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NC Bar No. 6149

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Mail Service Center 4325
Raleigh NC 27699 -4300

February 2, 2024

RE: Docket No. W-1318, Sub 1.

Dear Ms. Dunston:

Please accept for filing an amendment to the application filed in this docket on January 25, 2024 pursuant to N.C. Gen. Stat. § 62-130 *et seq.* for a request for an increase in water service rates on behalf of HH Water, LLC. The amendment is limited to the addition of a request for approval of a \$4,500 per water REU tap fee on page 1 and a statement in the Income Statement on page 2 that the Applicant is working to update expenses for credit card fees on customer payments once more information is obtained. This application contains no material that needs to be marked confidential.

Thank you for your attention to this matter.

Sincerely,
/s/ Edward S. Finley, Jr.
Edward S. Finley, Jr.
Counsel for HH Water Company

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Amended Application to Increase Rates was duly served upon all parties of record either by depositing same in a depository of the United States Postal Service, first class postage prepaid, or by electronic delivery.

This the 2nd day of February, 2024

Edward S. Finley, Jr.,

/s/ Edward S. Finley, Jr.

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COUNSEL FOR APPLICANT

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

APPLICATION FOR RATE INCREASE

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 HH Water, LLC
- 2. Name of owner (if different from trade name) _____
- 3. Business mailing address 3104 Blue Lake Drive, Suite 200
City and state: Vestavia Hills, AL Zip Code 35243
- 4. Business street address (if different from mailing address) _____
- 5. Business telephone number 205-443-4730
- 6. List the counties in which you provide water utility service Jackson County
- 7. List the counties in which you provide sewer utility service Not Applicable

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
8. Metered Residential Service:		
Water:	_____	_____
Sewer:	_____	_____
9. Flat Rate Residential Service:		
Water: <u>\$97.86</u>		<u>\$20.94 Residential</u>
Sewer:	_____	_____
10. Nonresidential Service (explain):		
Water: <u>\$10,326.05</u>		<u>\$1,504.13 High Hampton Inn & Country Club</u>
Sewer:	_____	_____
11. Tap-on fees:		
Water: <u>\$4,500 per REU; 1 REU = 360 GPD</u>		<u>\$0</u>
Sewer:	_____	_____

OTHER PROPOSED RATES

- 12. Finance charge for late payment: 1 %
(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.)
- 13. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: \$14.28
- 14. Reconnection charge if water service discontinued at customer's request: \$14.28.
- 15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: Not Applicable
- 16. Other charges: \$19.04 Returned Check Charge
- 17. What date are the proposed rates to become effective? February 26, 2024
- 18. How long have the present rates been in effect? September 11, 2017

PROPOSED BILLING

- 19. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
- 20. Billing shall be for service (in advance or arrears) Arrears
- 21. Bills past due 30 days after the billing dates:
(NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
- 22. Will regular billing be by written statement? (yes or no) Yes

REVENUES AND EXPENSES

For 12 Months Ended December 31, 2022

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
1. Residential service (flat rate)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
2. Residential service (metered rate)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
3. Nonresidential service (flat rate)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
4. Nonresidential service (metered rate)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
5. Other revenues (describe in remarks below)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
6. Total Revenues (Lines 1 thru 5)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
7. Total salaries	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
8. Administrative and office expense (except salaries)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
9. Maintenance and repair expense (except salaries)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
10. Transportation expenses	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
11. Electric power for pumping	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
12. Chemicals for treatment	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
13. Testing fees	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
14. Permit fees	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
15. Purchased water/sewer treatment-	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
16. Annual depreciation	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
17. Taxes: State income taxes	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
18. Federal income taxes	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
19. Gross receipts (or franchise tax)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
20. Property taxes	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
21. Payroll taxes	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
22. Other taxes -Regulatory Fee	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
23. Other expenses (describe in remarks below)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
24. Total Expenses (Lines 7 thru 23)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
25. Net Operating Income (Line 6 minus Line 24)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
26. Interest on debt during year	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>
27. Net Income (Line 25 minus Line 26)	\$ <u>See Exhibit I Sch 3</u>	\$ <u>Not Applicable</u>

Remarks

28. See Exhibit I for the detailed revenues & expenses. The Company is also contemplating including credit card fees for customer payments but is awaiting additional information to update the O&M expenses.

29. _____

NUMBER OF CUSTOMERS SERVED
(at end of month)

	<u>Month</u>	<u>Water</u>			<u>Sewer</u>		
		<u>Flat Rate Customers</u>	<u>Metered Customers</u>	<u>Gallons Sold to Metered Custs.</u>	<u>Flat Rate Customers</u>	<u>Metered Customers</u>	<u>Gallons Sold to Metered Custs.</u>
33.	January 276						
34.	February	276					
35.	March	276					
36.	April	276					
37.	May	276					
38.	June	276					
39.	July	276					
40.	August	276					
41.	September	276					
42.	October	276					
43.	November	276					
44.	December	276					

ORIGINAL COST OF UTILITY SYSTEM
As of Year Ended December 31, 2022

Note: List the total original cost to construct and establish the system, whether or not paid for by the Present Owner.

<u>Utility Property in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
1. Land and rights-of-way	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
2. Structures and site improvement	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
3. Wells	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
4. Pumping equipment	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
5. Treatment equipment	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
6. Storage tanks	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
7. Mains (excluding service connections)	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
8. Service connections	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
9. Meters (including spare meters)	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
10. Office furniture and equipment	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
11. Transportation equipment	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
12. Other utility property in service (describe in remarks below)	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
13. Total utility property in service (Lines 1 thru 12)	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
14. Less: accumulated depreciation	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
15. Less: accumulated tap fees and other contributions in aid of construction	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
16. Less: customer advances	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>
17. Net investment in utility property (Line 13 minus 14, 15, & 16)	\$ <u>See Exhibit I Sch 2</u>	\$ <u>Not Applicable</u>

<u>Utility Property Not in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
18. Construction work in progress	\$ <u>Not Applicable</u>	\$ <u>Not Applicable</u>
19. Property held for future use	\$ <u>Not Applicable</u>	\$ <u>Not Applicable</u>
20. Other (describe in remarks below)	\$ <u>Not Applicable</u>	\$ <u>Not Applicable</u>

Remarks

- 21. See Exhibit I, Schedule 2-1 for detailed Plant in Service and Accumulated Depreciation
- 22. _____
- 23. _____

ANNUAL DEPRECIATION

- 24. If annual depreciation is claimed using a composite rate for the entire system, show composite rate used:
Water: N/A
Sewer: N/A
- 25. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: See Exhibit I - PIS AD DEPR EXP tab

<u>Type of Equipment</u>	<u>Annual Depreciation Rate</u>	<u>Method Used (Straight Line, etc.)</u>	<u>Amount of Annual Depreciation</u>
Exhibit I - PIS AD DEPR EXP tab			Straight Line

CONTRIBUTIONS IN AID OF CONSTRUCTION
(Including Tap Fees)

1. Has the utility collected any gross-up on contributions in aid of construction (CIAC), such as contributed plant and tap fees, since the test year of its last rate case? (yes or no) No

EMPLOYEE SALARIES
(Including Owner)

Name	Duties	Salaries Paid During Year	Hours Worked During Year
2. <u>Not Applicable</u>			
3. _____			
4. _____			

FINANCIAL INFORMATION

Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5. <u>Not Applicable</u>	<u>Not Applicable</u>	<u>\$ Not Applicable</u>
6. _____		<u>\$ _____</u>
7. _____		<u>\$ _____</u>

OTHER FINANCIAL INFORMATION

8. Stocks issued	<u>\$ 0</u>
9. Accumulated (or retained) earnings or losses	<u>\$ 1,069,352</u>
10. Cash on hand	<u>\$ 22,966</u>
11. Accounts receivable	<u>\$ 3,505</u>
12. Accounts payable	<u>\$ 188,873</u>
13. Customer deposits on hand	<u>\$ 0</u>
14. Materials and supplies	<u>\$ 18,593</u>
15. Other investments	<u>\$ 0</u>

FILING INSTRUCTIONS

- 16. Seven (7) copies of the application and exhibits shall be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. **Twenty-five (25) copies of a Class A or B utility company should be filed.** One of these copies must have original signature. (Applicants must make their copies if desired.) Class A and B utility companies are also required to file a written letter of intent to file a general rate case with the Commission thirty (30) days in advance of filing this application. Furthermore, Class A utility companies should file a NCUC Form W-1 along with this rate increase application form as required in Rule R1-17(12)(d).
- 17. 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 \$500 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$250 filing fee. A Class C company (annual revenues less than \$200,000) requires a filing fee of \$100. **MAKE CHECK PAYABLE TO N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.**

SIGNATURE

18. Application shall be signed and verified by the Applicant. *T. Charles Tickle*
 Signature
11/25/24
 Date

19. (Typed or Printed Name) T. Charles Tickle
 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 25th day of January, 20 24

Regina H. Ellis
 Notary Public

505 N 20th St, Bham, AL 35203
 Address

My Commission Expires: 11-3-2025
 Date

