

1 PLACE: Haywood County Courthouse
2 Waynesville, North Carolina
3 DATE: December 12, 2019
4 DOCKET NO.: W-1274, Sub 7
5 TIME IN SESSION: 9:02 a.m. to 9:43 a.m.
6 BEFORE: Hearing Examiner Freda Hilburn
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10 IN THE MATTER OF:

11 Application by
12 Lake Junaluska Assembly, Inc., 19 Sleepy Hollow Drive,
13 Waynesville, North Carolina 28785, for a
14 Certificate of Public Convenience and Necessity
15 and Approval of Rates for Water and Sewer Utility
16 Service in Lake Junaluska Assembly Service Area in
17 Haywood County, North Carolina, and for Approval of Rates
18

19 VOLUME 1
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24

1 A P P E A R A N C E S:

2 FOR LAKE JUNALUSKA ASSEMBLY, INC.:

3 Daniel C. Higgins, Esq.

4 Burns, Day & Presnell, P.A.

5 Post Office Box 10867

6 Raleigh, North Carolina 27605

7

8 FOR THE USING AND CONSUMING PUBLIC:

9 William E. Grantmyre, Esq.

10 Public Staff

11 North Carolina Utilities Commission

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1 P R O C E E D I N G S

2 HEARING EXAMINER HILBURN: Good morning. Let's
3 go on the record, please, and begin this hearing. My
4 name is Freda Hilburn. I am a Hearing Examiner with the
5 North Carolina Utilities Commission and have been
6 assigned to preside over this public hearing today.

7 The Commission calls for hearing Docket Number
8 W-1274, Sub 7, which is In the Matter of an Application
9 by Lake Junaluska Assembly, Inc., LJA, for an Application
10 for a Certificate of Public Convenience and Necessity,
11 CPCN, for Providing Water and Sewer Utility Service in
12 Lake Junaluska Assembly Service Area in Haywood County,
13 North Carolina, and for Approval of Rates.

14 LJA is a North Carolina non-profit corporation,
15 formed in 1938. LJA is affiliated with the United
16 Methodist Church and was recognized by the Internal
17 Revenue Service as a tax exempt charitable organization
18 in 1959. In Docket Number W-1274, Sub 0, by Order dated
19 December 19th, 2007, the Commission granted a CPCN to
20 Southeastern Jurisdictional Administrative Council, doing
21 business as Lake Junaluska Assembly.

22 On June 23rd, 2009, in Docket Number W-1274,
23 Sub 4, LJA filed a petition with the Commission
24 requesting exemption from regulation pursuant to North

1 Carolina General Statute Section 62-110.5. On August 18,
2 2011, the Commission granted LJA's petition, and LJA was
3 exempt from Commission regulation unless and until such
4 time that circumstances change so that the regulation of
5 LJA is required.

6 On October 11, 2017, in Docket Number W-1274,
7 Sub 5, Timothy F. Phelan filed a formal complaint with
8 the Commission against LJA, alleging that the
9 organization is no longer eligible for exemption from
10 Commission regulation and must file for a CPCN.

11 On October 18th, 2017, in Docket Number W-1274,
12 Sub 6, Walt Logan filed a complaint with the Commission
13 against LJA, alleging that the organization refuses to
14 make available financial information regarding its
15 operation of utility services and should no longer be
16 exempt from Commission regulation.

17 LJA filed a response in Docket Number W-1274,
18 Subs 5 and 6, on November 1st, 2017, denying the
19 allegations of both Mr. Phelan and Mr. Logan, but
20 consented to be regulated by the Commission.

21 Docket Number W-1274, Subs 5 and 6, were
22 consolidated by Order dated November 2nd, 2017.

23 On April 23rd, 2018, in Docket Number W-1274,
24 Subs 5 and 6, the Commission issued an Order revoking the

1 exemption granted to LJA in Docket Number W-1274, Sub 4,
2 and requiring LJA to file an application for a CPCN
3 within 120 days of the date of the Order.

4 On August 20, 2018, in Docket Number W-1274,
5 Subs 5 and 6, LJA filed a motion for extension of time.

6 On August 21st, 2018, the Commission granted
7 LJA an extension of time until September 29, 2018 to file
8 its application.

9 On September 28, 2019 (sic), LJA filed its
10 application for a CPCN to provide water and sewer utility
11 service in Lake Junaluska Assembly service area in
12 Haywood County, North Carolina, and for approval of
13 rates. According to its application, LJA provides water
14 service to approximately 855 customers and sewer service
15 to approximately 823 customers.

16 On January 25th, 2019, LJA filed a request for
17 interim authority to operate pursuant to Commission Rules
18 R7-20 and R10-16, which was granted by Commission Order
19 issued on February 13, 2019.

20 On August 12th, 2019, LJA amended its
21 application and requested authority to pass on the
22 increased cost of purchased bulk sewer treatment from the
23 Town of Waynesville in the interim, pending approval of
24 the CPCN application.

1 By Order dated September 23rd, 2019, the
2 Commission approved a metered wastewater passthrough of
3 31 cents per 100 cubic feet, or CCF, for the bulk water
4 -- bulk wastewater rate increase by the Town of
5 Waynesville.

6 On October 9, 2019, LJA filed its Certificate
7 of Service, as required by the Commission's September
8 23rd, 2019 Order.

9 On October 14, 2019, the Commission issued
10 an Order Scheduling Hearings and Requiring Customer
11 Notice. That Order scheduled a public hearing for 9:00
12 a.m. on Thursday, December 12, 2019, at the Haywood
13 County Courthouse in Waynesville, North Carolina, for the
14 sole purpose of receiving testimony from LJA customers.

15 According to the customer notice, for the
16 average monthly residential bill with usage of 3.7 CCF,
17 LJA has proposed rates that would result in a monthly
18 bill of \$32.08 for water and \$34.76 for wastewater.

19 In addition, in 2014, LJA began a 10-year
20 infrastructure improvement plan primarily for detecting
21 and eliminating leaks in the water distribution system
22 and for infrastructure improvements to the wastewater
23 collection system funded by customer assessments and
24 spending approximately \$200,000 per year. All of LJA's

1 water and wastewater utility plant has been paid for by
2 the customers and LJA has no rate base. To continue its
3 infrastructure improvement plan, LJA has applied for the
4 approval of monthly assessments to address problems in
5 the aged water distribution and wastewater collection
6 systems. The proposed capital improvement monthly
7 assessment per each residential and commercial customer
8 with a 3/4" water meter would be \$8.14 for water and
9 \$8.14 for wastewater utility service. Commercial
10 customers with larger water meters would pay larger
11 assessments under the Company's proposed plan.

12 The October 14, 2019 Order also scheduled an
13 evidentiary hearing for the sole purpose of receiving
14 expert testimony from LJA, the Public Staff, and
15 Intervenor for 10:00 a.m. on Wednesday, January 29th,
16 2020, in the Dobbs Building in Raleigh, North Carolina.

17 On November 4 and 5, 2019, Timothy F. Phelan
18 and John L. Davis, respectively, filed Motions to
19 Intervene which were allowed by Commission Orders issued
20 on November 22nd, 2019. Also on November 5th, 2019, LJA
21 filed its Certificate of Service, indicating that
22 customer notice was provided, as required by the October
23 14, 2019 Order.

24 On December 9, 2019, LJA filed direct testimony

1 of Jack Carlisle, Sindy Crenshaw, and Jerry Tweed. That
2 brings us up to date.

3 Will the parties please announce their
4 appearances, beginning with the Company.

5 MR. HIGGINS: Good morning, ma'am. Dan Higgins
6 with the Burns, Day & Presnell firm appearing on behalf
7 of the Lake Junaluska Assembly.

8 HEARING EXAMINER HILBURN: Thank you.

9 MR. GRANTMYRE: Good morning, Hearing Examiner
10 Hilburn. William Grantmyre, Public Staff Attorney,
11 representing the Using and Consuming Public, and with me
12 is Utilities Engineer, Public Staff, Gina Casselberry.

13 HEARING EXAMINER HILBURN: Okay. Thank you.
14 And is someone from the Company with us as well?

15 MR. HIGGINS: Yes, ma'am. This is Mr. David
16 Nicholson who is the director of Assembly Public Works.

17 HEARING EXAMINER HILBURN: Thank you. Welcome,
18 Mr. Nicholson. Mr. Grantmyre, do we have any public
19 witnesses who would like to make a statement this
20 morning?

21 MR. GRANTMYRE: Yes. Three have signed up to
22 date, and some more may decide to, but I'm going to call
23 you one by one, and the place you would testify from is
24 next to the court reporter. You'll be asked probably to

1 spell your name so the court reporter could have it
2 correctly. We do give her this list, but my name,
3 Grantmyre, no one can spell it correctly, so -- but if
4 you're a Smith or a Jones, we won't ask you to spell your
5 name. But Charles Lipp is the first one who signed up.
6 You'll be asked to be sworn. Go sit.

7 HEARING EXAMINER HILBURN: And I will swear you
8 in or affirm, if you prefer.

9 CHARLES LIPP; Having first been duly sworn,

10 Testified as follows:

11 DIRECT EXAMINATION BY MR. GRANTMYRE:

12 Q Please state --

13 A My name is Charles Lipp, last name is spelled
14 L-I-P-P. I reside at 401 Methodist Drive in Lake
15 Junaluska. I am a member of the Junaluska Assembly
16 Community Council, the Board of Directors of Junaluska
17 Assembly Property Owners Organization, as well as a
18 member of the Board of Trustees of Lake Junaluska
19 Assembly, Incorporated.

20 I am here speaking on behalf of myself as a
21 customer of the utility. I'm a graduate engineer with a
22 bachelor's degree in chemical engineering from Iowa State
23 University. I was employed by the Dow Chemical Company
24 for 36 years, the last 20 years in the Fluid, Mechanics,

1 and Mixing Group of Corporate Research and Development.
2 At the time of my retirement I had a title of Technical
3 Leader. Post-retirement I'm active as an independent
4 consultant, focusing on complex fluid mechanics and spray
5 technology. I am a member of the American Waterworks
6 Association, Member Number 1103997. In December of this
7 year I attended the North American Waterworks
8 Association's North America Water Loss Conference in
9 Nashville, Tennessee.

10 Q Excuse me. Did you say water lost?

11 A Water loss.

12 Q L-O-S-S.

13 A L-O-S-S, correct.

14 Q Thank you. Please proceed.

15 A In 2017, I believe, I conducted a water loss
16 audit per -- using the free software and -- of the
17 American Waterworks Association with their standard M36,
18 fourth edition, and I provided that summary to the
19 Community Council at a meeting. In additional discussion
20 I'll use the definitions of standard in that audit.

21 One of the things that I have noted is that
22 there is a track record of reducing water loss. For
23 example, in 2009 the water loss or non-revenue water,
24 more accurately stated, was 37 percent, and that was

1 reduced in 2019 to approximately 21 percent. Correlating
2 the data presented on non-revenue water, this represents
3 an average reduction of 1.44 percent per year. The non-
4 revenue water is reported regularly at Junaluska Assembly
5 Community Council meetings, as well as the volume of
6 water loss.

7 One of the things I have noted as a resident is
8 that the system of rehabilitating the water and sewer
9 system is planned and carried out, as much as possible,
10 in an effort to bring together water and sewer repairs
11 and refurbishment, followed by street resurfacing, as a
12 good steward of the funds that are available. For
13 example, Liberty Road area was -- water and sewer lines
14 were refurbished, followed by repaving of the street.
15 And in that effort an improvement was enabled in that
16 local fire hydrant to increase its capacity.

17 Turning now to the water loss audit, that's a
18 considerable amount of information, perhaps beyond the
19 scope of this hearing and the nature of the discussion.
20 I would point out that the variable cost for water,
21 because it's purchased from the Town of Waynesville, is
22 an incremental cost of \$7,152 per million gallons. When
23 comparing that with baseline data from the M36 standard,
24 this is higher than any of the reported values, perhaps

1 because of the location in the mountains.

2 The main purpose in a water loss audit, beyond
3 quantifying the amount of water loss, is to provide
4 economic information for that. I would note that water
5 loss auditing is not required by the State of North
6 Carolina, but is recommended practice by the North
7 Carolina Department of Environmental Quality, Division of
8 Water Infrastructure.

9 And all of the work, especially the water loss
10 audit, was done pro bono, at no cost to the community or
11 the system. That concludes the -- I have a graph that
12 shows this water loss over time. Would that be
13 appropriate to enter into the record?

14 Q Yes.

15 MR. GRANTMYRE: We would ask that that be
16 identified as Lipp Exhibit 1.

17 HEARING EXAMINER HILBURN: Without objection,
18 that will be allowed.

19 MR. HIGGINS: Without objection.

20 HEARING EXAMINER HILBURN: Okay. It will be so
21 identified.

22 (Whereupon, Lipp Exhibit 1 was marked
23 for identification and admitted into
24 evidence.)

1 MR. GRANTMYRE: I have some follow up, very
2 brief follow-up questions.

3 HEARING EXAMINER HILBURN: Yes. You can hand
4 that to the court reporter. It will be part of the
5 official transcript. And, yes, Mr. Grantmyre.

6 Q You're aware that the -- we'll call it LJA,
7 Lake Junaluska Assembly, has requested continuation of
8 the surcharge of \$8 and some odd cents a month, both for
9 water and wastewater, to continue their upgrades to the
10 distribution system and collection system. From your
11 testimony, I assume you support the continued work; is
12 that correct?

13 A I do.

14 Q Now, you understand if the Public Staff
15 supports that continuation, which is probable, we haven't
16 finished yet, the Public Staff will require reports,
17 either quarterly or semi-annually, from LJA as to all the
18 expenditures and what was accomplished, along with copies
19 of paid invoices. Do you support that reporting?

20 A I always support good reporting of the
21 expenditures of money and results from that.

22 Q Now, I'm assuming you still have a paper copy
23 of your audit and the report that you gave to LJA?

24 A I do.

1 Q Would you be kind enough to file that with the
2 Commission as Lipp Exhibit 2 so that the Commission would
3 have the availability to see that as would the Public
4 Staff?

5 A I would be more than happy to do that.

6 Q If you could send it to me, I'll give you -- I
7 will get it filed with the Commission.

8 A Okay. Thank you.

9 Q Thank you.

10 MR. GRANTMYRE: I have no further questions.

11 HEARING EXAMINER HILBURN: Thank you, Mr.
12 Grantmyre. Mr. Higgins?

13 MR. HIGGINS: I don't have any questions for
14 Mr. Lipp.

15 HEARING EXAMINER HILBURN: Okay. Mr. Lipp, can
16 I just ask you, how long have you resided in that
17 community in Lake Junaluska?

18 THE WITNESS: I believe we've resided here
19 about three years. I think we moved here in 2015 --
20 2014, 2015.

21 HEARING EXAMINER HILBURN: So about three --
22 okay. All right.

23 MR. GRANTMYRE: Thank you. You can step down
24 now.

1 (Witness excused.)

2 MR. GRANTMYRE: Karen Greenwaldt.

3 KAREN GREENWALDT; Having first been duly sworn,

4 Testified as follows:

5 DIRECT EXAMINATION BY MR. GRANTMYRE:

6 Q Could you please state your name, and spell
7 your last name?

8 A I will. Thank you. My name is Karen
9 Greenwaldt. My last name is spelled G-R-E-E-N-W-A-L-D-T.
10 I am a retired United Methodist Church Elder and moved to
11 Lake Junaluska about six years ago. My husband and I are
12 homeowners at Lake Junaluska, and we live at 144
13 Branscomb Road. In my working life I was the -- I
14 retired from being the CEO of the General Board of
15 Discipleship, which is a United Methodist international
16 resource agency, and we had staff deployed over all of
17 the United Methodist ministries across the world.

18 We've been homeowners here at Lake Junaluska
19 for 10 years and, as I said, we retired here six years
20 ago. I am on the Community Council and currently serve
21 as its Chairperson. I'm also on the Board of Trustees
22 for Lake Junaluska Assembly, Inc. I have been sitting in
23 the back of the Community Council meetings for the years
24 that we've been here and decided to run for the Community

1 Council a year ago, over a year ago. And I have been
2 very impressed by the work that Lake Junaluska has done
3 over these years that we've been paying attention, and
4 have noted the intensive effort to reduce water waste,
5 and that affects non-revenue water system revenue. I've
6 been impressed by the fact that the -- every month when
7 we -- well, 10 months out of the year when we have
8 meetings, the water reduction rates are listed publicly
9 for all of us in the meeting to see, whether we're
10 members of the Community Council or whether we are
11 actually just sitting in the area in the room watching
12 the meeting.

13 It is clear to me that Lake Junaluska Assembly,
14 Incorporated has paid attention to water waste and that
15 it is working hard over the years with, frankly, reduced
16 revenue, I believe. We need more revenue, frankly, to do
17 the work that's needed to replace fresh water and
18 wastewater pipes in the ground. The staff are very clear
19 to tell us where the most, frankly, ancient of the pipes
20 are, and they are working on those replacement pipes
21 first, unless, of course, there is an immediate need to
22 replace a pipe because of a break in the water system
23 line.

24 Our experience is that the Lake Junaluska staff

1 are very responsive to the immediate callout for pipes
2 that have burst or for water meters that have broken.
3 They come immediately, even if it's in the middle of the
4 night. I also am very grateful that over these years the
5 Public Works office is working to replace all of the
6 water meters from the old mechanical ones to the radio-
7 read ones. And frankly, I am very grateful that we have
8 those systems now in place in most of the homes and
9 buildings at Lake Junaluska Assembly grounds. And it
10 means that, frankly, if I'm out of town for two or three
11 weeks and suddenly my water meter begins to spike, I will
12 get a call and I will know soon that, in fact, we have a
13 problem with water at our house.

14 I'm also very grateful that there are plans for
15 multi-year attention to water needs, including the
16 replacement of water -- fresh water pipes, wastewater
17 pipes, and increasing attention to the water holding tank
18 that is up on Susie's Nob. I, as I've said, am very
19 grateful for the excellent quality of service and,
20 frankly, I would hope that the public Utilities
21 Commission would continue to allow additional monies over
22 and above the cost of water and wastewater so that pipes,
23 in fact, can be replaced and that attention can be paid
24 to where we have water leakage, where we have ancient

1 pipes, and where we need to do ongoing treatment and
2 repair of the system.

3 I could go on with my list, but I'll stop by
4 saying that I'm very grateful for the good work of the
5 Assembly Public Works Department, and over the years have
6 been -- have had really no reason to lodge a complaint
7 about their work, and I'm grateful now that they are
8 working with the North Carolina Public Utilities
9 Commission.

10 Q Thank you.

11 MR. GRANTMYRE: I have no further questions.

12 HEARING EXAMINER HILBURN: Mr. Higgins?

13 MR. HIGGINS: No, ma'am. No questions. Thank
14 you.

15 THE WITNESS: All right. Thank you.

16 HEARING EXAMINER HILBURN: Ms. Greenwaldt,
17 thank you for coming out today.

18 (Witness excused.)

19 MR. GRANTMYRE: Jim Correll.

20 JIM CORRELL; Having first been duly sworn,

21 Testified as follows:

22 DIRECT EXAMINATION BY MR. GRANTMYRE:

23 Q Please state your name and spell it.

24 A My name is Jim Correll, C-O-R-R-E-L-L. I am a

1 resident of Lake Junaluska, living at 18 Kilgore Road. I
2 am also a member of the Lake Junaluska Community Council
3 and recently finished a term on the Lake Junaluska
4 Property Owners Board of Directors.

5 We have owned our home at Lake Junaluska since
6 August of 1988. It's -- it was built about 1915, so it's
7 one of the older homes at the lake, and it's also located
8 in an area where we still have lots of old pipes. And
9 over the years I have been pleased to see the work that's
10 been done by our Public Works Department to upgrade the
11 water and sewer systems. I can see where they put new
12 pipes in, in site of our house, and look forward to
13 having them at our house and, therefore, I want to
14 support the recommendations of the Community Council and
15 the Board of Trustees for water and sewer rates and
16 repair of old pipes, and would be willing to pay more if
17 they ask for it.

18 Q And repairing the pipes avoids leaks, that is,
19 which can be dangerous in the wintertime when the leaks
20 freeze over and ice up; is that correct?

21 A Well, that happens, you know, but, you know, we
22 still have the old -- as I understand it, the old
23 galvanized water pipes, and there are old sewer pipes
24 that give problems near our home, and I -- you know, we

1 just -- I personally look forward to the day when we can
2 have a new and up-to-date system throughout the
3 community.

4 Q So you support 100 percent the continuation of
5 the assessments to continue to replace those pipes as
6 necessary?

7 A Absolutely.

8 Q Thank you.

9 MR. GRANTMYRE: I have no further questions.

10 HEARING EXAMINER HILBURN: Mr. Higgins?

11 MR. HIGGINS: No questions.

12 HEARING EXAMINER HILBURN: Thank you, Mr.
13 Correll.

14 (Witness excused.)

15 MR. GRANTMYRE: Does anyone else want to make a
16 statement? The three statements we've had are very good.

17 HEARING EXAMINER HILBURN: We have --

18 MR. GRANTMYRE: Apparently not.

19 HEARING EXAMINER HILBURN: We have one. There
20 we go.

21 MR. GRANTMYRE: Okay. This gentleman. You
22 won't have to sign up. You can just go up and if I could
23 get -- that nice young lady will get all the information.

24 MIKE JORDAN; Having first been duly sworn,

1 Testified as follows:

2 DIRECT EXAMINATION BY MR. GRANTMYRE:

3 Q Please state your name.

4 A My name is Mike Jordan. I am the real one.

5 Q Could you spell Jordan? I believe it's

6 J-O-R-D-A-N?

7 A You are correct.

8 Q Okay. Please proceed -- can you state your

9 street address?

10 A 313 Littleton Road, Lake Junaluska.

11 Q And you are a customer of Lake Junaluska

12 Water --

13 HEARING EXAMINER HILBURN: I'm sorry, Mr.

14 Grantmyre, the court reporter needed --

15 THE REPORTER: I did not hear the address.

16 313?

17 THE WITNESS: 313 Littleton Road.

18 Q Please proceed with your statement.

19 A Yes. I am a resident of Lake Junaluska for the

20 last 72 years. My parents bought a home there in 1943. I

21 got to Lake Junaluska as fast as I could in 1947. My dad

22 was a Methodist minister and I was, also, which means

23 we're not there full-time up until the last six years

24 when I retired, but I have seen Lake Junaluska through

1 the years do many great things, including our current
2 Assembly Public Works organization which has done
3 miraculous things over the years that some of the folks
4 have said never could be done.

5 In 19--- excuse me -- 2014, that man sitting
6 next to the beautiful woman on his left became our
7 Assembly Public Works Director at that time in October
8 of two thousand---

9 Q Which beautiful woman are you talking about?

10 (Laughter.)

11 A On the front row.

12 Q Okay.

13 A His name is Jack Carlisle. He's Dave Harding's
14 predecessor. For a number of years the administration
15 told folks at Lake Junaluska that we could not possibly
16 fix our own infrastructure and we needed to become part
17 of Waynesville and let them look after us. As The
18 Mountaineer reported a number of times, Waynesville's
19 infrastructure was in worse shape than ours was. Jack
20 Carlisle took over our Assembly Public Works in October
21 2014, worked through October, November, December,
22 January, February, March of 2015, and at -- in the month
23 of April at the next community -- main community council
24 meeting he reported that the work replacing pipes and his

1 crew, great crew of young men -- well, not young, all of
2 them, younger than I am, but a great crew of folks who
3 worked on our water loss in water and sewer, said that we
4 could not stop our water loss.

5 At the May 2015 Community Council meeting, Jack
6 reported that he'd allowed the pipes to lie fallow --
7 they did not do any work in April -- let the pipes lie
8 fallow to see if we could make -- if they had made any
9 improvement. The water loss dropped from 32 percent to
10 22 percent, he reported at that time, which is absolutely
11 stunning. I think Jack referred to it as a stunning
12 result. It was. Some of us who were active in opposing
13 annexation by Waynesville took that information to
14 Raleigh, spoke before the House -- I can't remember which
15 committee, but it wasn't the Intelligence Committee.
16 They don't have that there. But anyway, they -- the
17 House decided to not allow Waynesville to annex us, and
18 so we're deeply grateful. This man and his crew saved us
19 from going through that.

20 Lake Junaluska is a place where we're giving
21 the history of Lake Junaluska, people have read the
22 books, I've lived through 72 years of them, where we have
23 supported each other, supported the lake administration
24 to do good things. Not always good things come up, but

1 we work very hard to make good things happen, and I am
2 very pleased to report that they are still doing those
3 things with Dave Harding's help and others.

4 Q So you are 100 percent in favor of continuing
5 assessments to continue the water loss improvements?

6 A Absolutely.

7 Q Thank you.

8 MR. GRANTMYRE: I have no further questions.

9 HEARING EXAMINER HILBURN: Mr. Higgins?

10 MR. HIGGINS: No, ma'am. No questions.

11 HEARING EXAMINER HILBURN: All right. Thank
12 you. You may be excused.

13 (Witness excused.)

14 MR. GRANTMYRE: Does anyone else want to make a
15 statement? You've had three excellent -- four excellent
16 witnesses. You weren't signed up. I'm looking at three
17 here. Well, we're basically done for today.

18 HEARING EXAMINER HILBURN: Yes. I'll close us
19 -- or adjourn us for a moment. I just want to make a
20 couple of comments which I think -- oh, I'm sorry. Mr.
21 Higgins, please.

22 MR. HIGGINS: I was just going to say Dave
23 Nicholson will be available after the hearing if any of
24 the customers have questions.

1 HEARING EXAMINER HILBURN: Right. Thank you.
2 So customers, the Company is available and the Public
3 Staff will be available also after the hearing concludes
4 in just a moment to talk with you just informally, to
5 answer any questions you may have. I can tell you the
6 process next -- and the process is, you know, as I
7 mentioned in my opening remarks, we just had some
8 testimony filed by the Company on December the 9th. The
9 next step, the Public Staff will file their testimony and
10 their recommendation to the Commission, and then the
11 Commission will make the decision regarding this CPCN
12 application and the approval of the rates.

13 And I do want to point out, as Bill Grantmyre
14 said earlier before we came on the record, this
15 evidentiary hearing that will convene in Raleigh on
16 January the 29th, that will be heard by the full
17 Commission, and our Commissioner Brown-Bland will be
18 presiding. So I was sent today to hear the public
19 response to the application. As you can see, it's being
20 transcribed. That written transcript and audio will be
21 available to the Commissioners to hear. I am a Staff
22 Consultant to the Commissioners. They will, you know,
23 ask me directly. I'll have direct conversation with them
24 regarding what I heard today, you know, how many people

1 attended, only four spoke, but I wanted to tell them how
2 many came out in support or in wanting to know what was
3 going on, so I will relay all that information to them.

4 If you come to the hearing on January the 29th
5 in Raleigh, as Bill Grantmyre said, you won't be able to
6 testify again because we have your information on the
7 transcript in the official docket, but you would be able
8 to observe the proceeding where the Company presents
9 their expert witnesses, the Public Staff presents their
10 expert witnesses, and there will be question and answer
11 dialogue that day. It's not just giving statements. It
12 will be where each party gets to cross examine the other
13 party, and the Commissioners will ask questions if they
14 have any.

15 And then after that concludes, after the
16 hearing concludes in Raleigh, then the Commissioner,
17 Presiding Commissioner, will ask for a proposed Order
18 from each of the parties of how they would like the
19 Commission to decide the matter. And we usually give
20 them about 30 days after the transcript is ready to file
21 those official proposed Orders in the docket. So you
22 would be able to go online at our www.ncuc.net that was
23 on your customer notice, using the docket number that was
24 on your customer notice, and you can follow, you know,

1 every step from the end of today until this concludes.
2 So you'll be able to see the transcript be loaded or
3 filed into the docket. You can go back and see what you
4 said, the four of you who testified. You know, when the
5 hearing starts in January, that transcript will be
6 available, so even if you don't want to travel to Raleigh
7 in January, you can later read it line by line. You can
8 see all -- every word that was said. And like I say, the
9 expert testimony and schedules will be filed in that same
10 docket, too. So you can follow it from here in
11 Waynesville or at Lake Junaluska, or please feel free to
12 come to Raleigh and observe it if you like.

13 MR. GRANTMYRE: Won't the -- won't there be an
14 audio of the January 29 hearing also posted on the
15 Commission's website?

16 HEARING EXAMINER HILBURN: Yes. Thank you,
17 Bill Grantmyre. Yes. There will be an audio, so you can
18 hear it live, yes, from your computer. You can click on
19 a button and it will allow you to hear it. And I'm
20 assuming if your system has the capability. I'm not an
21 IT person so I don't know all that, but it's out there
22 filed in the docket system where you can click on it from
23 your computer because I know I can; I can click on it and
24 hear it live, yes. So you don't have to read the

1 transcript. You can actually hear it, and it allows you
2 to fast forward, you know, through it or back up and hear
3 it again if you need to. It's a very good tool. So with
4 that --

5 MR. GRANTMYRE: It's a long drive to Raleigh.
6 You might want to consider that.

7 HEARING EXAMINER HILBURN: So we appreciate --
8 the Commission appreciates all of you coming out today.
9 We especially appreciate the four that came up and gave
10 their statements so that the Commission will know how the
11 customers feel, know what their response to this
12 proceeding is. And for now we will adjourn, but we will
13 reconvene at 10:00 a.m. on Wednesday, January 29th, 2020,
14 in Raleigh, North Carolina. So thank you all for coming
15 out.

16 (Proceedings adjourned.)

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STATE OF NORTH CAROLINA

COUNTY OF RUTHERFORD

C E R T I F I C A T E

I, Laura Riley Bridges, Notary Public/Court Reporter, do hereby certify that the foregoing hearing before the North Carolina Utilities Commission in Docket No. W-1274, Sub 7, was taken and transcribed under my supervision; and that the foregoing pages constitute a true and accurate transcript of said Hearing.

I do further certify that I am not of counsel for, or in the employment of either of the parties to this action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 31st day of December, 2019.

Laura Riley Bridges
LAURA RILEY BRIDGES
Notary Public No. 200909700079