

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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|--|---|-------------------------|
| In the Matter of the Complaint of Lake |) | |
| Village Club, Inc., |) | |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | Case No. 10-1351-WW-CSS |
| |) | |
| Camplands Water, LLC, |) | |
| |) | |
| Respondent. |) | |

ENTRY

The attorney examiner finds:

- (1) On September 9, 2010, Lake Village Club, Inc. (Lake Village) filed a complaint against Camplands Water, LLC (Camplands). Lake Village alleges in the complaint that Camplands is an Ohio water company utility subject to the Commission's jurisdiction. Lake Village describes itself as a campground facility with approximately 778 water-connected lots. It is a customer of Camplands. Lake Village concludes in its complaint that Camplands' rates are unjust, unreasonable, unjustly preferential, and discriminatory. In addition, Lake Village asserts that Camplands provides inadequate service.
- (2) Lake Village reveals that it receives water from Camplands under a special contract and tariff where it pays \$5,413 per month for unmetered water service. Lake Village points out that the contract expired in December 2007. Lake Village adds that the Commission issued an order that continues the contract rate until the Commission orders a new rate.¹ Lake Village states that in March 2010 Camplands sent a draft agreement to Lake Village that provided for a rate increase to \$6,225 per month. In addition, Camplands requested a charge of between \$558 and \$1,116 per month to service a construction loan through the Environmental Protection Agency (EPA).

¹ In the Matter of the Application of Camplands Water LLC for Approval of an Agreement with Lake Village Club, Inc., Case No. 06-09-WW-AEC (Finding and Order issued February 22, 2006).

Lake Village states that it rejected Camplands' proposal on May 21, 2010.

- (3) To support its claim of unjust and unreasonable rates and discriminatory and preferential treatment, Lake Village points to Camplands' only other customer: Holiday Camplands Association (Holiday). Lake Village describes Holiday as a year-round campground facility. Lake Village claims that Holiday is much larger, with 3,480 water-connected lots. It believes that Holiday also has several hundred winter lots that receive water service. Like Lake Village, Camplands provides water service to Holiday pursuant to a special contract.
- (4) On September 9, 2009, in Case Nos. 09-425-WW-AEC and 09-465-WW-AEC, Lake Village states that the Commission approved a special contract wherein Holiday pays Camplands \$13,000 per month for unmetered water service until half of the EPA loan is used. After paying half of the EPA loan, Holiday's monthly service charge will increase to \$14,950, plus an additional \$1,675 per month for the EPA loan. When Holiday completes the construction, the loan payment will increase from \$1,675 to \$3,350 through December 31, 2011.

Lake Village highlights that the Commission pointed out in its September 9, 2009, order that Holiday uses 89 percent of the annual water provided by Camplands. Lake Village uses less than 11 percent. However, Lake Village states that it contributes 30 percent towards Camplands' revenue. Holiday contributes the remaining 70 percent.

- (5) Comparing its 11 percent consumption and 30 percent contribution to Camplands' revenue, Lake Village concludes that Camplands' rates are unjust, unreasonable, and unjustly preferential. Moreover, Lake Village believes that it is subsidizing Holiday's water consumption. Furthermore, Lake Village contends that Camplands earns a rate of return that significantly exceeds the cost of service and a fair profit. Camplands' proposed rate increase would aggravate a rate that Lake Village believes is already unjust, unreasonable, and discriminatory.
- (6) In the second count of its complaint, Lake Village asserts that Camplands does not provide adequate service and facilities.

Lake Village alleges that Camplands has failed to maintain its pipelines and has failed to respond to maintenance and service calls from Lake Village. To ensure continuity of service, Lake Village claims that it has undertaken pipeline maintenance and repair at its own expense.

- (7) With respect to rates, Lake Village seeks a finding from the Commission that the current and proposed rates of Camplands are unjust, unreasonable, unjustly discriminatory, and unjustly preferential. In addition, Lake Village requests that the Commission order a lower rate based on metered use that is just and reasonable.

Lake Village also requests that the Commission, upon determining that Camplands has rendered inadequate service, order Camplands to render adequate service and grant Lake Village any other relief that is just and proper.

- (8) Camplands filed an answer to the complaint on October 28, 2010. In its answer, Camplands rejects the allegation that its rates violate Section 4905.26, Revised Code. Responding to Count II of the complaint, Camplands denies that it has failed to maintain service lines or that it has failed to respond to service calls promptly and effectively.
- (9) At this time, the attorney examiner finds that this matter should be scheduled for a settlement conference. The purpose of the settlement conference will be to explore the parties' willingness to negotiate a resolution of this complaint in lieu of an evidentiary hearing. In accordance with Rule 4901-1-26, Ohio Administrative Code (O.A.C.), any statements made in an attempt to settle this matter without the need for an evidentiary hearing will not generally be admissible to prove liability or invalidity of a claim. An attorney examiner from the Commission's legal department will facilitate the settlement process. However, nothing prohibits either party from initiating settlement negotiations prior to the scheduled settlement conference.

Accordingly, a settlement conference shall be scheduled for January 20, 2011, at 10:00 a.m. The conference shall be conducted by telephone using the Commission's bridge telephone number 614-644-1080. If a settlement is not reached

at the conference, the attorney examiner will conduct a discussion of procedural issues. Procedural issues for discussion may include discovery dates, possible stipulations of facts, and potential hearing dates.

Pursuant to Rule 4901-1-26(F), O.A.C., the representatives of the public utility shall investigate the issues raised in the complaint prior to the settlement conference and all parties attending the conference shall be prepared to discuss settlement of the issues raised and shall have the requisite authority to settle those issues. In addition, parties attending the settlement conference should bring with them all documents relevant to this matter.

As is the case in all Commission complaint proceedings, the complainant has the burden of proving the allegations of the complaint. *Grossman v. Public Util. Comm.* (1996), 5 Ohio St.2d 189.

It is, therefore,

ORDERED, That a prehearing settlement conference be held in accordance with Finding (9). It is, further,

ORDERED, That a copy of this entry be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

By: L. Douglas Jennings
L. Douglas Jennings
Attorney Examiner

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/vrm

Entered in the Journal

JAN 05 2011

Renee J. Jenkins

Renee J. Jenkins
Secretary