

FORM REVISED 6/04

DOCKET NO. W-1274, Sub 7

FILING FEE RECEIVED _____

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY
AND FOR APPROVAL OF RATES

INSTRUCTIONS

Notes or explanations placed in the margins of the application are acceptable. If additional space is needed, supplementary sheets may be attached. If any section does not apply, write "not applicable" or cross out the section.

APPLICANT

1. Trade name used for utility business Lake Junaluska Assembly, Incorporated
2. Name of owner (if different from trade name) Lake Junaluska Assembly, Incorporated Board of Trustees
3. Business mailing address PO Box 339
City and state Lake Junaluska Zip Code 28745
4. Business street address (if different from mailing address) 19 Sleepy Hollow Drive, Waynesville, NC 28785
5. Business telephone number (828) 452-5911
6. If corporation, list the following:
President Michael Warren Vice President Bishop Mary Virginia Taylor
Secretary Annette Brown Treasurer N/A Three (3) largest stockholders
and percent of voting shares held by each
Lake Junaluska Assembly, Incorporated is a 501(c)3 Non-Profit Corporation. No stockholders.
7. If partnership, list the owners and percent of ownership held by each

PROPOSED UTILITY SERVICE AREAS

8. Name of Subdivision or Service Area Lake Junaluska Assembly
9. County (or Counties) Haywood County
10. Type of Service (Water and/or Sewer) Water and Sewer

OFFICIAL COPY

Sep 28 2018

PROPOSED RATES

(Amount Applicant Proposes to Charge)

See Attachment #1C, Proposed Rates. For the reasons set forth in Attachment #1.D, LJA requests approval of a \$8.14/reu capital improvement assessment for every customer.

11. Metered Residential Service

Water: 782 customers

Sewer: 748 customers

12. Flat Rate Residential Service:

Water: 0 customers

Sewer: 25 Residential customers; 4 Nonresidential customers

13. Nonresidential Service (explain):

Water: 73 customers (Conference Center, B&Bs, offices for other organizations)

Sewer: 43 customers (Conference Center, B&Bs, offices for other organizations)

14. Tap-on fees:

Water: \$600

Sewer: \$650

15. Finance charge for late payment:

1 percent

(NCUC Rule R12-9) specifies not more than one percent (1.0%) per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.)

16. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20:

\$15

17. Reconnection charge if water service discontinued at customer's request: \$0

18. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16:

\$15

19. Other charges: No other charges

PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
2. Billing shall be for service (in advance or arrears) Arrears
3. Bills past due 25 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
4. Will regular billing be by written statement? (yes or no) Yes
5. Will the billing statement contain the following? (Indicate yes or no for each item)
 - (a) Meter reading at beginning and end of billing period
..... Yes
 - (b) Date of meter readings
..... Yes
 - (c) Gallons used, based on meter readings
..... Yes, in
Cubic
feet
 - (d) Amount due for current billing period listed as a separate amount
..... Yes
 - (e) Amount due from previous billing period listed as a separate amount
..... Yes
 - (f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount
.. Yes
6. Show how the following will appear on the billing statement:
 - (a) Mailing address of company: PO Box 339, Lake Junaluska, NC 28745
 - (b) Address where bill can be paid in person: 19 Sleepy Hollow Drive, Waynesville, NC, 28785
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours:
After Hours Public Works (828) 734-2987; Haywood County Sheriff's Emergency Dispatch (828) 452-6666; Jack Carlisle (813) 495-2139
7. Is service already metered? (yes or no) Yes
8. Does the Applicant understand the provisions for establishing credit and collecting customer deposits set forth in NCUC Rules and Regulations, Chapter 12? (yes or no) Yes

(Customer deposits must be refunded to customers having not more than two (2) bills overdue during a 12-month period and who are not then delinquent on the payment of their bills, per NCUC Rule R12-5.)

PRESENT RATES

9. Are you presently charging for service? If so, describe the rates being charged.

Yes. See Current rate chart, Attachment #1.B.

10. How long have these rates been in effect?

Since November 1, 2017

PERSONS TO CONTACT

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
11. General Manager	Jack Carlisle	19 Sleepy Hollow Dr. Waynesville, NC 28785	(828) 452-5911
12. Complaints or Billing	Jenna Senocak	Same	Same
13. Engineering Operations	Jack Carlisle	Same	Same
14. Emergency Service	Office	Same	Same
15. Accounting	Jenna Senocak	Same	Same

16. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas?
(yes or no) **No**

17. Can customers make phone calls for service without being charged for a long distance phone call? (yes or no)
Yes

18. Do persons designated to receive phone calls for emergency service, after regular business hours, have authority to provide the needed repairs without first contacting owner? (yes or no) **Yes**

19. List the qualifications of the person in charge of the utility system:

**David Ward, Operator in Responsible Charge, NC Water Treatment Facility Operator Board - "B"
Distribution License #070330, NC Water Pollution Control System Certification License #992293**

20. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: **None**

SERVICE AREA

Fill in one column for each subdivision or service area.

	(1)	(2)	(3)
1. Name of subdivision or service area	<u>Lake Junaluska Assembly</u>		
2. County (or Counties)	<u>Haywood</u>		
3. Type of service (water, sewer, etc.)	<u>Water & Sewer</u>		
4. If water is purchased, list from whom	<u>Town of Waynesville</u>		
5. Source of water supply (wells, etc.)	<u>Waynesville Reservoir</u>		
6. Number of wells in service	<u>0</u>		
7. Pumping capacity of each pump in service	<u>275 GPM</u>		
8. Elevated storage tank capacity (gals.)	<u>320,000 gal</u>		
9. Pressure tank capacity (gals.)	<u>N/A</u>		
10. Types of water treatment (chlorine, etc.)	<u>Purchased water</u>		
11. Number of fire hydrants installed	<u>55</u>		
12. Is sewage disposal by septic tank or by sewer system?	<u>Sewer</u>		
13. If disposal is by sewer system, is sewage treated by utility company or by others?	<u>Town of Waynesville</u>		
14. Capacity of Company's sewage treatment plant (gallons per day)	<u>N/A</u>		
15. Is service metered? (yes or no)	<u>Yes</u>		
16. Number of water meters in use	<u>855</u>		
17. Number of service taps in use (list number of each size)	Water <u>¾": 828</u>		
	<u>1": 16</u>		
	<u>2": 6</u>		
	<u>3": 1</u>		
	<u>4": 4</u>		
	Sewer <u>4": 814</u>		
	<u>6": 9</u>		

18.	Number of customers at the end of test year	Water	<u>855</u>	<u></u>	<u></u>
		Sewer	<u>823</u>	<u></u>	<u></u>
19.	Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water	<u>1,018</u>	<u></u>	<u></u>
		Sewer	<u>1,014</u>	<u></u>	<u></u>
20.	Number of customers that can be served by pumping capacity	Water	<u>990</u>	<u></u>	<u></u>
21.	Number of customers that can be served by storage tank capacity	Water	<u>800</u>	<u></u>	<u></u>
22.	Number of customers that can be served by treatment plant capacity	Sewer	<u>N/A- we do not have a treatment plant</u>	<u></u>	<u></u>
23.	Name nearest water/sewer utility system		<u>Town of Waynesville & Junaluska Sanitary District</u>	<u></u>	<u></u>
24.	Distance to nearest water/sewer utility system		<u>Contiguous</u>	<u></u>	<u></u>
25.	Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)		<u>No</u>	<u></u>	<u></u>
26.	a. DENR System I.D. No.	Water	<u>NC 01-44-107</u>	<u></u>	<u></u>
	b. NPDES or Nondischarge Permit No.	Sewer	<u>Collection System ID: 00184</u>	<u></u>	<u></u>

FINANCIAL STATEMENT

1. Will a separate set of books be maintained for the utility business?

Yes

2. Will a separate bank account be maintained for the utility business?

Yes

3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?

(actual or estimated) 2018 Estimated/adjusted budget, please see Attachment #2

Note: If the Applicant already holds a public utility franchise, the proposed service area is new (i.e., there are no customers being served), and the proposed rates herein are the same as those previously approved, then the financial information below (lines 4 through 35) may be omitted.

REVENUES AND EXPENSES

For 12 Months Ended 2018 Budget (Date)
(Attachment #2)

	<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ _____	\$ _____	\$ _____
5. Residential service (metered rate)	\$ _____	\$ _____	\$ _____
6. Nonresidential service (flat rate)	\$ _____	\$ _____	\$ _____
7. Nonresidential service (metered rate)	\$ _____	\$ _____	\$ _____
8. Other revenues (describe in remarks below)	\$ _____	\$ _____	\$ _____
9. Total Revenues (Lines 4 thru 8)	\$ _____	\$ _____	\$ _____
10. Total salaries (except owner)	\$ _____	\$ _____	\$ _____
11. Salaries paid to owner	\$ _____	\$ _____	\$ _____
12. Administrative and office expense (except salaries)	\$ _____	\$ _____	\$ _____
13. Maintenance and repair expense (except salaries)	\$ _____	\$ _____	\$ _____
14. Transportation expenses	\$ _____	\$ _____	\$ _____
15. Electric power for pumping	\$ _____	\$ _____	\$ _____
16. Chemicals for treatment	\$ _____	\$ _____	\$ _____
17. Testing fees	\$ _____	\$ _____	\$ _____
18. Permit fees	\$ _____	\$ _____	\$ _____

19.	Purchased water/sewer treatment	\$ _____	\$ _____
20.	Annual depreciation	\$ _____	\$ _____
21.	Taxes: State income taxes	\$ _____	\$ _____
22.	Federal income taxes	\$ _____	\$ _____
23.	Gross receipts (or franchise tax)	\$ _____	\$ _____
24.	Property taxes	\$ _____	\$ _____
25.	Payroll taxes	\$ _____	\$ _____
26.	Other taxes	\$ _____	\$ _____
27.	Interest on debt during year	\$ _____	\$ _____
28.	Other expenses (describe in remarks below)	\$ _____	\$ _____
29.	Total Expenses (Lines 10 thru 28)	\$ _____	\$ _____
30.	Net Income (Line 9 minus Line 29)	\$ _____	\$ _____

Remarks

31. None

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	<u>0</u>	<u>851</u>	<u>29</u>	<u>790</u>
37. Customers at end of year	<u>0</u>	<u>855</u>	<u>29</u>	<u>794</u>
38. Average gallons used per customer	<u>3.77 ccf or 2,820 gal/mo/reu</u> per month			

COST OF UTILITY SYSTEM

1. Is the cost of utility system listed below based on past operation, or is it estimated for future operation?

(actual or estimated) Actual

2. Does the cost of utility system listed below represent the cost to the Applicant herein? (yes or no)

Yes

If no, list cost (purchase price to Applicant). _____

ORIGINAL COST OF UTILITY SYSTEM

As of Year _____ (Date)
Ended _____

*** Historical records do not exist documenting the original cost of the system.**

<u>Utility Property in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
3. Land and rights-of-way	\$ _____	\$ _____
4. Structures and site improvement	\$ _____	\$ _____
5. Wells	\$ _____	\$ _____
6. Pumping equipment	\$ _____	\$ _____
7. Treatment equipment	\$ _____	\$ _____
8. Storage tanks	\$ _____	\$ _____
9. Mains (excluding service connections)	\$ _____	\$ _____
10. Service connections	\$ _____	\$ _____
11. Meters (including spare meters)	\$ _____	\$ _____
12. Office furniture and equipment	\$ _____	\$ _____
13. Transportation equipment	\$ _____	\$ _____
14. Other utility property in service (describe in remarks below)	\$ _____	\$ _____
15. Total utility property in service (Lines 3 thru 14)	\$ _____	\$ _____
16. Less: accumulated depreciation	\$ _____	\$ _____
17. Less: accumulated tap fees and other contributions in aid of construction	\$ _____	\$ _____
18. Less: customer advances	\$ _____	\$ _____
19. Net investment in utility property (Line 15 minus 16, 17, & 18)	\$ _____	\$ _____

<u>Utility Property Not in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
20. Construction work in progress	\$ _____	\$ _____

21. Property held for future use	\$ _____	\$ _____
22. Other (describe in remarks below)	\$ _____	\$ _____

Remarks

23. **System is "pay-as-you-go," funded from customer rates**

24. _____

25. _____

26. _____

RECOVERY OF PLANT COST

The utility proposes to recover the cost of the plant listed on Page 5, Line 15 as follows:

	<u>Water</u>	<u>Sewer</u>
1. Amount to be contributed by developer	\$ <u>0</u>	\$ <u>0</u>
2. Amount to be recovered through tap fees	\$ <u>Nominal amount</u>	\$ _____
3. Amount to be recovered through rates	\$ <u>100 percent</u>	\$ _____
4. Other (please describe below on Line 6)	\$ _____	\$ _____
5. Total cost of plant	\$ _____	\$ _____

6. Description of other:

ANNUAL DEPRECIATION

***N/A, as Applicant is a tax-exempt non-profit and improvements are funded from customer rates**

7. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:

Water: _____

Sewer: _____

8. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: _____

OTHER FINANCIAL INFORMATION

1. Please provide the following capital structure information for the Company prior to the purchase of the new water and/or sewer system(s):

*** N/A as Applicant created the system beginning in 1913, financed from the sale of property.**

a. Capital structure as of _____

b. Capital structure balances:

	<u>Amount</u>	<u>Percent Of Total Capital</u>
Long-term debt/loans	\$ <u>0</u>	_____
Preferred stock (if any)	\$ <u>0</u>	_____
Common equity:		
Common stock	\$ <u>0</u>	_____
Retained earnings	\$ <u>0</u>	_____
Total common equity	\$ <u>0</u>	_____
 Total capital	 \$ <u>0</u>	 100%

2. The purchase price of the system will be financed as follows:

a.	Long-term debt	\$ <u>0</u>
b.	Short-term debt	\$ <u>0</u>
c.	Common stock	\$ <u>0</u>
d.	Retained earnings	\$ <u>0</u>
e.	Other (please describe below on Line g)	\$ <u>0</u>
f.	Total purchase price	\$ <u>0</u>

g. Description of other: _____

3. Please provide the following for improvements/additions to be made in the first year:

a. Brief description: **Ongoing replacement of aging infrastructure, water and sewer, \$200,000. See Attachment #3**

b. Financing:

(1)	Long-term debt	\$ <u>0</u>
(2)	Short-term debt	\$ <u>50,000 – 70,000 as a result of billing in arrears</u>
(3)	Common stock	\$ <u>0</u>
(4)	Retained earnings	\$ <u>0</u>
(5)	Other (please describe below on Line (7))	\$ <u>0</u>
(6)	Total improvements/additions	\$ <u>0</u>

(7) Description of other: **Source of financing improvements is currently built into the rates as a “pay-as-you-go” system.**

1. Are there any major improvements/additions required in the next five years and the next ten years? Indicate the estimated cost of each improvement/addition, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

No plans for new additions. Replacement plan is delineated below.

2. Are there any major replacements required in the next five years and the next ten years? Indicate the estimated cost of each replacement, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

5-YEAR SYSTEM IMPROVEMENT PLAN: See Attachment #3A

10-YEAR SYSTEM IMPROVEMENT PLAN:

2024-2029 Capital Program to be delineated following completion of a new engineering study in 2020-2021, with an assumption of continued capital investment of at least \$200,000.

3. Please fill out the attached addendum showing the projected cash flows and income statement for the first five years of operation of this system. This addendum should be for the utility system for which the subject application is being submitted, exclusively. Instructions are included on page 3 of the addendum. The following information may be provided instead of filing the addendum:

**** Providing this information in lieu of the addendum:**

- (1) Audited financial statements for the utility and/or parent company.

See 2017 Audited Financial Statement (Exhibit E)

- (2) Budgets, capital and operating, for the company's North Carolina utility operations for the next five years.

See 5-Year Fiscal Projections (Attachment #4)

- (3) The most recent fiscal year budgets, capital and operating, and the actual amounts for that year for the utility's and/or parent company's North Carolina utility operations.

2018 Water/Sewer Budget (Attachment #2)

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Applicant is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.)

Filed previously with the 2007 application in Docket W-1274, Sub 0.

2. If the Applicants are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.)

N/A - Applicant is a non-profit.

3. If the Applicant is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68.

N/A

4. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each water system.

Enclosed - Exhibit A

5. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system.

Enclosed - Exhibit B

6. Enclose a copy of a Division of Environmental Health (DEH) report on a chemical analysis of untreated water from each well. (This should not be confused with the monthly samples submitted to DEH for bacteriological analysis. Contact DEH for instructions to obtain a sample for chemical analysis.)

N/A - Applicant is a purchased water and sewer system

7. Enclose a copy of purchase agreements or contracts showing provision for ownership or control of the water or sewer systems, including sites for wells or treatment plants.

N/A - Applicant is a purchased water and sewer system

8. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none").

None

9. Enclose a vicinity map showing the location of the proposed subdivisions or service areas in sufficient detail for someone not familiar with the county to locate the subdivisions. (A county roadmap with the subdivisions outlined is suggested.)

Enclosed – Exhibit C

10. Enclose maps of the subdivisions in sufficient detail to show the layout of streets, lots, the water or sewer mains, hydrants, wells, pumping equipment, treatment facilities, storage facilities, etc.

Enclosed – Exhibit D

11. Enclose a copy of the workpapers supporting the estimate of the plant costs, including a breakdown by type of plant item, showing the detail of how the estimated cost was determined, and indicating which plant items, if any, will be contributed to the utility.

N/A - Applicant is a purchased water and sewer system

12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Applicant.

Enclosed – Exhibit E

13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant.

Enclosed – Exhibit E

14. If the information requested in Exhibits 12 and 13 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the utility and/or parent company.

FILING INSTRUCTIONS

15. Eight (8) copies of the application and exhibits shall be filed with the **North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325**. One of these copies must have an original signature. (Applicants must also provide any copies to be returned to them.)
16. Enclose a filing fee as required by G. S. §62-300. A Class A company (annual revenues of \$1,000,000 or more) requires a \$250 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$100 filing fee. A Class C company (annual revenues less than \$200,000) requires a \$25 filing fee. **MAKE CHECK PAYABLE TO THE N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.**

SIGNATURE

17. Application shall be signed and verified by the Applicant.

Signature McK B Howle

Date 9-24-18

18. (Typed or Printed Name)

McKenzie B Howle

personally appearing before me and, being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the 24 day of September, 2018

Leslie Ann Oliver
Notary Public

726 Jenkins Valley Rd Alexander NC 28701
Address

My Commission Expires: 9/20/2021
Date

