank you.

10 **CHAIRMAN HALL:** Commissioner Whitfield.

11 **VICE CHAIRMAN WHITFIELD:** Thank you, Madam
12 Chairman.

13 Good to have both of you, as well. And, Mr.
14 Melcher, I'd just echo the comment you exchanged
15 with – you had with Commissioner Fleming, noticing
16 that your call volume goes down, but it certainly
17 helps your percentage of answered calls when your
18 volume is dropped by a third, so you've improved
19 two ways there, and that's definitely headed in the
20 right direction, and we're happy to see the
21 improvement from 2013 to now.

22 Mr. Beard, good to have you, as well. I'd
23 like to ask you one or two things, if I could, and
24 then I'll be done. When did this – when did the
25 purchase take place, what can you tell us about it?

1 Was it just an opportunity you saw come along?
2 Were there other groups interested in purchasing
3 them? What can you tell us about the timing of it,
4 and anything like that you might want to share?

5 **MR. DAVID BEARD [Pacolet Milliken**
6 **Enterprises]:** The way we learned about it was from
7 a banker friend of ours. He called, and he was
8 aware that Ni America was going to be sold, and
9 said, "You may want to look at it." So that's how
10 we got involved. And yes – Rick, there were nine
11 companies looking at it, maybe something like that?

12 **MR. FRED 'Rick' MELCHER [Ni Pacolet Milliken**
13 **Utilities]:** There were probably over a dozen that
14 gave initial interest, and it may have been reduced
15 to nine that we made presentations to.

16 **MR. DAVID BEARD [Pacolet Milliken**
17 **Enterprises]:** So, and they were national
18 water/wastewater companies. So when we were able
19 to secure the deal, we got a call from a couple of
20 them who said, "Who are you?"

21 [Laughter]

22 Kind of reminded me of –

23 **VICE CHAIRMAN WHITFIELD:** They know now,
24 right.

25 **MR. DAVID BEARD [Pacolet Milliken**

1 **Enterprises]**: – Butch Cassidy. So it was quite a
2 surprise to that group of people that we were able
3 to – and several of them, we have had conversations
4 with about partnering on some other operations.
5 Nothing in the works or anything like that, but
6 when they realized who we were and our background
7 and how we operate, and so forth, they said "Well,
8 maybe there's some opportunities elsewhere," in
9 some of their operations. So something may come
10 down the road, but right now we're just focused on
11 the Ni that we bought.

12 **VICE CHAIRMAN WHITFIELD**: Well, thank you. I
13 do have another question and a comment. This other
14 question is not really directly related to this
15 allowable ex parte, and if you don't want to answer
16 or don't know, certainly just tell me. But you
17 talked about – or Mr. Melcher talked about – some
18 of the damage from the flood, and this goes down
19 the Lockhart side. I've been real concerned
20 reading about the canal and all that. Can you tell
21 us anything there or where things stand with that,
22 since Lockhart is involved with that?

23 **MR. DAVID BEARD [Pacolet Milliken**
24 **Enterprises]**: Sure, be glad to. We, anticipating
25 not what eventually happened but anticipating a

1 pretty severe situation, we began taking
2 precautions at the hydro site Thursday, Friday, and
3 then it rained, and then Saturday, taking equipment
4 out, raising it, you know, all those kind of
5 things. Checking all of our sump pumps. The
6 things that you know a good operator would do.
7 Sunday morning, as I was walking into church, I got
8 a phone call that said water is almost in the
9 building. So I contacted our Brian Stone, manager
10 of Lockhart, and he was aware of it, as well. We
11 made a game plan to make sure people got out. It's
12 an old building and we wanted to make sure
13 operators didn't take any chances to get out. So,
14 obviously, everything was breached. The canal
15 breached. Water was up above the generators. It
16 was – got some great pictures, if you want to see
17 them sometime. And then when the canal breached,
18 that obviously changed the dynamics completely, and
19 then, of course, the water system for the City.

20 We are – as far as the hydro plant, we have
21 gotten everything cleaned; everything that can be
22 repaired is repaired. The City has told us that
23 they do want us to put the hydro plant back in
24 operation, so we have – the electrical equipment,
25 of course, was destroyed; we've got it on order.

1 The issue is going to be how long is it going to
2 take to get the canal fixed. We'll be ready way
3 before the canal is. And there's a team working on
4 that now, and then I don't want to speak for the
5 City on that, of course, on what their plan is.
6 One of the other things we assisted them in,
7 putting the temporary dam inside the canal. So our
8 team was there right with the City, helping get
9 their City system back up.

10 **VICE CHAIRMAN WHITFIELD:** Well, thank you for
11 that.

12 **MR. DAVID BEARD [Pacolet Milliken**
13 **Enterprises]:** It was a tough situation.

14 **VICE CHAIRMAN WHITFIELD:** Well, tough news,
15 but thank you for that. I apologize, I know that's
16 out of the boundaries of this ex parte, but that's
17 more information than I've heard before about that
18 situation, and certainly I know ORS is well on top
19 of it, but I was glad to hear it directly from you.
20 And we certainly wish you the best in those
21 efforts. I would echo Commissioner Hamilton's
22 comments. I've known you from my previous life in
23 the freight business, and I certainly agree with
24 what he said, and we're glad you're here and glad
25 you're involved.

1 Thank you, Madam Chairman.

2 **CHAIRMAN HALL:** All right. Thank you. I
3 don't think there are any other questions.

4 Mr. Beard, thank you so much for sharing that
5 information with us about the flood. I live in the
6 Columbia area and so – I actually was out of town,
7 so I watched it all on Twitter. But I appreciate
8 that information. Also, I want to tell you thank
9 you so much for your investment in Columbia,
10 because Columbia does not always get the industry
11 that Greenville or Charleston gets, and so,
12 speaking as a Columbia resident, I really do
13 appreciate that.

14 Mr. Melcher, thank you so much. You have been
15 key and integral in keeping us abreast of this
16 merger and Ni America's efforts in Columbia, and so
17 thank you, so much.

18 And so – Mr. Hoefer, if you don't have nothing
19 further?

20 **MR. HOEFER:** Nothing further.

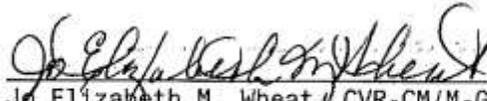
21 **CHAIRMAN HALL:** – thank you, so much. We will
22 be adjourned.

23 [WHEREUPON, at 11:12 a.m., the proceedings
24 in the above-entitled matter were
25 adjourned.]

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had in an Allowable Ex Parte Proceeding held before THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA in Columbia, South Carolina, according to my verbatim record of same.

IN WITNESS WHEREOF, I have hereunto set my hand, on this the 25th day of October, 2015.


Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.