

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1274, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Lake Junaluska Assembly, Inc.,)	
19 Sleepy Hollow Drive, Waynesville, North)	
Carolina 28785, for a Certificate of Public)	ORDER SCHEDULING
Convenience and Necessity and Approval of)	HEARINGS AND
Rates for Water and Sewer Utility Service in)	REQUIRING CUSTOMER
Lake Junaluska Assembly Service Area in)	NOTICE
Haywood County, North Carolina and for)	
Approval of Rates)	

BY THE COMMISSION: On September 28, 2018, in the above-captioned docket, Lake Junaluska Assembly, Inc. (LJA), filed an application for a certificate of public convenience and necessity (CPCN) to provide water and sewer utility service to the residential and commercial customers in the Lake Junaluska Assembly service area, Haywood County, North Carolina and for approval of rates.

LJA is a North Carolina non-profit corporation, formed in 1938. LJA is affiliated with The United Methodist Church, and was recognized by the Internal Revenue Service as a tax exempt charitable organization in 1959. In Docket No. W-1274, Sub 0, by Order dated December 19, 2007, the Commission granted a CPCN to Southeastern Jurisdictional Administrative Council, d/b/a Lake Junaluska Assembly. On June 23, 2009, in Docket No. W-1274, Sub 4, LJA filed a petition with the Commission requesting exemption from regulation pursuant to N.C. Gen. Stat. § 62-110.5. On August 18, 2011, the Commission granted LJA's petition and LJA was exempt from Commission regulation, unless and until such time that circumstances change so that the regulation of LJA, is required.

On October 11, 2017, in Docket No. W-1274, Sub 5, Timothy F. Phelan filed a formal complaint with the Commission against LJA, alleging that the organization is no longer eligible for exemption from Commission regulation and must file for a CPCN. On October 18, 2017, in Docket No. W-1274, Sub 6, Walt Logan, filed a complaint with the Commission against LJA, alleging that the organization refuses to make available financial information regarding its operation of utility services and should no longer be exempt from Commission regulation. LJA filed a response in Docket No. W-1274, Subs 5 and 6 on November 1, 2017, denying the allegations of both Mr. Phelan and Mr. Logan, but consented to be regulated by the Commission. Docket No. W-1274, Subs 5 and 6 were consolidated by Order dated November 2, 2017. On April 23, 2018, in Docket No. W-1274, Subs 5 and 6, the Commission issued an Order revoking the exemption

granted to LJA in Docket No. W-1274, Sub 4, and requiring LJA to file an application for a CPCN within 120 days of the date of the Order.

On August 20, 2018, in Docket No. W-1274, Subs 5 and 6, LJA filed a motion for extension of time. On August 21, 2018, the Commission granted LJA an extension until September 29, 2018, to file its application.

On August 12, 2019, LJA requested authority to pass on the increased cost of purchased bulk sewer treatment from Waynesville, in the interim pending approval of the CPCN application. By Order dated September 23, 2019, the Commission approved a metered wastewater pass through of \$0.31 per ccf for the bulk wastewater rate increase by the Town of Waynesville.

The current rates monthly being charged by LJA and the applied for rates are as follows:

<u>Water</u>	<u>Current Rates</u>	<u>Applied for Rates</u>
¾" Water Meter Residential and Commercial Monthly Base Charge (zero consumption)	\$22.24	\$19.75
Usage Rate per 100 cubic feet	\$3.27	\$3.27
1" Irrigation Water Only Commercial Monthly Base Charge	\$56.22	\$49.38
Usage Rate per 100 cubic feet	\$7.06	\$7.67
¾" Irrigation Water Only Residential Monthly Base Charge	\$22.24	\$19.75
Usage Rate per 100 cubic feet	\$7.06	\$7.67
<u>Wastewater</u>	<u>Current Rates</u>	<u>Applied for Rates</u>
¾" Water Meter Residential and Commercial Monthly Base Charge (zero consumption)	\$15.94	\$17.00
Usage Rate per 100 cubic feet	\$4.30	\$4.71

<u>Wastewater</u>	<u>Current Rates</u>	<u>Applied For Rates</u>
Monthly Flat Rate (wastewater only)		
Residential	\$25.91	\$29.00
Commercial	\$25.91	\$29.00
Sewer Only - Restaurant	\$161.38	\$232.00
Sewer Only-Mobile Home Park	\$351.34	\$435.00
Average Monthly Residential Bills 3.77 ccf or 2,820 gallons	<u>Current</u>	<u>Applied For</u>
Water	\$34.57	\$32.08
Wastewater	\$32.15	\$34.76
		<u>Change</u>
		(7.20%)
		8.12%

The commercial customers have larger base charges based upon the water meter sizes.

In 2014, LJA began a 10-year infrastructure improvement plan, primarily for detecting and eliminating leaks in the water distribution system and infrastructure improvements to the wastewater collection system funded by customer assessments and spending approximately \$200,000 per year. All of LJA's water and wastewater utility plant has been paid for by the customers and LJA has no rate base. To continue its infrastructure improvement plan, LJA has applied for the approval of monthly assessments to address problems in the aged water distribution and wastewater collection systems. The proposed capital improvement monthly assessment per each residential and commercial customers with ¾" water meters would be \$8.14 for water and \$8.14 for wastewater utility service. Commercial customers with larger water meters would pay larger assessments.

CONCLUSION

Based upon the foregoing, including the recommendation of the Public Staff, the Commission finds good cause to schedule a public hearing in Waynesville, North Carolina for the sole purpose of receiving testimony from customers; to schedule an evidentiary hearing in Raleigh, North Carolina for the sole purpose of receiving expert testimony from LJA, the Public Staff, and intervenors, if any; and to require that LJA provide notice to its customers of the Application, including the applied for rates and the scheduled hearings.

IT IS, THEREFORE, ORDERED as follows:

1. That a public hearing for the sole purpose of receiving testimony from the Lake Junaluska Assembly service area customers is scheduled as follows:

Waynesville, North Carolina – Beginning at 9:00 a.m., on Thursday, December 12, 2019, at the Haywood County Courthouse, Courtroom 3B, 285 North Main Street.

2. That the Application is scheduled for evidentiary hearing as follows and such hearing shall be for the sole purpose of receiving expert testimony from LJA, the Public Staff, and intervenors, if any:

Raleigh, North Carolina – Beginning at 10:00 a.m., on Wednesday, January 29, 2020, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

3. That LJA shall file its direct testimony on or before Monday, December 9, 2019.

4. That the Public Staff and intervenors, if any, shall file their testimony on or before Monday, December 23, 2019.

5. That LJA shall file its rebuttal testimony on or before Monday, January 6, 2020.

6. That on or before Monday, December 23, 2019, any persons having an interest in this matter may file petitions to intervene in this docket.

7. That an officer or representative of LJA is required to appear in person before the Commission at the time and place of the evidentiary hearing to testify concerning any of the information contained in the Application.

8. That within 20 days of the date of this Order, LJA shall deliver copies of the Notice to Customers, attached hereto as Appendix A-1, by U.S. mail or by hand delivery to all customers affected by the Application and proposed rates.

9. That within 30 days of the date of this Order, LJA shall file a completed copy of the Certificate of Service, properly signed and notarized, evidencing compliance with the requirement to give notice to its customers pursuant to Ordering Paragraph No. 8 of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 14th day of October 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, flowing style.

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1274, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Lake Junaluska Assembly, Inc.,)
19 Sleepy Hollow Drive, Waynesville, North Carolina) CUSTOMER
28785, for a Certificate of Public Convenience and) NOTICE
Necessity and Approval of Rates for Water and Sewer)
Utility Service in Lake Junaluska Assembly Service)
Area, in Haywood County, North Carolina)

NOTICE IS HEREBY GIVEN that on September 28, 2018, Lake Junaluska Assembly, Inc. (LJA), filed an application for a certificate of public convenience and necessity (CPCN) to provide water and sewer service to residential and commercial customers in the Lake Junaluska Assembly service area, Haywood County, North Carolina and for approval of rates.

The current monthly service rates being charged by LJA and the applied for service rates are as follows:

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<u>3.77 ccf or 2,820 gallons</u>	<u>Current</u>	<u>Applied For</u>	<u>Change</u>
Water	\$34.57	\$32.08	(7.20%)
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The commercial customers have larger base charges based upon the water meter sizes.

In 2014, LJA began the 10-year infrastructure improvement plan to address problems in the aged water distribution and wastewater collection systems, primarily for detecting and eliminating leaks in the water distribution system and infrastructure improvements to the wastewater collection system funded by customer assessments and

spending approximately \$200,000 per year. All of LJA's water and wastewater utility plant has been paid for by the customers and LJA has no rate base. To continue its infrastructure improvement plan, LJA has applied for the approval of monthly assessments. **The proposed capital improvement monthly assessment per each residential and commercial customers with ¾" water meters is \$8.14 for water and \$8.14 for wastewater utility service. Commercial customers with larger water meters would pay larger assessments. The assessments will be in addition to the monthly water and wastewater meter service rates as described above.**

PROCEDURE FOR PUBLIC HEARING:

The Commission has scheduled a public hearing for Thursday, December 12, 2019, at 9:00 a.m., at the Haywood County Courthouse, Courtroom 3B, 285 North Main Street, Waynesville, North Carolina, for the sole purpose of receiving testimony from the Lake Junaluska Assembly service area customers.

The Commission has scheduled a further hearing on the application for the sole purpose of receiving expert testimony from LJA, the Public Staff – North Carolina Utilities Commission (Public Staff), and intervenors, if any, for Wednesday, January 29, 2020, at 10:00 a.m., Commission Hearing Room 2115, 430 North Salisbury Street, Raleigh, North Carolina.

The Public Staff is authorized by statute to represent the consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Chris Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements may also be faxed to (919) 715-6704 or emailed to gina.casselberry@psncuc.nc.gov.

Pursuant to N.C. Gen. Stat. § 14-269.4, absent certain specific exemptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearing scheduled in this docket in the Haywood County Courthouse. Everyone entering the county courthouse shall have to pass through a metal detector, and any weapons found will be seized.

Persons desiring to present testimony concerning their opinions on this Application, or on any service problems they may be experiencing, may appear at the public hearing at the Haywood County Courthouse and give such testimony.

Written statements are not evidence unless those persons submitting the statements appear at the public hearing and testify concerning the information contained in their written statements.

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27966-9001.

Persons desiring to intervene in the matter as formal parties of record should file a motion under the North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19, on or before Monday, December 23, 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

The details of this application has been filed with the North Carolina Utilities Commission. Copies of the application and all filings in this matter are available for review by the public at the Commission Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under the Docket Number W-1274, Sub 7.

This the 14th day of October 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, flowing style.

Kimberley A. Campbell, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Order issued by the North Carolina Utilities Commission in Docket No. W-1274, Sub 7, and the Order was mailed or hand delivered by the date specified therein.

This the _____ day of October 2019.

By: _____
Signature

Name of Utility Company

The above named individual, _____, personally appeared before me this day and, being first duly sworn, says that copies of the Commission Order dated _____ in Docket No. W-1274, Sub 7, were mailed or hand delivered to all affected customers, as required by the Order.

Witness my hand and notarial seal, this the _____ day of October 2019.

Notary Public

Printed or Typed Name

(SEAL)

Commission Expires: _____