

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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PUCO

LAKE VILLAGE CLUB, INC.
P.O. Box 1424
6684 Leon Road
Andover, Ohio 44003

Complainant,

v.

CAMPLANDS WATER LLC
4270 Route 7 North
P.O. Box 1420
Andover, Ohio 44003

Respondent.

Case No. 10-137-WW-CSS

COMPLAINT

Complainant Lake Village Club, Inc. ("Lake Village") for its Complaint against
Respondent Camplands Water LLC ("Camplands") alleges as follows:

FACTS

1. Complainant Lake Village is an Ohio corporation, duly authorized under the laws of the State of Ohio, with its principal place of business located at 6684 Leon Road, Andover, Ohio 44003. Lake Village is a campground facility with approximately 778 water-connected lots. Lake Village is a water customer of Camplands.

2. Respondent Camplands is an Ohio water company and an Ohio public utility as defined in R.C. sections 4905.02 and 4905.03, and as such is subject to the jurisdiction of this Commission.

3. Lake Village receives water service from Camplands on a "special contract" basis. Under the current special contract and accompanying tariff, which were approved by the Commission on February 22, 2006 in Case No. 06-0009-WW-AEC, Lake Village currently pays

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\$5,413 per month for unmetered water service. The special contract expired in December 2007; however the Commission Order approving the special contract and tariff provides that the rate approved in Case No. 06-0009-WW-AEC shall remain in effect until a new rate is ordered by the Commission.

4. In March 2010, Camplands sent a draft agreement to Lake Village requesting a rate increase from the current monthly rate of \$5,413 to \$6,225 per month. In addition, Camplands requested Lake Village to pay an additional charge of between \$558 and \$1,116 per month to service an Environmental Protection Agency construction loan obtained by Camplands (the "EPA loan"). By letter dated May 21, 2010, Lake Village formally rejected Camplands' proposed rate increase and suggested the parties discuss a mutually acceptable rate.

5. Camplands has only two water customers: Lake Village and Holiday Camplands Association ("Holiday"), a year-round campground facility. Holiday is much larger than Lake Village and has approximately 3,480 water-connected lots. Upon information and belief, Holiday also has several hundred winter lots that receive water service, while Lake Village does not. Holiday also receives water service from Camplands on a special contract basis.

6. Pursuant to Commission Order dated September 9, 2009 in Case Nos. 09-425-WW-AEC and 09-465-WW-AEC (the "September 9, 2009 Order"), under its current special contract with Camplands, Holiday pays Camplands \$13,000 per month for unmetered water service and will continue to do so until the EPA loan is 50% utilized. Thereafter, Holiday's monthly rate will increase to \$14,950 plus an additional \$1,675 per month for the EPA loan. When the construction underlying the EPA loan is completed, Holiday's additional monthly payment will increase from \$1,675 to \$3,350 through December 31, 2011.

7. Pursuant to the September 9, 2009 Order, the Commission also found that Holiday uses 89% of the annual water provided by Camplands, while Lake Village uses only 11%. Yet, Lake Village currently contributes 30% of the revenues to Camplands with Holiday contributing the remaining 70%.

8. In recent years, Lake Village has experienced declining membership, hook ups and overall operating income and revenue. As such, its overall water consumption has been and continues to decrease over time. Lake Village is thus likely now consuming less than 11% of Camplands' water output.

9. Camplands is also not maintaining its water distribution system to Lake Village. Camplands is not responsive to maintenance and service calls requested by Lake Village and Lake Village has been left in many cases to make repairs and perform service on Camplands' water lines and pipes at its own expense without reimbursement from Camplands.

COUNT I
Rates in Violation of R.C. 4905.26

10. Lake Village repeats and re-alleges the allegations contained in paragraphs 1 through 9 above as if fully set forth herein.

11. R.C. 4905.26 provides a right of action regarding any current or proposed rates that are in any respect "unjust, unreasonable, unjustly discriminatory, unjustly preferential, or in violation of law."

12. Camplands' current and proposed rates with regard to Lake Village are in violation of R.C. 4905.26 as those rates are "unjust, unreasonable, unjustly discriminatory, and unjustly preferential." The current rate charged by Camplands to Lake Village requires Lake Village to account for 30% of revenues even though the Commission has already expressly found that Lake Village consumes only 11% of Camplands' water. Given the current economic

condition of Lake Village, Lake Village in fact now likely consumes less than 11% of Camplands' water. Lake Village is essentially subsidizing Holiday's water consumption.

13. On information and belief, the current water rate permits Camplands to earn a rate of return that significantly exceeds the return necessary for Camplands to recover its cost of service and earn a fair profit.

14. The new rate proposed by Camplands would increase the already unjust, unreasonable and discriminatory rate currently paid by Lake Village. The proposed new rate would increase Lake Village's rate immediately by nearly \$1,400 a month and over \$16,000 a year and, in the long run, by nearly \$2,000 a month and over \$23,000 per year.

15. The current rate and Camplands' proposed increased rate are unjust, unreasonable, unjustly discriminatory, and unjustly preferential. Lake Village is entitled to an Order from the Commission establishing a new, lower rate for Lake Village that reflects Camplands' reasonable cost of service and Lake Village's actual water usage.

COUNT II
Service in Violation of R.C. 4905.22 and 4905.26

16. Lake Village repeats and re-alleges the allegations contained in paragraphs 1 through 15 above as if fully set forth herein.

17. R.C. 4905.22 requires Camplands, as a public utility, to "furnish necessary and adequate service and facilities" to its customer, Lake Village and to provide such adequate services and facilities in a manner that is "just and reasonable."

18. Camplands has failed to maintain the water piping and lines servicing Lake Village and has failed to promptly and effectively respond to maintenance and service calls from Lake Village. Lake Village has in fact been forced to conduct maintenance and repair to

Camplands' pipelines at its own costs to ensure continuance of service. Camplands has failed to provide necessary and adequate service in a manner that is just and reasonable

19. Lake Village is entitled to an Order from the Commission finding that Camplands has failed to provide necessary and adequate service to Lake Village that is just and reasonable, and ordering Camplands to immediately begin to provide service to Lake Village in compliance with R.C. sections 4905.22 and 4905.26.

WHEREFORE, Lake Village requests an Order from the Commission:

- A. Finding that the current rate charged by Camplands to Lake Village is unjust, unreasonable, unjustly discriminatory and unjustly preferential; and that the new rate proposed by Camplands is unjust, unreasonable, unjustly discriminatory and unjustly preferential; and Ordering a new, lower rate that is just and reasonable based upon metered water usage;
- B. Finding that Camplands has provided inadequate and unjust and unreasonable service; and Ordering Camplands to provide adequate and just and reasonable service; and
- C. Granting such other relief as the Commission deems just and proper.

Dated: September 9, 2010

Respectfully submitted,



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