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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.

FILED

MAR 15 2018

Clerk's Office

N.C. Utilities Commission

APPLICANT

1. Trade name used for utility business Prior Construction Inc
2. Name of owner (if different from trade name) Gary Prior
3. Business mailing address 957 RAND ROAD
City and state GARDNER NC Zip Code 27529
4. Business street address (if different from mailing address) _____
5. Business telephone number 919 772 1710
6. List the counties in which you provide water utility service
WAKE
7. List the counties in which you provide sewer utility service
N/A

PROPOSED AND PRESENT RATES

- | | Proposed Rates | Present Rates |
|---------------------------------------|----------------|---------------|
| 8. Metered Residential Service: | | |
| Water: | <u>4.90</u> | <u>2.77</u> |
| Sewer: | | |
| 9. Flat Rate Residential Service: | | |
| Water: | <u>18.80</u> | <u>10.75</u> |
| Sewer: | | |
| 10. Nonresidential Service (explain): | | |
| Water: | | |
| Sewer: | | |
| 11. Tap-on fees: | | |
| Water: | | |
| Sewer: | | |

OTHER PROPOSED RATES

12. Finance charge for late payment: _____
(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: NA
14. Reconnection charge if water service discontinued at customer's request: NA
15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: NA
16. Other charges: NA
17. What date are the proposed rates to become effective? 6.1.2018
18. How long have the present rates been in effect? 4-7-1994

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 15 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

3:04 PM

02/22/18

Cash Basis

Prior Construction, Inc
Profit & Loss
January through December 2017

Jan - Dec 17

Ordinary Income/Expense	
Income	
Interest Income	10.06
Sales	
Returns	-530.86
Sales - Other	56,651.60
Total Sales	56,120.74
Total Income	56,130.80
Expense	
Bank Service Charges	719.52
Depreciation Expense	7,572.00
Dues and Subscriptions	160.00
Labor	
Dylan	200.00
Gary	17,586.24
Gwenn	249.44
Lidia	2,409.00
Mary Anne Sims	200.00
Labor - Other	4,555.00
Total Labor	25,199.68
Licenses	318.43
Material	4,103.38
Office Supplies	1,379.08
Postage	1,470.00
Professional Fees	650.00
Regulatory Fee	39.28
Repairs and Maintenance	11,320.11
Taxes	
Property	2,914.37
State	342.00
Total Taxes	3,256.37
Utilities	5,301.80
Water Test	6,370.00
Total Expense	67,859.65
Net Ordinary Income	-11,728.85
Net Income	-11,728.85

REVENUES AND EXPENSES

For 12 Months Ended 12/31/17 (Date)

Revenues	Water	Sewer
1. Residential service (flat rate)	\$	\$ <u>N/A</u>
2. Residential service (metered rate)	\$ <u>56120.74</u>	\$
3. Nonresidential service (flat rate)	\$	\$
4. Nonresidential service (metered rate)	\$	\$
5. Other revenues (describe in remarks below)	\$ <u>10.06</u>	\$
6. Total Revenues (Lines 1 thru 5)	\$ <u>56130.80</u>	\$
7. Total salaries	\$	\$
8. Administrative and office expense (except salaries)	\$ <u>3728.60</u>	\$
9. Maintenance and repair expense (except salaries)	\$ <u>11320.11</u>	\$
10. Transportation expenses	\$	\$
11. Electric power for pumping	\$ <u>5301.80</u>	\$
12. Chemicals for treatment	\$	\$
13. Testing fees	\$ <u>6370.00</u>	\$
14. Permit fees	\$	\$
15. Purchased water/sewer treatment	\$	\$
16. Annual depreciation	\$ <u>7572.00</u>	\$
17. Taxes: State income taxes	\$	\$
18. Federal income taxes	\$	\$
19. Gross receipts (or franchise tax)	\$	\$
20. Property taxes	\$ <u>2914.37</u>	\$
21. Payroll taxes	\$	\$
22. Other taxes	\$ <u>342.00</u>	\$
23. Other expenses (describe in remarks below)	\$ <u>30310.77</u>	\$
24. Total Expenses (Lines 7 thru 23)	\$ <u>67859.65</u>	\$
25. Net Operating Income (Line 6 minus Line 24)	\$ <u>-11728.85</u>	\$
26. Interest on debt during year	\$	\$
27. Net Income (Line 25 minus Line 26)	\$ <u>-11728.85</u>	\$

Remarks

28. <u>LINE 5 INTEREST ON BOND</u>
29. <u>LINE 23 LABOR 25199.68 LICENSES 318.43</u>
30. <u>MATERIAL 4103.38 PROF FEES 650 REG Fee 39.28</u>
31.
32.

NUMBER OF CUSTOMERS SERVED

(at end of month)

Month	Water			Sewer		
	Flat Rate Customers	Metered Customers	Gallons Sold to Metered Custs.	Flat Rate Customers	Metered Customers	Gallons Sold to Metered Custs.
33. January		<u>213</u>	<u>112620</u>			
34. February		<u>213</u>	<u>842450</u>			
35. March		<u>213</u>	<u>933180</u>			
36. April		<u>213</u>	<u>824980</u>			
37. May		<u>213</u>	<u>1026650</u>			
38. June		<u>213</u>	<u>925380</u>			
39. July		<u>213</u>	<u>932580</u>			
40. August		<u>213</u>	<u>1052110</u>			
41. September		<u>213</u>	<u>887160</u>			
42. October		<u>213</u>	<u>910260</u>			
43. November		<u>213</u>	<u>1038830</u>			
44. December		<u>213</u>	<u>826690</u>			

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended 2317 (Date)

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

Utility Property in Service		Balance at End of Year	
		Water	Sewer
1. Land and rights-of-way	\$		\$
2. Structures and site improvement	\$		\$
3. Wells	\$	70469.74	\$
4. Pumping equipment	\$	22608.36	\$
5. Treatment equipment	\$		\$
6. Storage tanks	\$		\$
7. Mains (excluding service connections)	\$		\$
8. Service connections	\$		\$
9. Meters (including spare meters)	\$		\$
10. Office furniture and equipment	\$	2279.21	\$
11. Transportation equipment	\$	14466.40	\$
12. Other utility property in service (describe in remarks below)	\$		\$
13. Total utility property in service (Lines 1 thru 12)	\$	99823.73	\$
14. Less: accumulated depreciation	\$	3710.35	\$
15. Less: accumulated tap fees and other contributions in aid of construction	\$		\$
16. Less: customer advances	\$		\$
17. Net investment in utility property (Line 13 minus 14, 15, & 16)	\$	613.38	\$

<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	\$ _____	\$ _____
19. Property held for future use	\$ _____	\$ _____
20. Other (describe in remarks below)	\$ _____	\$ _____

Remarks

21. _____
22. _____
23. _____
24. _____

ANNUAL DEPRECIATION

25. If annual depreciation is claimed using a composite rate for the entire system, show composite rate used:
Water: _____
Sewer: _____
26. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: _____

[illegible]

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) _____

EMPLOYEE SALARIES
(Including Owner)

	Name	Duties	Salaries Paid During Year	Hours Worked During Year
2.	N/A		\$	
3.			\$	
4.			\$	

FINANCIAL INFORMATION

	Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5.	N/A		\$
6.			\$
7.			\$

OTHER FINANCIAL INFORMATION

8.	Stocks issued	\$ 8000.00
9.	Accumulated (or retained) earnings or losses	\$ 3241.51
10.	Cash on hand	\$ 5652.33
11.	Accounts receivable	\$
12.	Accounts payable	\$
13.	Customer deposits on hand	\$
14.	Materials and supplies	\$ 10053.44
15.	Other investments	\$

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

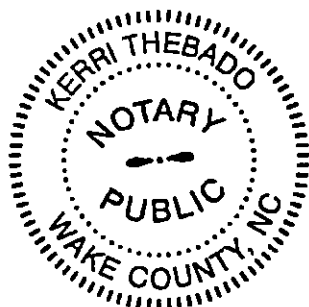
18. Application shall be signed and verified by the Applicant.

Mary R. Prior
Signature
3-8-18
Date

19. (Typed or Printed Name)

Mary R. Prior

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 8th day of March, 2018
Kerri Thebado
Notary Public
2520 Timber Dr
Gartner, NC 27529
My Commission Expires: 4/30/18
Date

Jan 1/17 772,620

Feb 2/17 842,450

Mar 3/17 933,180

Apr 4/17 824,980

May 5 1,026,650

June 6 925,380

July 7 932,580

Aug 8 1,052,110

Sep 9 887,160

Oct 10 910,260

Nov 11 1,038,880

Dec 12 826,690

10,972,940

total year 2017