

1 PLACE: Jackson County Courthouse, Courtroom 2  
2 Sylva, North Carolina  
3 DATE: Tuesday, June 4, 2024  
4 TIME: 6:52 p.m. - 7:40 p.m.  
5 DOCKET: W-1318, Sub 1  
6 BEFORE: Hearing Examiner Jenny Li  
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11 IN THE MATTER OF:  
12 Application by HH Water, LLC, for  
13 Authority to Adjust and Increase Rates  
14 for Water Utility Service in High Hampton Service  
15 Areas in Jackson County,  
16 North Carolina  
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A P P E A R A N C E S:  
FOR HH WATER, LLC:  
Edward S. Finley, Jr., Esq.  
Edward S. Finley, Jr., PLLC  
2024 White Oak Drive  
Raleigh, North Carolina 27608  
  
FOR THE USING AND CONSUMING PUBLIC:  
James Bernier, Esq.  
Public Staff - North Carolina Utilities Commission  
4326 Mail Service Center  
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## P R O C E E D I N G S

1  
2 HEARING EXAMINER LI: Let's come to order,  
3 please, and go on the record. I'm Jenny Li, a Hearing  
4 Examiner with the North Carolina Utilities Commission,  
5 and I have been assigned to preside over this Public  
6 Hearing tonight.

7 I now call to hearing Docket Number W-1318,  
8 Sub 1, which is the Application by HH Water, LLC,  
9 hereafter, HH Water, or the Company, for authority to  
10 adjust and increase its rates for water utility  
11 service.

12 On January 26, 2024, HH Water filed an  
13 Application with the Commission seeking authority to  
14 increase its rates for providing water utility service  
15 in High Hampton Service Area in Jackson County, North  
16 Carolina.

17 On February 2, 2024, HH Water filed an  
18 Amended Application. HH Water provides water utility  
19 service to 274 residential customers and two  
20 commercial customers.

21 On February 19, 2024, the Commission issued  
22 an order Establishing General Rate Case and Suspending  
23 Rates. The order declared this proceeding to be a  
24 general rate case and suspended the proposed new rates

1 for up to 270 days pursuant to § 62-134 and 137,  
2 respectively.

3           On April 5[sic], 2024, the Commission issued  
4 an order Scheduling Hearings, Establishing Procedure  
5 and Filing Requirements, and Requiring Customer  
6 Notice. This order scheduled an expert witness  
7 hearing beginning at 10 a.m. on, Thursday, July 11,  
8 2024, in the Dobbs Building, 430 North Salisbury  
9 Street, Raleigh, North Carolina, for the sole purpose  
10 of receiving experts witness testimony from HH Water,  
11 the Public Staff, and any interveners in this  
12 proceeding.

13           On April 22, 2024, the Commission issued an  
14 order Rescheduling Public Witness Hearing, Revising  
15 Dates for Filing Reports, and Requiring Customer  
16 Notice. This order rescheduled the public hearing for  
17 7:00 p.m. on, Tuesday, June 4, 2024, in the Jackson  
18 County Courthouse, Courtroom 2, in Sylva, North  
19 Carolina, which is why we are here tonight, for the  
20 sole purpose of receiving testimony from HH Water's  
21 customer in its service area. The Order also required  
22 HH Water to distribute a customer notice to all  
23 affected customers in the service area.

24           According to the Application, the customer

1 notice, HH Water's proposed rates will increase the  
2 monthly flat water rates for each residential customer  
3 from \$20.94 per month to \$97.86. The monthly flat  
4 water rates for the two commercial customers, High  
5 Hampton Inn, and Country Club will increase from  
6 \$1,504.13 to \$10,326.05.

7 On May 7, 2024, HH Water filed a certificate  
8 of service indicating that customer notice had been  
9 provided as required by the Commission's April 5, 2024  
10 Order.

11 That brings us up-to-date. Let's begin.

12 I now call upon counsel for the parties to  
13 announce their appearance for the record, beginning  
14 with the Company.

15 MR. FINLEY: May it please the Commission,  
16 my name is Edward Finley, Raleigh, North Carolina.  
17 I'm here on behalf of the Applicant, HH Water.

18 HEARING EXAMINER LI: Good evening,  
19 Mr. Finley.

20 MR. FINLEY: Good evening.

21 MR. BERNIER: Good evening. My name is  
22 James Bernier, Jr., of the Public Staff, appearing on  
23 behalf of the Using and Consuming Public and as before  
24 the North Carolina Utilities Commission. The Public

1 Staff has been reviewing the Application of HH Water,  
2 LLC, for authority to adjust and increase rates for  
3 water utility service in High Hampton service area.  
4 We have a team of engineers, accountants, and  
5 economists, and attorneys analyzing the proposal. We  
6 have scheduled to file testimony, exhibits, on June 7,  
7 setting out our position on the requested rate  
8 increase. Our testimony will be available for the  
9 customer's review on the Commission website along with  
10 other documents related to the case.

11 Thank you.

12 HEARING EXAMINER LI: Thank you,  
13 Mr. Bernier.

14 Are there any preliminary matters we need to  
15 address at this time?

16 MR. FINLEY: Not from the Company.

17 MR. BERNIER: None from the Public Staff.

18 HEARING EXAMINER LI: Thank you.

19 Mr. Bernier, would you, please, let us know  
20 how many public witnesses have signed up and would  
21 like to make a testimony tonight.

22 MR. BERNIER: Thank you. We currently have  
23 two who have signed up to testify, and I don't believe  
24 the we have any more at this time after those two.

1           HERAING EXAMINER LI: Thank you.

2           Before we move on, I will now explain our  
3 process for how this hearing will be conducted so  
4 everyone is aware of our procedure. This is our  
5 witness stand over here to my left, and you will come  
6 forward and give small testimony on the stand. After  
7 being sworn in, each witness will be asked certain  
8 identifying questions by the Public Staff counsel so  
9 that it will be clear in the record who the speaker  
10 is.

11           For example, the Public Staff Attorney,  
12 Mr. Bernier, will ask you to identify your name and  
13 your address for the record and state whether you are  
14 a utility customer of HH Water. And after the witness  
15 has completed his or her testimony, the Public Staff's  
16 counsel will be able to ask you any questions they may  
17 have pertaining to your testimony, and then I will  
18 have a similar opportunity to ask any relevant  
19 questions. These questions are not -- are primarily  
20 to clarify your testimony for the record because it  
21 will be part of the evidence used based on  
22 Commission's decisions.

23           This is a judicial hearing, and it will be  
24 conducted in an orderly manner. So each person who



1 wishes to speak will be given an opportunity to do so  
2 but, please, only one person at a time may speak at a  
3 time. In order for all customers to be provided an  
4 opportunity to give us their statement tonight, each  
5 witness will be given approximately three minutes to  
6 testify. The countdown -- the countdown of the  
7 allotted three minutes will be reflected on the stand  
8 to your left. Since we only have two witnesses  
9 tonight, we may allow longer than three minutes for  
10 you to testify. And we are holding this Public  
11 Hearing because we -- your statement is important to  
12 us and if you -- if you go slightly beyond three  
13 minutes, that will be allowed.

14 Our court reporter will take down every word  
15 of the proceeding and will later produce a verbatim  
16 transcript of your testimony and all that is said  
17 during this hearing. You will not be allowed to ask  
18 questions from the stand; however, you may ask the  
19 Public Staff questions after the hearing concludes.  
20 And HH Water's counsel, Mr. Finley, is also -- will be  
21 available after hearing concludes to answer your  
22 questions.

23 The sole purpose of this hearing is to  
24 receive testimony from the customer -- from the

1 customers of HH Water.

2 And the last thing I would like to say  
3 before hearing from you is about the Public Staff. I  
4 think Mr. Bernier already explained how Public Staff  
5 works. The Public Staff is the advocate for the  
6 consumers. The Public Staff means is an independent  
7 organization, and they have their own experts like,  
8 engineers, accountants, and attorneys to help them in  
9 their representation of public. Mr. Bhatta, our  
10 Public Staff Engineer, and Mr. Bernier, Counsel, who  
11 are part of the Public Staff and represent you in this  
12 proceeding as part of the Using and Consuming Public.

13 Mr. Finley, who represents HH Water, will  
14 let you -- will tell you how to be in touch with them  
15 following this proceeding so they can assist you in  
16 having your questions, or any service issue addressed.

17 Now, I will ask the Public Staff, please  
18 call your first witness.

19 MR. BERNIER: Thank you. The first witness  
20 we call is Ben Hill.

21 HEARING EXAMINER LI: Mr. Hill, good  
22 evening. And, please, put your left hand -- yeah.

23 BENJAMIN HILL, III;  
24 having been duly sworn,

1 testified as follows:

2 THE WITNESS: I was having difficulty  
3 hearing you back there, but do I understand that I  
4 only have three minutes?

5 HEARING EXAMINER LI: You have more than  
6 three minutes.

7 THE WITNESS: Thank you, ma'am.

8 HEARING EXAMINER LI: You're welcome.

9 THE WITNESS: It's a long drive.

10 HEARING EXAMINER LI: It is.

11 THE WITNESS: My name is Ben Hill.

12 MR. BERNIER: Let me start with the  
13 questions.

14 THE WITNESS: Sure.

15 DIRECT EXAMINATION BY MR. BERNIER:

16 Q Let's start with your full legal name; what is  
17 that?

18 A My full legal name is Benjamin H. Hill, III.

19 Q And what is your address?

20 A Post Office Box 2702 Cashiers, North Carolina,  
21 zip code is, 28717.

22 Q And do you own property that is serviced by HH  
23 Water, LLC?

24 A I do.

1 Q What is that address?

2 A That address is 100 Hydrangea Court, Cashiers,  
3 North Carolina.

4 Q And are you employed by, or affiliated by the --  
5 with the Company, HH Water, LLC, in any way?

6 A No.

7 Q Please proceed with your statement, what you  
8 would like the Hearing Examiner to hear.

9 A Okay. Thank you very much.

10 DIRECT STATEMENT BY BENJAMIN HILL, III:

11 And, let me give you a little bit of  
12 background because I'm guessing that you probably have  
13 not been to High Hampton; is that correct?

14 HEARING EXAMINER LI: That's correct.

15 DIRECT STATEMENT CONT'D:

16 High Hampton is an area in excess of 2,000  
17 acres. It is an area that has been there in Cashiers  
18 for probably close to 100 years, and has been  
19 developed over that period of time. In the last few  
20 years, High Hampton's -- the owner of High Hampton's  
21 family that had owned it for 90 years I think, they  
22 sold it to a group out of Birmingham. And so there's  
23 a new group that has come in, and that group is  
24 referred today in the papers as the High Hampton

1 investors. And that group now runs and owns High  
2 Hampton.

3 There are a number of residents, 276 to be  
4 exact right now, but there's room for growth. And  
5 that's one of the issues that we have right now.

6 The number of residents include my family,  
7 we're part-time residents. I live in Tampa Florida  
8 when I'm not there in High Hampton, but I've been  
9 there for 25 years. And others have been there for  
10 much, much longer. Traditionally, there's a  
11 generational passing down from grandfather to father  
12 to son to daughter that's in High Hampton. So I live  
13 in what is called the old part of High Hampton, which  
14 is affectionately known as Sheep Laurel.

15 The issues that we have now is that High  
16 Hampton Water investors have asked for a rate increase  
17 on the water that they're supplying to all of High  
18 Hampton. They have designs to increase the population  
19 of High Hampton from the 276, or thereabouts numbers,  
20 to probably 450 different residences, and it could go  
21 higher.

22 In order to do that, they had to take, what  
23 I would call forest or woods -- there was no trails,  
24 there was nothing there, but it was continuous of the

1 old part of High Hampton. So they had to take this  
2 new part developed roads, put in electricity, water,  
3 underground utilities, all of that. And this -- this  
4 subject now comes up in terms of a rate increase that  
5 we're concerned about being in the quote I call it the  
6 old area, the existing area. We don't want to be  
7 charged a rate increase based upon the developer  
8 developing all these new areas. And the new areas  
9 consist of -- in the ballpark of 170 some-odd  
10 potential units, for potential lots. And to give you  
11 an idea, ma'am, these lots will go from 500,000 to  
12 over \$3 million, which, you know, that's a pretty good  
13 spread but it depends a lot on the location and so on  
14 of the lot.

15 In order to service those lots, they have to  
16 put in more water. The existing water will not  
17 accommodate that additional load on the current water  
18 system. So in order to do that, they have to plow  
19 the -- you know, they have to clear the lots. They  
20 have to put in the main water line, make it available  
21 for anybody that builds a residence on the lot to  
22 connect to the water line. And it's got to have  
23 enough water to serve probably up to 450 people and  
24 could go up to 500 people. In order to do that,

1 they're having to send a great deal of money, and that  
2 money is something that I think the Public Staff is  
3 looking at in terms of how that translates into a rate  
4 increase because, as I understand it, the rule that  
5 has been followed, historically, is that the existing  
6 customers should not be required, from a rate  
7 standpoint, to pay for all this new development.  
8 There's lot of infrastructure that's involved; capital  
9 expenditures. To give you an example, right now,  
10 we've had a 44,000-gallon reserve tank for the  
11 existing users. This proposal that they have, it  
12 justifies their rate increase, calls for a  
13 320,000-gallon tank, and I can tell you -- I'm under  
14 oath, I can tell you that we've gotten along fine with  
15 44,000, the existing customers. But we will admit  
16 that, if you're going to add another 170 or more  
17 customers that you will have to have more. But we  
18 should not have to pay -- bear the burden of a rate  
19 increase to pay for that new infrastructure. And  
20 that's what I'm here about tonight.

21           The High Hampton Water investors have asked  
22 for this rate increase, but High Hampton investors  
23 also owns all the land. High Hampton investors also  
24 owns what I will tell you, ma'am, is a club. There's

1 a club there with a golf course and so on. They own  
2 that, too. The residents have absolutely no input  
3 into what the investors charge for anything, the lot,  
4 from the dues, for the water. We -- this is the  
5 closest we have to an input is talking about the rate,  
6 but we don't -- we can't tell you, and have no idea,  
7 what the investors profit is on the sale of a \$3  
8 million a lot as an example. We don't know. But we  
9 do believe that, in the sale price, in order to arrive  
10 at the price, the cost of developing that lot to the  
11 developer is included in the price. So it may cost  
12 500,000 to develop or 100,000 to develop a lot, but  
13 the buyer of that lot is going to pay for the cost of  
14 whatever it is to develop that lot, and everything  
15 associated with it. But the existing High Hampton  
16 users, for which I'm one and there's 200 more of us,  
17 are very, very concerned that that cost of development  
18 is going to be passed on to us, which is not -- in our  
19 opinion, is not a justification for a rate increase,  
20 to us.

21 Now, we don't -- we don't question that the  
22 system that we're under right now is one that probably  
23 needs to be maintained. So if there's a rate increase  
24 necessary to maintain the system that we're on, which



1 we've been doing it for 25 years that I've been there,  
2 you know, then a rate that may cover whatever is  
3 necessary to do that, that's one thing. But the  
4 infrastructure that's going to be paid for for all  
5 these new developers, is something that we don't  
6 believe that we should be entitled to. Now, among  
7 other things, we have three wells right now at --  
8 serving the existing residents. And we're -- as far  
9 as I know, we're getting water. We're taking baths.  
10 We're, you know, it's working out well. They want to  
11 put in -- the High Hampton Water investors want to put  
12 in three more wells. I can't argue that three more  
13 wells won't be necessary to serve all the new people,  
14 but they're not necessary for the existing customers  
15 because we have been getting along fine.

16 Now, there's an argument that maybe our  
17 existing wells are getting old, but an old well still  
18 produces water. And I can tell you that if you --  
19 instead of allowing them for a rate increase purpose  
20 three wells, one more well would probably cover them  
21 for a long time. And, also, as I've already mentioned  
22 as an example, the water storage, 320,000 gallons is  
23 just overkill to serve us. We don't need that. We  
24 already have what we need.

1           So I'm putting on the record, if you will,  
2     that the fact that we would hope that the rate  
3     increase is a rate increase that focuses -- that  
4     focuses entirely on new, versus older, if you will.  
5     And we believe that it would be unfair to base a rate  
6     increase on -- and have the existing users have to  
7     experience the entire rate increase because of the  
8     huge amount of expense that is related to the new  
9     rate. Now, these houses -- you might be interested in  
10    this -- the houses that are being constructed on these  
11    million-dollar lots, they range from 5,000 to eight or  
12    10,000 square feet. Where we are, we have cottages.  
13    So it's a little different than the two. They're  
14    wonderful people; great people. So we don't object to  
15    the people, and we welcome newcomers, but, we think  
16    the rate increase ought to be limited.

17           HERAING EXAMINER LI: Thank you, Mr. Hill.  
18    I'll let the Public Staff ask any questions.

19           MR. BERNIER: Thank you.

20           Thank you, Mr. Hill. I just have a couple  
21    of clarifying questions.

22    DIRECT EXAMINATION BY MR. BERNIER:

23    Q     So you maintain a residence there for 25 years  
24         you said?

1 A Yes, sir.

2 Q And out of the year, about how many months out of  
3 the year do you actually live there?

4 A At the current time, right at six months, but,  
5 you know, when I started, I was still working  
6 full-time. So it's a two week thing, but, if I  
7 can get my family up. So sometimes it's just two  
8 or three weeks, but now it's up to six months.

9 Q In the time that you've been there, have you  
10 experienced any issues with the water quality?

11 A Water quality, no. Well, let me back up and just  
12 say that we -- when the construction took place  
13 on these new areas, there were ruptures in the  
14 pipes and when there's a rupture in the pipe, the  
15 contaminant, if you will, gets in the water and  
16 you have to wait, you know, a day until it  
17 clears. But it always cleared, so we never had  
18 any long-term problem at all.

19 Q And that was actually leading into one of my  
20 other questions. Any water outage issues?

21 A Well, we've had water outage issues, but we  
22 haven't had a large number. I can't quantify how  
23 many we've had, but we haven't had one in  
24 couple -- three years now. But it all relates to

1 the pipe bursting because of some type of  
2 construction that's going on.

3 Q And in those instances where it's -- the pipe  
4 ruptured, has the Company been pretty responsive,  
5 or not?

6 A Yes. I will say that they've addressed it as  
7 quickly as they could, and we've had water  
8 restored then just had to wait the period of time  
9 until, you know, until it cleared up.

10 MR. BERNIER: Thank you. I don't have any  
11 further questions.

12 HERAING EXAMINER LI: Thank you.

13 Thank you so much, Mr. Hill. Thank you so  
14 much for coming out tonight and taking time to tell us  
15 what you think about this proceeding and all your  
16 concerns.

17 THE WITNESS: Appreciate your courtesy.  
18 Thank you, ma'am.

19 MR. BERNIER: May I have one moment before I  
20 call the next witness?

21 (Pause.)

22 HERAING EXAMINER LI: Sure.

23 MR. BERNIER: Thank you. I'd like to go  
24 ahead and call account next witness.

1           HERAING EXAMINER LI: Yes, please.

2           MR. BERNIER: Mr. Sadler, and I think it's  
3 Joe or Poe.

4           THE WITNESS: Poe.

5           MR. BERNIER: Thank you. So Sadler Poe.

6           HERAING EXAMINER LI: Mr. Poe, would you,  
7 please, place your left hand on the Bible and raise  
8 your right hand.

9                           HOPE SADLER POE;  
10                          having been duly sworn,  
11                          testified as follows:

12 DIRECT EXAMINATION BY MR. BERNIER:

13 Q       Good evening, Mr. Poe. Can you please state your  
14 full legal name for the record?

15 A       My full legal name is Hope, H-O-P-E, Sadler, Poe,  
16 P-O-E.

17 Q       Thank you. And what is your current address?

18 A       Well, my address in Sheep Laurel is, 298 Sheep  
19 Laurel Road, Cashiers, 28717.

20 Q       And that's the service address for HH Water?

21 A       It is. It is.

22 Q       Are you affiliated or employed in any way with HH  
23 Water, LLC?

24 A       No.

1 Q Please proceed with your statement.

2 DIRECT STATEMENT BY HOPE SADLER POE:

3 I'll try to be brief. The -- we have -- I'm  
4 the president of the Sheep Laurel Home Owners  
5 Association and I have talked with a number of our  
6 residents and also residents of other parts of the  
7 High Hampton development. And I believe that, as a  
8 result of that, a number of letters have been written  
9 expressing concerns about the rate increase. So that  
10 there's more than just the three of us have come  
11 tonight who are concerned.

12 We have spoken, on two occasions, with  
13 members of the Public Staff, and we are impressed with  
14 them and appreciate what they're doing. We feel  
15 confident that they are looking at the issues. There  
16 are two or three things that we do want to raise that  
17 we want to make sure they're looking at. The one  
18 thing is that we are confident that HH Water has  
19 looked at the formulas and requirements that the  
20 Commission has established and have tried diligently  
21 to put their request in that. We would be surprised  
22 if they have not been fairly aggressive in terms of  
23 their arguments, and so we would request that the  
24 Staff look carefully at the Application and the facts

1 to make sure that a 367 percent increase in the rate  
2 is justified. We think probably some increase is  
3 justified, but we think that in excessive. So we want  
4 the Staff to look at that very carefully.

5           There's another issue that we think is -- is  
6 relevant here. There are -- there are two things that  
7 we understand that are going on now; one, we  
8 understand the Federal Government is requiring HH  
9 Water to inspect its lines and to make sure that there  
10 are no lead pipes or galvanized pipes. And that is  
11 going on now. And we -- I know of at least one  
12 instance where they found galvanized pipes and they  
13 replaced that, and I would be surprised if they're not  
14 others, but at any rate, I think that this will  
15 somehow figure into our rate base at some point and  
16 perhaps another hearing like this one.

17           There's another one that's sort of related  
18 to that and that is whether or not we're going to go  
19 from a flat rate system to a metered system. We  
20 understand that there's -- that there's work going on  
21 in that regard. Even now I know of a situation where  
22 they replaced the galvanized pipe. They did install  
23 meters in that small roadway that went there, and I  
24 think that's something that's likely to be going on

1 now. I believe -- although I do not know -- that the,  
2 in the new development that Ben Hill was talking  
3 about, the water lines do have meters attached  
4 where -- they would not be used now because they don't  
5 have authority to do that, but, it appears that we're  
6 going to move into that. And I think it's likely to  
7 be fairly soon. And the question is, is this the best  
8 way to to use the Commission's time? Should these  
9 things all be put together in one thing, rather than  
10 having one rate increase relating to the flat rate and  
11 then hard on those on the heels of that dealing with a  
12 rate would go for the metered rate, which as I  
13 understand it will be completely. It would be sort of  
14 a base rate and then a volume rate. And whatever  
15 costs would be applied relevant for replacing the  
16 pipes that need to. So that's just one thing that we  
17 would like to make sure that the Commission is aware  
18 of and that they are going to look carefully at that  
19 because we don't want to have to come back. And we  
20 just assume that the Commission probably doesn't want  
21 to have to deal with that either.

22 The -- Ben Hill has talked a lot about the  
23 increase capacity issues. And so I've got a few  
24 points on that; that we want to make sure that the



1 Public Staff is looking at -- I think they probably  
2 are -- at any rate, just for the record, I want to  
3 make sure that they are looking in terms of the  
4 sufficiency of whether the efforts to increase the  
5 sufficiency of the -- or the capacity of the system  
6 are really -- where are those costs coming from? Are  
7 they being paid by the developer or are they being  
8 paid and somehow they are going to be transferring  
9 them, or assigned, to HH Water, which would then put  
10 the recovery of those costs on the existing  
11 homeowners. We -- as Ben Hill has said -- we do not  
12 believe we ought to be baring that cost of the  
13 increased capacity. The same thing is true of the  
14 actual infrastructure work that was done for the  
15 new -- new lots that have been developed. That seems,  
16 to us, to be something that the developer, presumably,  
17 has recovered in the sale of the lots, and that should  
18 not be something that HH Water ought to be trying to  
19 recover in rates. And so we want to make sure that  
20 that's one of the things that, you know, the Public  
21 Staff is looking at very carefully.

22           The other thing -- and Ben alluded to this  
23 as well -- all of these are relating parties. We  
24 don't know the exact ownership or how they are owned,

1 but we are relatively confident that HH Water, the  
2 Club, and the developer are all -- have a lot of  
3 common ownership, if not exact common ownership. And  
4 so it may be difficult to sort out who's expense is  
5 where. So I don't envy the Public Staff's obligation  
6 to get to the bottom of this, but we do want to make  
7 sure that they are looking at carefully and that  
8 somehow rather than costs that are attributable to  
9 either the Club or the developer are not somehow put  
10 in rate base that affects our rates.

11 And that's basically what I have to say.

12 HERAING EXAMINER LI: Thank you, Mr. Poe.

13 Public Staff?

14 MR. BERNIER: Thank you, Mr. Poe. Just a  
15 few quick follow-up questions similar to the ones you  
16 heard me ask Mr. Hill.

17 DIRECT EXAMINATION BY MR. BERNIER:

18 Q You have lived at that Sheep Laurel address for  
19 approximately eight years?

20 A Eight years.

21 Q Out of each year, about how much time do you  
22 spend at that address?

23 A More or less on a continuous timeframe from  
24 Memorial Day to Labor Day. So roughly three

1 months. And then we come back periodically in  
2 the fall and the winter and the spring. But,  
3 basically, those are just weekends and things  
4 like that.

5 Q And in your time at that address, have you  
6 experienced any issues of water quality?

7 A No.

8 Q Any issue with water pressure?

9 A Well, there have been some -- a few times where a  
10 pipe burst and, you know, pressure went down. We  
11 have, usually, those have been repaired very  
12 quickly.

13 Q And other than those instances that you and  
14 Mr. Hill testified to about pipe burst through  
15 the construction, have there been any other water  
16 outages?

17 A Not outages. And I'm trying to remember. I  
18 think this may well have been prior to the  
19 purchase of High Hampton by the new investors,  
20 but there was a summer when we had a real-- a  
21 real dry summer, which is not typical; we're in a  
22 rainforest. We had a very dry summer, and at  
23 that time, we were told to be careful in terms of  
24 watering yards and things like that, but we never

1 had a real outage, no.

2 MR. BERNIER: Thank you. I don't have any  
3 other questions.

4 HERAING EXAMINER LI: Mr. Finley, please.

5 DIRECT EXAMINATION BY MR. FINLEY:

6 Q Mr. Poe, can you give me sort of a rough estimate  
7 of how many customers in the Cashiers area for HH  
8 Water are part-time customers or full-time  
9 residents?

10 A I really don't know, but I would say  
11 substantially, customers are part time.

12 Q Aside from the -- aside from the cost of the  
13 meters, do you have a preference as to whether  
14 you'd like to have meters or would like to have a  
15 flat rate? Have you thought about that?

16 A What I thought about is that the proposed rate  
17 would have me paying more from three months when  
18 I'm here than I pay nine months in Atlanta, which  
19 I think is odd. But my basic preference is to  
20 have the lowest rate we can have, recognizing  
21 that HH Water is entitled, as a regulated  
22 utility, to have a profit. But I don't know  
23 whether it would be better for me to have one or  
24 the other. Until I see a proposal in front of

1 me, I don't really know. My hunch is I'd  
2 probably be better off with water that was  
3 metered, but I don't know.

4 Q Fair enough. The customers have expressed  
5 concerns and raised issues. Has the Company not  
6 tried to address those issues in writing to sort  
7 of keep you up to speed on what they were  
8 thinking?

9 A You're talking about since we got the notice of  
10 this hearing?

11 Q Well, since they filed the case and since the  
12 customers have expressed concerns, have the --  
13 has the Company not tried to answer some of the  
14 questions?

15 A Yes. Yes, we have. And we have spoken  
16 particular moments in almost there he's done  
17 that. If I had a comment on that, I would say  
18 that a ounce of prevention is worth a pound of  
19 cure. And this issue would probably have  
20 produced less concern had it been dealt with  
21 earlier than later.

22 Q One of the things that they addressed, was it  
23 not, was the lead pipes that you mentioned?

24 A Yes.

1 MR. FINLEY: That's all I have. Thank you,  
2 Mr. Poe.

3 HERAING EXAMINER LI: Thank you, Mr. Poe.  
4 Thank you so much for attending this hearing and  
5 express your views, and you may be excused.

6 THE WITNESS: Thank you.

7 HEARING EXAMINER LI: Any additional -- any  
8 witness would like to make a testimony tonight?

9 MR. BERNIER: I only have the two that  
10 signed up. I'm not aware of anyone else.

11 HERAING EXAMINER LI: Then if there aren't  
12 any others who wish to make a statement, then I would  
13 like to go ahead and make a closing statement tonight.

14 We will adjourn the hearing for now until it  
15 is reconvened at 10 a.m. on Thursday, July 11, 2024,  
16 in Raleigh, North Carolina, and that hearing will be  
17 for the sole purpose of receiving expert witness  
18 hearing. And please note that, customers, you can  
19 follow the progress of this proceeding on the  
20 Commission's website and -- which is [www.ncuc.gov](http://www.ncuc.gov), and  
21 you can use Docket Number W-1318, Sub 1, which was  
22 also noted in your customer notice. The transcript of  
23 today's hearing will be on the website for viewing once  
24 it is completed, so you will be able to check our

1 docket system and be able to find our transcript and  
2 see everything that was discussed tonight.

3           And with that, we will adjourn this hearing.  
4 Again, I appreciate everyone coming out and sharing  
5 your thoughts concerning this proceeding with the  
6 Commission.

7           Thank you.

8           (The proceedings were adjourned.)

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C E R T I F I C A T E

I, KAYLENE CLAYTON, DO HEREBY CERTIFY that  
the Proceedings in the above-captioned matter were  
taken before me, that I did report in stenographic  
shorthand the Proceedings set forth herein, and the  
foregoing pages are a true and correct transcription to  
the best of my ability.

*Kaylene Clayton*

Kaylene Clayton