

**LAKE JUNALUSKA ASSEMBLY, INCORPORATED  
DOCKET NO. W-1274, SUB 7**

**TESTIMONY OF GINA Y. CASSELBERRY  
ON BEHALF OF THE PUBLIC STAFF  
NORTH CAROLINA UTILITIES COMMISSION**

**December 20, 2019**

1    **Q.    PLEASE STATE FOR THE RECORD YOUR NAME, BUSINESS**  
2           **ADDRESS, AND PRESENT POSITION.**

3    A.    My name is Gina Y. Casselberry. My business address is 430 North  
4           Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am a  
5           Utilities Engineer with the Public Staff's Water, Sewer and Telephone  
6           Division.

7    **Q.    BRIEFLY STATE YOUR QUALIFICATIONS AND EXPERIENCE**  
8           **RELATING TO YOUR PRESENT POSITION WITH THE PUBLIC**  
9           **STAFF.**

10   A.    I graduated from Michigan Technology University, receiving a Bachelor  
11           of Science Degree in Civil Engineering. I have been with the Public  
12           Staff's Water Division since February 1992. I have presented  
13           recommendations in rate increase proceedings, new franchise and  
14           transfer applications and other matters before the Commission for the  
15           past twenty-seven years.

16   **Q.    WHAT ARE YOUR DUTIES IN YOUR PRESENT POSITION?**

17   A.    My duties with the Public Staff are to monitor the operations of

1 regulated water and sewer utilities with regard to service and rates.  
2 Included in these duties are field investigations to review, evaluate, and  
3 recommend changes, when needed, in the design, construction, and  
4 operations of regulated water and sewer utilities; presentation of expert  
5 testimony in formal hearings; and presentation of information, data,  
6 and recommendations to the Commission.

7 **Q. PLEASE DESCRIBE THE SCOPE OF YOUR INVESTIGATION IN**  
8 **THIS CASE.**

9 A. On September 28, 2018, Lake Junaluska Assembly, Incorporated (LJA  
10 or Company) filed an application with the Commission seeking to  
11 acquire a water and sewer utility franchise for Lake Junaluska  
12 Assembly in Haywood County, North Carolina. My investigation  
13 included a review of customer complaints, a review of company  
14 records, and an analysis of revenues at existing and proposed rates. I  
15 have also assisted Public Staff Accountant June Chiu in reviewing  
16 expenses and plant in service.

17 **Q. BRIEFLY DESCRIBE THE HISTORY OF THE SERVICE AREAS.**

18 A. In Docket No. W-1274, Sub 0, the Commission granted a franchise  
19 to Southeastern Jurisdictional Administrative Council, d/b/a Lake  
20 Junaluska Assembly, dated December 19, 2007. However, on June  
21 23, 2009, Lake Junaluska Assembly, Incorporated (LJA), formerly  
22 known as Southeastern Jurisdictional Administrative Council,  
23 Incorporated, filed a petition with the Commission requesting an

1 exemption from regulation pursuant to Gen. Stat. § 62-110.5. LJA is  
2 a North Carolina non-profit corporation, formed in 1938. LJA is  
3 affiliated with The United Methodist Church, and the Internal  
4 Revenue Service recognized LJA as a tax exempt charitable  
5 organization in 1959. On August 18, 2011, the Commission granted  
6 LJA's petition and LJA was exempt from Commission regulation,  
7 unless and until such time that circumstances change so that the  
8 regulation of LJA, is required.

9 On October 11, 2017, Docket No. W-1274, Sub 5, Timothy F. Phelan  
10 (Complainant), filed a complaint with the Commission against LJA,  
11 alleging that the organization is no longer eligible for exemption from  
12 Commission regulation and must file for a certificate of public  
13 convenience and necessity (CPCN); and on October 18, 2017,  
14 Docket No. W-1274, Sub 6, Walt Logan (Complainant), filed a  
15 complaint with the Commission against LJA, alleging that the  
16 organization refuses to make available financial information  
17 regarding its operation of utility services and should no longer be  
18 exempt from Commission regulation. Subs 5 and 6 were  
19 consolidated and on April 23, 2018, the Commission issued an Order  
20 revoking the exemption granted to LJA in Docket No. W-1274, Sub 4,  
21 and further Ordered that LJA file an application for a CPCN within 120  
22 days of the date of the Order.

1 On August 20, 2018, LJA, by and through counsel, filed a Motion for  
2 Extension of Time. On August 21, 2018, the Commission granted LJA  
3 an extension until September 29, 2018, to file its application for a CPCN.  
4 LJA filed its application for a CPCN on September 28, 2018.

5 **Q. PLEASE DESCRIBE THE SERVICE AREAS.**

6 A. The Lake Junaluska Assembly is an unincorporated community  
7 located in Haywood County. It is home to The United Methodist  
8 Church Conference and Retreat Center and other offices under The  
9 United Methodist Church. The service area consists of 1,250 acres,  
10 similar to a small municipality. LJA purchases bulk water and sewage  
11 treatment from the Town of Waynesville and provides water and  
12 sewer service to approximately 782 water and 748 sewer residential  
13 metered customers, 25 residential and 4 commercial flat rate sewer  
14 customers, and 73 water and 43 sewer metered commercial  
15 customers.

16 **Q. WHAT ARE LJA's PRESENT AND PROPOSED RATES?**

17 A. On August 12, 2019, LJA requested authority to pass on the  
18 increased cost of purchased bulk sewer treatment from the Town of  
19 Waynesville, in the interim pending approval of the certificate of  
20 public convenience and necessity (CPCN). On September 23, 2019,  
21 the Commission approved the pass through, increasing the sewer  
22 rate by \$0.31 per 100 cubic feet (CCF), or \$0.41 per 1,000 gallons.  
23 LJA is also proposing a customer assessment or other funding

1 mechanism to complete the work called for in its 10-year Water and  
2 Sewer Improvement Plan (10-year plan) to combat leakage and water  
3 loss. LJA's present and proposed rates for water and sewer utility  
4 service are shown in Casselberry Exhibit Nos. 1 and 2.

5 **Q. PLEASE DESCRIBE THE TEST YEAR?**

6 A. The Company used its adjusted budget for 2018 to determine  
7 expenses for the test year. The Public Staff updated the test year to  
8 reflect the actual expenses and plant in service for the twelve months  
9 ending December 31, 2018.

10 **Q. HAVE YOU RECEIVED ANY CUSTOMER COMPLAINTS AS A**  
11 **RESULT OF CUSTOMER NOTICE IN THIS PROCEEDING?**

12 A. Other than the two formal complaints filed in the consolidated  
13 application, the Public Staff has only received the two formal  
14 complaints filed in Docket No. W-1274, Subs 5 and 6.

15 Waynesville Hearing

16 Approximately 20 customers attended the hearing in Waynesville.  
17 Four customers testified at the hearing: Charles Lipp, Karen  
18 Greenwaldt, Jim Correll, and Mike Jordan. All four customers  
19 testified that they were pleased with the progress LJA has made in  
20 reducing water loss and supported the proposed assessment fee  
21 100%. They also testified that the service was excellent and praised  
22 the work that was being done to replace the aged infrastructure,

1 LJA's quick response to water leaks and breaks, and LJA's regular  
2 progress reports on water loss.

3 **Q. WHAT ARE THE ANNUAL SERVICE REVENUES UNDER**  
4 **PRESENT AND PROPOSED RATES?**

5 A. My calculations for service revenues at present and proposed rates  
6 are shown in Casselberry Exhibit Nos. 3, 4, 5, and 6.

7 **Q. HAVE YOU RECOMMENDED ANY ADJUSTMENTS TO**  
8 **EXPENSES RELATED TO WATER AND SEWER OPERATIONS?**

9 A. Yes, I have provided Public Staff Accountant Chui with  
10 recommendations for purchased power, permit fees, testing expenses  
11 for water operations, purchased water and purchased sewer  
12 treatment.

13 Purchased Power

14 LJA expensed \$4,100 for power for water and sewer operations  
15 combined. Based on my review of invoices, \$1,844 was power for the  
16 maintenance shop, which facilitates water and sewer operations. I  
17 allocated 50 percent (\$922) of the expense to water operations and 50  
18 percent (\$922) to sewer operations. I recommend \$3,178 for  
19 purchased power associated with water operations and \$922 for  
20 purchased power associated with sewer operations.

1 Permit Fees

2 LJA expensed \$2,377 for taxes, licenses, and fees for water and sewer  
3 operations combined. Based on my review of invoices, \$1,268 was for  
4 vehicle registrations. I reclassified \$634 to transportation expenses for  
5 water operations and \$634 to transportation expenses for sewer  
6 operations. I removed \$32 for fees outside the test year, resulting in  
7 \$92 for water permit fees and \$985 for sewer permit fees. In addition  
8 to the \$92, I reclassified \$870 from testing expenses to water permit  
9 fees. I recommend \$962 for water permit fees and \$985 for sewer  
10 permit fees.

11 Testing Expenses for Water Operations

12 LJA expensed \$1,674 for testing expenses. As I previously stated, I  
13 reclassified \$870 from testing expenses to water permit fees. I  
14 recommend \$888 for testing expenses. My recommendation for  
15 testing expenses reflects required tests under the Safe Drinking  
16 Water Act, based on the number or frequency of each test, and  
17 current testing costs, represented over the required frequency  
18 (monthly, annually, and every three, six, or nine years).

19 Purchased Water Expenses

20 LJA expensed \$162,513 for purchased water expenses. Based on my  
21 review of invoices, I reclassified \$776 from purchased water expenses  
22 to administrative and office expenses for water purchased from LJA for

1 the maintenance shop. I recommend \$161,737 for purchased water  
2 expenses.

3 Purchased Sewer Treatment

4 LJA expensed \$193,325 for purchased sewer treatment. I updated  
5 purchased sewer treatment to reflect the increased cost of bulk sewer  
6 treatment from the Town of Waynesville and LJA's recent pass  
7 through. My calculations are as shown in Casselberry Exhibit No. 7. I  
8 reclassified \$552 from purchased sewer treatment to administrative  
9 and office expenses for sewage treatment purchased from LJA for the  
10 maintenance shop. I recommend \$216,995 for purchased sewer  
11 treatment.

12 **Q. BRIEFLY DESCRIBE THE HISTORY BEHIND LJA'S 10-YEAR**  
13 **WATER AND SEWER CAPITAL IMPROVEMENT PLAN (10-YEAR**  
14 **PLAN).**

15 A. In Docket W-1274, Sub 0, the Commission granted the franchise to  
16 LJA and approved rates. Approximately three months after LJA  
17 began charging the Commission approved rates, LJA experienced a  
18 revenue shortage due to the aging infrastructure and excessive  
19 water loss. The Public Staff reviewed the matter and in its Motion to  
20 Amend Order, the Public Staff revised its recommended rates to  
21 include an unaccountable allowance for water loss. The Public Staff  
22 also recommended that LJA needed to be incentivized to continue  
23 reducing its water loss. In response to the Public Staff's



1 recommendation, LJA commissioned an engineer to analyze its  
2 water distribution system and wastewater collection system,  
3 primarily focusing on detecting and eliminating leaks. As a result, a  
4 10-year capital improvement plan for main replacement was  
5 developed, consisting of approximately \$1.2 million for the water  
6 distribution system and \$600,000 for the wastewater collections  
7 system. LJA began implementing the plan in 2014, in \$200,000  
8 increments. As a non-regulated utility, LJA increased its rates  
9 periodically to cover the cost.

10 **Q. WHAT IS THE PUBLIC STAFF'S RECOMMENDATION**  
11 **CONCERNING THE MONTHLY SURCHARGE TO FINANCE**  
12 **CAPITAL PROJECTS?**

13 A. LJA is proposing a monthly surcharge of \$8.14/REU for water and  
14 \$8.14/REU for sewer so they can continue to implement its 10-Year  
15 Plan, generating revenue of \$101,880 for water improvements and  
16 \$100,317 for sewer improvements, see Casselberry Exhibits Nos. 8  
17 and 9. It is the Public Staff's opinion that LJA is unique in that it is a  
18 nonprofit organization and does not have capital investors to provide  
19 the funds necessary for replacing its aged infrastructure. The Public  
20 Staff believes that it would be in the customers' best interest to add  
21 a monthly surcharge to recover the cost to replace its aged  
22 infrastructure versus acquiring a loan or multiple loans; and then  
23 applying for a rate increase or multiple rate increase to recover the

1 cost of the improvements. The loans and rate cases would take  
2 longer and add additional costs such as interest on loans, rate case  
3 expenses, attorney fees, and other expenses. Since customers have  
4 paid for all of the plant in service and “basically own” the system, any  
5 surcharge collected would flow directly to benefit the customers in  
6 new improved infrastructure, which would also reduce purchased  
7 water and sewer treatment costs.

8 The Public Staff has reviewed LJA’s 10-Year Plan and recommends  
9 the Commission approve the applied for surcharges. The Public Staff  
10 recommends that LJA file quarterly reports with the Commission in a  
11 mutually agreed upon format regarding the funds collected through the  
12 assessments, the amount of assessed funds on hand, the projects  
13 completed, and the amount spent on capital expenditures.

14 **Q. WHAT IS YOUR RECOMMENDATION CONCERNING LJA’S**  
15 **PROPOSED RATES?**

16 A. The Public Staff recommends service revenues of \$356,979 for water  
17 and \$418,434 for sewer. The Public Staff recommends a rate reduction  
18 for water service and LJA’s proposed rates for sewer service. The  
19 Public Staff also recommends an alternate rate design for water  
20 service. The Public Staff recommends setting the usage charge for  
21 water service the same as the usage charge for the Town of  
22 Waynesville (Town). Should the Town of Waynesville increase the  
23 purchased water rates, LJA has the opportunity to apply for a pass

1 through, and the new usage charge can be passed onto customers.  
2 The Public Staff's calculations and recommend rates are shown in  
3 Casselberry Exhibit Nos. 10 and 11.

4 **DOES THIS CONCLUDE YOUR TESTIMONY?**

5 A. Yes.



## WATER RATES AND CHARGES

### MONTHLY METERED SERVICE: (Residential and Commercial)

|                                     | <u>Present</u> | <u>Proposed</u> | <u>Proposed<br/>Assessment<br/>Per REU</u> |
|-------------------------------------|----------------|-----------------|--|
| Base Facilities Charge (zero usage) |                |                 |  |
| 3/4" meter                          | \$ 22.24       | \$ 19.75        | \$ 8.14                                    |
| 1" meter                            | \$ 56.22       | \$ 49.38        | \$ 20.35                                   |
| 2" meter                            | \$ 177.28      | \$ 158.00       | \$ 65.12                                   |
| 3" meter                            | \$ 321.98      | \$ 296.25       | \$ 122.10                                  |
| 4" meter                            | \$ 561.99      | \$ 493.75       | \$ 203.50                                  |
| Usage Charge, per 100 cubic feet    | \$ 3.27        | \$ 3.27         |  |
| Usage Charge, per 1000 gallons      | \$ 4.37        | \$ 4.37         |  |

## WATER ONLY RATES AND CHARGES <sup>(1)</sup>

### MONTHLY METERED SERVICE: (Residential and Commercial)

|                                     | <u>Present</u> | <u>Proposed</u> | <u>Proposed<br/>Assessment<br/>Per REU</u> |
|-------------------------------------|----------------|-----------------|--|
| Base Facilities Charge (zero usage) |                |                 |  |
| 3/4" meter                          | \$ 22.24       | \$ 19.75        | \$ 8.14                                    |
| 1" meter                            | \$ 56.22       | \$ 49.38        | \$ 20.35                                   |
| Usage Charge, per 100 cubic feet    | \$ 7.06        | \$ 7.67         |  |

(1) Since LJA pays Waynesville for sewage treatment based on water consumed, the water only usage rate reflects a combined water and sewer usage rate.

The proposed rates would decrease the average 3/4 inch residential customer's monthly water bill from \$31.43 to \$28.94, based on an average usage of 2.81 ccf or 3,757 gallons; and increase the monthly water bill from \$31.43 to \$37.08, including the proposed monthly rates and assessment.



## SEWER RATES AND CHARGES

### MONTHLY METERED SERVICE: (Residential and Commercial)

|                                     | <u>Present</u> | <u>Proposed</u> | <u>Proposed<br/>Assessment<br/>Per REU</u> |
|-------------------------------------|----------------|-----------------|--|
| Base Facilities Charge (zero usage) |                |                 |  |
| 3/4" meter                          | \$ 15.94       | \$ 17.00        | \$ 8.14                                    |
| 1" meter                            | \$ 34.92       | \$ 42.50        | \$ 20.35                                   |
| 2" meter                            | \$ 111.68      | \$ 136.00       | \$ 65.12                                   |
| 3" meter                            | \$ 230.36      | \$ 255.00       | \$ 122.10                                  |
| 4" meter                            | \$ 349.04      | \$ 425.00       | \$ 203.50                                  |
| Usage Charge, per 100 cubic feet    | \$ 4.30        | \$ 4.71         |  |
| Usage Charge, per 1000 gallons      | \$ 5.74        | \$ 6.29         |  |

### MONTHLY FLAT RATE SERVICE: (Sewer only)

|                                     | <u>Present</u> | <u>Proposed</u> | <u>Proposed<br/>Assessment<br/>Per REU</u> |
|-------------------------------------|----------------|-----------------|--|
| Base Facilities Charge (zero usage) |                |                 |  |
| Residential                         | \$ 25.91       | \$ 29.00        | \$ 8.14                                    |
| Commercial                          | \$ 25.91       | \$ 29.00        | \$ 8.14                                    |
| Restaurant                          | \$ 161.38      | \$ 232.00       | \$ 65.12                                   |
| Mobile Home Park                    | \$ 351.34      | \$ 435.00       | \$ 122.10                                  |

The proposed rates would increase the average 3/4 inch residential customer's monthly sewer bill from \$27.89 to \$30.09, based on an average usage of 2.78 ccf or 3,717 gallons; and increase the monthly bill from \$27.89 to \$38.23, including the proposed monthly rates and assessment.





Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casselberry  
Exhibit No. 3

Public Staff's Revenue at Present Rates

Water

| Billing<br>Type                  | Rate<br>Code | Usage     | Usage<br>Rate | Usage<br>Revenue | EOP<br>Customers | EOP<br>x 12 months | Base<br>Charge | Base Charge<br>Revenue | Total<br>Revenue |
|----------------------------------|--------------|-----------|---------------|------------------|------------------|--------------------|----------------|------------------------|------------------|
| 3/4" Residential Metered         | W01          | 2,547,069 | 3.27          | 83,289           | 763              | 9,156              | 22.24          | 203,629                | 286,919          |
| 3/4" Residential water only (1)  | W08          | 125,047   | 7.06          | 8,828            | 31               | 372                | 22.24          | 8,273                  | 17,102           |
| 3/4" Residential irrigation only | W09          | 44,922    | 7.06          | 3,171            | 30               | 360                | 22.24          | 8,006                  | 11,178           |
| <b>Total Residential</b>         |              | 2,717,038 |               | 95,289           | 824              | 9,888              |                | 219,909                | 315,198          |
| 3/4" Commercial Metered          | W00          | 545,871   | 3.27          | 17,850           | 16               | 192                | 22.24          | 4,270                  | 22,120           |
| 1" Commercial Metered            | W02          | 202,306   | 3.27          | 6,615            | 14               | 168                | 56.22          | 9,445                  | 16,060           |
| 2" Commercial Metered            | W03          | 343,570   | 3.27          | 11,235           | 6                | 72                 | 177.28         | 12,764                 | 23,999           |
| 3" Commercial Metered            | W04          | 130,140   | 3.27          | 4,256            | 1                | 12                 | 321.98         | 3,864                  | 8,119            |
| 4" Commercial Metered            | W05          | 505,180   | 3.27          | 16,519           | 3                | 36                 | 561.99         | 20,232                 | 36,751           |
| 4" Commercial Metered (2)        | W06          | 65,800    | 4.37          | 288              | 1                | 12                 | 561.99         | 6,744                  | 7,031            |
| 1" Commercial Metered Irrig.     | W07          | 3,786     | 7.06          | 267              | 2                | 24                 | 56.22          | 1,349                  | 1,617            |
| <b>Total Commercial Metered</b>  |              | 1,796,653 |               | 57,030           | 43               | 516                |                | 58,668                 | 115,698          |
| <b>Total</b>                     |              | 4,513,691 |               | 152,319          | 867              | 10,404             |                | 278,577                | 430,896          |

Notes

- (1) Since LJA pays Waynesville for sewage treatment based on water consumed, the water only rate reflects a combined water and sewer rate.  
(2) Usage rate per 1,000 gallons



Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casselberry  
Exhibit No. 4

Public Staff's Revenue at Proposed Rates

Water

| Billing<br>Type                      | Rate<br>Code | Usage     | Usage<br>Rate | Usage<br>Revenue | EOP<br>Customers | EOP<br>x 12 months | Base<br>Charge | Base Charge<br>Revenue | Total<br>Revenue |
|--------------------------------------|--------------|-----------|---------------|------------------|------------------|--------------------|----------------|------------------------|------------------|
| 3/4" Residential Metered             | W01          | 2,547,069 | 3.27          | 83,289           | 763              | 9,156              | 19.75          | 180,831                | 264,120          |
| 3/4" Residential water only          | W08          | 125,047   | 7.67          | 9,591            | 31               | 372                | 19.75          | 7,347                  | 16,938           |
| 3/4" Residential irrigation only (1) | W09          | 44,922    | 7.67          | 3,446            | 30               | 360                | 19.75          | 7,110                  | 10,556           |
| <b>Total Residential</b>             |              | 2,717,038 |               | 96,326           | 824              | 9,888              |                | 195,288                | 291,614          |
| 3/4" Commercial Metered              | W00          | 545,871   | 3.27          | 17,850           | 16               | 192                | 19.75          | 3,792                  | 21,642           |
| 1" Commercial Metered                | W02          | 202,306   | 3.27          | 6,615            | 14               | 168                | 49.38          | 8,295                  | 14,910           |
| 2" Commercial Metered                | W03          | 343,570   | 3.27          | 11,235           | 6                | 72                 | 158.00         | 11,376                 | 22,611           |
| 3" Commercial Metered                | W04          | 130,140   | 3.27          | 4,256            | 1                | 12                 | 296.25         | 3,555                  | 7,811            |
| 4" Commercial Metered                | W05          | 505,180   | 3.27          | 16,519           | 3                | 36                 | 493.75         | 17,775                 | 34,294           |
| 4" Commercial Metered (2)            | W06          | 65,800    | 4.37          | 288              | 1                | 12                 | 493.75         | 5,925                  | 6,213            |
| 1" Commercial Metered Irr            | W07          | 3,786     | 7.67          | 290              | 2                | 24                 | 49.38          | 1,185                  | 1,475            |
| <b>Total Commercial Metered</b>      |              | 1,796,653 |               | 57,053           | 43               | 516                |                | 51,903                 | 108,956          |
| <b>Total</b>                         |              | 4,513,691 |               | 153,379          | 867              | 10,404             |                | 247,191                | 400,570          |

Notes

- (1) Since LJA pays Waynesville for sewage treatment based on water consumed, the water only rate reflects a combined water and sewer rate.  
(2) Usage rate per 1,000 gallons



Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casselberry  
Exhibit No. 5

Public Staff's Revenue at Present Rates

Sewer

| Billing<br>Type                 | Rate<br>Code | Usage     | Usage<br>Rate | Usage<br>Revenue | EOP<br>Customers | EOP<br>x 12 months | Base<br>Charge | Base Charge<br>Revenue | Total<br>Revenue |
|---------------------------------|--------------|-----------|---------------|------------------|------------------|--------------------|----------------|------------------------|------------------|
| Flat Rate Sewer only            | SE1          | -         | -             | -                | 25               | 300                | 25.91          | 7,773                  | 7,773            |
| 3/4" Residential Metered        | S01          | 2,547,069 | 4.30          | 109,524          | 763              | 9,156              | 15.94          | 145,947                | 255,471          |
| <b>Total Residential</b>        |              | 2,547,069 |               | 109,524          | 788              | 9,456              |                | 153,720                | 263,244          |
| 3/4" Commercial Metered         | S00          | 545,871   | 4.30          | 23,472           | 16               | 192                | 15.94          | 3,060                  | 26,533           |
| 1" Commercial Metered           | S02          | 202,306   | 4.30          | 8,699            | 14               | 168                | 34.92          | 5,867                  | 14,566           |
| 2" Commercial Metered           | S03          | 343,570   | 4.30          | 14,774           | 6                | 72                 | 111.68         | 8,041                  | 22,814           |
| 3" Commercial Metered           | S04          | 130,140   | 4.30          | 5,596            | 1                | 12                 | 230.36         | 2,764                  | 8,360            |
| 4" Commercial Metered           | S05          | 505,180   | 4.30          | 21,723           | 3                | 36                 | 349.04         | 12,565                 | 34,288           |
| 4" Commercial Metered (1)       | S06          | 65,800    | 5.74          | 378              | 1                | 12                 | 349.04         | 4,188                  | 4,566            |
| <b>Total Commercial Metered</b> |              | 1,792,867 |               | 74,642           | 41               | 492                |                | 36,486                 | 111,128          |
| <b>Flat Rate Commercial</b>     |              |           |               |                  |                  |                    |                |                        |                  |
| Sewer only Commercial           | SE2          | -         | -             | -                | 2                | 24                 | 25.91          | 622                    | 622              |
| Sewer only Restaurant           | SE3          | -         | -             | -                | 1                | 12                 | 161.38         | 1,937                  | 1,937            |
| Sewer only MHP                  | SE4          | -         | -             | -                | 1                | 12                 | 351.34         | 4,216                  | 4,216            |
| <b>Total</b>                    |              | 4,339,936 |               | 184,166          | 833              | 9,996              |                | 196,980                | 381,146          |

Notes

(1) Usage rate per 1,000 gallons



Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casselberry  
Exhibit No. 6

Public Staff's Revenue at Proposed Rates

Sewer

| Billing<br>Type                 | Rate<br>Code | Usage     | Usage<br>Rate | Usage<br>Revenue | EOP<br>Customers | EOP<br>x 12 months | Base<br>Charge | Base Charge<br>Revenue | Total<br>Revenue |
|---------------------------------|--------------|-----------|---------------|------------------|------------------|--------------------|----------------|------------------------|------------------|
| Flat Rate Sewer only            | SE1          | -         | -             | -                | 25               | 300                | 29.00          | 8,700                  | 8,700            |
| 3/4" Residential Metered        | S01          | 2,547,069 | 4.71          | 119,967          | 763              | 9,156              | 17.00          | 155,652                | 275,619          |
| <b>Total Residential</b>        |              | 2,547,069 |               | 119,967          | 788              | 9,456              |                | 164,352                | 284,319          |
| 3/4" Commercial Metered         | S00          | 545,871   | 4.71          | 25,711           | 16               | 192                | 17.00          | 3,264                  | 28,975           |
| 1" Commercial Metered           | S02          | 202,306   | 4.71          | 9,529            | 14               | 168                | 42.50          | 7,140                  | 16,669           |
| 2" Commercial Metered           | S03          | 343,570   | 4.71          | 16,182           | 6                | 72                 | 136.00         | 9,792                  | 25,974           |
| 3" Commercial Metered           | S04          | 130,140   | 4.71          | 6,130            | 1                | 12                 | 255.00         | 3,060                  | 9,190            |
| 4" Commercial Metered           | S05          | 505,180   | 4.71          | 23,794           | 3                | 36                 | 425.00         | 15,300                 | 39,094           |
| 4" Commercial Metered (1)       | S06          | 65,800    | 6.29          | 414              | 1                | 12                 | 425.00         | 5,100                  | 5,514            |
| <b>Total Commercial Metered</b> |              | 1,792,867 |               | 81,759           | 41               | 492                |                | 43,656                 | 125,415          |
| <b>Flat Rate Commercial</b>     |              |           |               |                  |                  |                    |                |                        |                  |
| Sewer only Commercial           | SE2          | -         | -             | -                | 2                | 24                 | 29.00          | 696                    | 696              |
| Sewer only Restaurant           | SE3          | -         | -             | -                | 1                | 12                 | 232.00         | 2,784                  | 2,784            |
| Sewer only MHP                  | SE4          | -         | -             | -                | 1                | 12                 | 435.00         | 5,220                  | 5,220            |
| <b>Total</b>                    |              | 4,339,936 |               | 201,726          | 833              | 9,996              |                | 216,708                | 418,434          |

Notes

(1) Usage rate per 1,000 gallons





Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
Test Year Ending December 31, 2018

Casselberry  
Exhibit No. 7

| Date                   | Holston Village #1 |                            | Holston Village #2 |                            | Big Gym #1 |                            | Big Gym #2 |                            | LJA Work Shop |                          |           |        |
|------------------------|--------------------|----------------------------|--------------------|----------------------------|------------|----------------------------|------------|----------------------------|---------------|--------------------------|-----------|--------|
|                        | Usage              | Pass Through<br>3.4078/ccf | Usage              | Pass Through<br>3.4078/ccf | Usage      | Pass Through<br>3.4078/ccf | Usage      | Pass Through<br>3.4078/ccf | Usage         | Pass Through<br>4.30/ccf | Base Rate | total  |
| 12/30/2017 - 1/31/2018 | 387,938            | 13,220.15                  | 123,123            | 4,195.79                   | 37,900     | 1,291.56                   | 15,700     | 535.02                     | 215           | 9.25                     | 34.92     | 44.17  |
| 1/31/18 - 2/28/18      | 271,829            | 9,263.39                   | 107,886            | 3,676.54                   | 24,900     | 848.54                     | 12,500     | 425.98                     | 225           | 9.68                     | 34.92     | 44.60  |
| 2/28/18 - 3/30/18      | 263,903            | 8,993.29                   | 111,057            | 3,784.60                   | 24,900     | 848.54                     | 15,500     | 528.21                     | 290           | 12.47                    | 34.92     | 47.39  |
| 3/30/18 - 4/30/18      | 304,781            | 10,386.33                  | 118,119            | 4,025.26                   | 24,700     | 841.73                     | 14,900     | 507.76                     | 251           | 10.79                    | 34.92     | 45.71  |
| 4/30/18 - 5/31/18      | 342,030            | 11,655.70                  | 117,590            | 4,007.23                   | 50,200     | 1,710.72                   | 28,500     | 971.22                     | 300           | 12.90                    | 34.92     | 47.82  |
| 5/31/18 - 6/30/18      | 445,033            | 15,165.83                  | 111,713            | 3,806.96                   | 47,500     | 1,618.71                   | 34,400     | 1,172.28                   | 309           | 13.29                    | 34.92     | 48.21  |
| 6/30/18 - 7/31/18      | 498,180            | 16,976.98                  | 116,948            | 3,985.35                   | 46,800     | 1,594.85                   | 29,100     | 991.67                     | 226           | 9.72                     | 34.92     | 44.64  |
| 7/31/18 - 8/31/18      | 413,764            | 14,100.25                  | 115,439            | 3,933.93                   | 29,800     | 1,015.52                   | 19,400     | 661.11                     | 277           | 11.91                    | 34.92     | 46.83  |
| 8/31/18 - 10/1/18      | 409,366            | 13,950.37                  | 116,992            | 3,986.85                   | 33,500     | 1,141.61                   | 17,000     | 579.33                     | 260           | 11.18                    | 34.92     | 46.10  |
| 10/1/18 - 11/01/18     | 397,776            | 13,555.41                  | 118,113            | 4,025.05                   | 26,500     | 903.07                     | 22,700     | 773.57                     | 304           | 13.07                    | 34.92     | 47.99  |
| 11/1/18 - 11/30/18     | 311,342            | 10,609.91                  | 112,113            | 3,820.59                   | 19,400     | 661.11                     | 13,900     | 473.68                     | 208           | 8.94                     | 34.92     | 43.86  |
| 11/30/18 - 12/31/18    | 309,188            | 10,536.51                  | 119,572            | 4,074.77                   | 20,900     | 712.23                     | 13,200     | 449.83                     | 230           | 9.89                     | 34.92     | 44.81  |
| Total                  | 4,355,130          | 148,414.12                 | 1,388,665          | 47,322.93                  | 387,000    | 13,188.19                  | 236,800    | 8,069.67                   | 3,095         |                          |           | 552.13 |

Total Sewer Pass Thro 217,547.03  
M&R Shop (552.13)  
Total Sewer Expense 216,994.90

Reclassified to office and administrative expenses:



Lake Junaluska Assembly, Incorporated

Docket No. W-1274, Sub 7

For the 12 Months Ending December 31, 2018

Casselberry

Exh bit No. 8

LJA's Proposed Surcharged Revenue

| Water                            | Billing | Rate | EOP       | EOP         | Proposed  | Total             |
|----------------------------------|---------|------|-----------|-------------|-----------|-------------------|
|                                  | Type    | Code | Customers | x 12 months | Surcharge | Surcharge Revenue |
| 3/4" Residential Metered         |         | W01  | 763       | 9,156       | 8.14      | 74,530            |
| 3/4" Residential water only      |         | W08  | 31        | 372         | 8.14      | 3,028             |
| 3/4" Residential irrigation only |         | W09  | 30        | 360         | 8.14      | 2,930             |
| <b>Total Residential</b>         |         |      | 824       | 9,888       |           | 80,488            |
| 3/4" Commercial Metered          |         | W00  | 16        | 192         | 8.14      | 1,563             |
| 1" Commercial Metered            |         | W02  | 14        | 168         | 20.35     | 3,419             |
| 2" Commercial Metered            |         | W03  | 6         | 72          | 65.12     | 4,689             |
| 3" Commercial Metered            |         | W04  | 1         | 12          | 122.10    | 1,465             |
| 4" Commercial Metered            |         | W05  | 3         | 36          | 203.50    | 7,326             |
| 4" Commercial Metered            |         | W06  | 1         | 12          | 203.50    | 2,442             |
| 1" Commercial Metered Irr.       |         | W07  | 2         | 24          | 20.35     | 488               |
| <b>Total Commercial Metered</b>  |         |      | 43        | 516         |           | 21,392            |
| <b>Total</b>                     |         |      | 867       | 10,404      |           | 101,880           |



Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casse berry  
Exhibit No. 9

LJA's Proposed Surcharge Revenue

| Sewer                           | Billing<br>Type | Rate<br>Code | EOP<br>Customers | EOP<br>x 12 months | Proposed<br>Surcharge | Total<br>Surcharge<br>Revenue |
|---------------------------------|-----------------|--------------|------------------|--------------------|-----------------------|-------------------------------|
| Flat Rate Sewer only            |                 | SE1          | 25               | 300                | 8.14                  | 2,442                         |
| 3/4" Residential Metered        |                 | S01          | 763              | 9,156              | 8.14                  | 74,530                        |
| <b>Total Residential</b>        |                 |              | 788              | 9,456              |                       | 76,972                        |
| 3/4" Commercial Metered         |                 | S00          | 16               | 192                | 8.14                  | 1,563                         |
| 1" Commercial Metered           |                 | S02          | 14               | 168                | 20.35                 | 3,419                         |
| 2" Commercial Metered           |                 | S03          | 6                | 72                 | 65.12                 | 4,689                         |
| 3" Commercial Metered           |                 | S04          | 1                | 12                 | 122.10                | 1,465                         |
| 4" Commercial Metered           |                 | S05          | 3                | 36                 | 203.50                | 7,326                         |
| 4" Commercial Metered           |                 | S06          | 1                | 12                 | 203.50                | 2,442                         |
| <b>Total Commercial Metered</b> |                 |              | 41               | 492                |                       | 20,904                        |
| <b>Flat Rate Commercial</b>     |                 |              |                  |                    |                       |                               |
| Sewer only Commercial           |                 | SE2          | 2                | 24                 | 8.14                  | 195                           |
| Sewer only Restaurant           |                 | SE3          | 1                | 12                 | 65.12                 | 781                           |
| Sewer only MHP                  |                 | SE4          | 1                | 12                 | 122.10                | 1,465                         |
| <b>Total</b>                    |                 |              | 833              | 9,996              |                       | 100,317                       |



Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casselberry  
Exhibit No. 10

Public Staff's Recommended Rates

Water

| Billing<br>Type                  | Rate<br>Code | Usage<br>Usage | Usage<br>Rate | Usage<br>Revenue | EOP<br>Customers | EOP<br>x 12 months | Base<br>Charge (3) | Base Charge<br>Revenue | Total<br>Revenue |
|----------------------------------|--------------|----------------|---------------|------------------|------------------|--------------------|--------------------|------------------------|------------------|
| 3/4" Residential Metered         | W01          | 2,547,069      | 2.54          | 64,696           | 763              | 9,156              | 19.01              | 174,056                | 238,751          |
| 3/4" Residential water only (1)  | W08          | 125,047        | 5.95          | 7,440            | 31               | 372                | 19.01              | 7,072                  | 14,512           |
| 3/4" Residential irrigation only | W09          | 44,922         | 5.95          | 2,673            | 30               | 360                | 19.01              | 6,844                  | 9,516            |
| <b>Total Residential</b>         |              | 2,717,038      |               | 74,809           | 824              | 9,888              |                    | 187,971                | 262,780          |
| 3/4" Commercial Metered          | W00          | 545,871        | 2.54          | 13,865           | 16               | 192                | 19.01              | 3,650                  | 17,515           |
| 1" Commercial Metered            | W02          | 202,306        | 2.54          | 5,139            | 14               | 168                | 47.53              | 7,984                  | 13,123           |
| 2" Commercial Metered            | W03          | 343,570        | 2.54          | 8,727            | 6                | 72                 | 152.08             | 10,950                 | 19,676           |
| 3" Commercial Metered            | W04          | 130,140        | 2.54          | 3,306            | 1                | 12                 | 285.15             | 3,422                  | 6,727            |
| 4" Commercial Metered            | W05          | 505,180        | 2.54          | 12,832           | 3                | 36                 | 475.25             | 17,109                 | 29,941           |
| 4" Commercial Metered (2)        | W06          | 65,800         | 3.40          | 224              | 1                | 12                 | 475.25             | 5,703                  | 5,927            |
| 1" Commercial Metered Irr.       | W07          | 3,786          | 5.95          | 225              | 2                | 24                 | 47.53              | 1,141                  | 1,366            |
| <b>Total Commercial Metered</b>  |              | 1,796,653      |               | 44,316           | 43               | 516                |                    | 49,958                 | 94,275           |
| <b>Total</b>                     |              | 4,513,691      |               | 119,125          | 867              | 10,404             |                    | 237,929                | 357,054          |

Notes

- (1) Since LJA pays Waynesville for sewage treatment based on water consumed, the water only rate reflects a combined water and sewer rate.
- (2) Usage rate per 1,000 gallons
- (3) Monthly base charge - zero consumption





Lake Junaluska Assembly, Incorporated  
Docket No. W-1274, Sub 7  
For the 12 Months Ending December 31, 2018

Casselberry  
Exhibit No. 11

Public Staff's Recommended Rates

Sewer

| Billing<br>Type                 | Rate<br>Code | Usage     | Usage<br>Rate | Usage<br>Revenue | EOP<br>Customers | EOP<br>x 12 months | Base<br>Charge (2) | Base Charge<br>Revenue | Total<br>Revenue |
|---------------------------------|--------------|-----------|---------------|------------------|------------------|--------------------|--------------------|------------------------|------------------|
| Flat Rate Sewer only            | SE1          | -         | -             | -                | 25               | 300                | 29.00              | 8,700                  | 8,700            |
| 3/4" Residential Metered        | S01          | 2,547,069 | 4.71          | 119,967          | 763              | 9,156              | 17.00              | 155,652                | 275,619          |
| <b>Total Residential</b>        |              | 2,547,069 |               | 119,967          | 788              | 9,456              |                    | 164,352                | 284,319          |
| 3/4" Commercial Metered         | S00          | 545,871   | 4.71          | 25,711           | 16               | 192                | 17.00              | 3,264                  | 28,975           |
| 1" Commercial Metered           | S02          | 202,306   | 4.71          | 9,529            | 14               | 168                | 42.50              | 7,140                  | 16,669           |
| 2" Commercial Metered           | S03          | 343,570   | 4.71          | 16,182           | 6                | 72                 | 136.00             | 9,792                  | 25,974           |
| 3" Commercial Metered           | S04          | 130,140   | 4.71          | 6,130            | 1                | 12                 | 255.00             | 3,060                  | 9,190            |
| 4" Commercial Metered           | S05          | 505,180   | 4.71          | 23,794           | 3                | 36                 | 425.00             | 15,300                 | 39,094           |
| 4" Commercial Metered (1)       | S06          | 65,800    | 6.29          | 414              | 1                | 12                 | 425.00             | 5,100                  | 5,514            |
| <b>Total Commercial Metered</b> |              | 1,792,867 |               | 81,759           | 41               | 492                |                    | 43,656                 | 125,415          |
| <b>Flat Rate Commercial</b>     |              |           |               |                  |                  |                    |                    |                        |                  |
| Sewer only Commercial           | SE2          | -         | -             | -                | 2                | 24                 | 29.00              | 696                    | 696              |
| Sewer only Restaurant           | SE3          | -         | -             | -                | 1                | 12                 | 232.00             | 2,784                  | 2,784            |
| Sewer only MHP                  | SE4          | -         | -             | -                | 1                | 12                 | 435.00             | 5,220                  | 5,220            |
| <b>Total</b>                    |              | 4,339,936 |               | 201,726          | 833              | 9,996              |                    | 216,708                | 418,434          |

Notes

- (1) Usage rate per 1,000 gallons  
(2) Monthly base charge - zero consumption