

Dry Ridge Properties, LLC Response to Application Deficiency Letter

April 4, 2023

VIA ELECTRONIC MAIL

Mr. Daniel Arnold
Dry Ridge Properties, LLC
Box 11
Barnardsville, North Carolina 28709
Re: Docket No. W-1299, Sub 4

Dear Mr. Arnold:

The Public Staff – North Carolina Utilities Commission (Public Staff) has reviewed the Application for Rate Increase (Application) filed in the above-referenced docket on March 22, 2023, by Dry Ridge Properties, LLC (the Company). Based on its review of the Application and the Company's Annual Report to the Commission for the year ended December 31, 2021, filed on November 7, 2022 in Docket No. M-2, Sub 2022W, the Public Staff has determined that the Company failed to provide material data and information required by the Commission and set out in the Application for Rate Increase form, as described below.

1. Application, Page 1. Reconnection charges listed on Lines 13-15 reflect rates approved by the Commission in its Order Approving Transfer of Franchise, Approving Bond, Releasing Bond, Approving Rates, and Requiring Customer Notice issued February 1, 2012, in Docket No. W-1299, Sub 0. On October 8, 2015, the Commission issued its Order Approving Tariff Revision, Suspending Refund, and Requiring Report in Docket No. W-1299, Sub 1 (Sub 1). If the Company is charging the rates approved by the Commission in Sub 1, please revise the Application and resubmit the page accordingly.

DRY RIDGE RESPONSE: THESE RATES ARE PROPOSED RATES

2. Application, Page 1. Line 18 states that the present rates have been in effect "[s]ince 2011." If the Company is charging the rates approved by the Commission in Sub 1, please revise the Application and resubmit the page accordingly.

**DRY RIDGE RESPONSE: AMENDED TO REFLECT 2015
TAX LAW RATE CASE**

1. Application, Page 2. In the "Number of Customers Served" section, an applicant is to provide monthly billing information. The "Metered Customers"

columns of Lines 33-44 should specify the number of customers billed for water and sewer operations on a monthly basis. It appears that the information provided in the Application is incorrect. If so, please revise the Application and resubmit the page accordingly.

DRY RIDGE RESPONSE: CORRECTED

2. Application, Page 3. In the "Annual Depreciation" section, please revise the Application and resubmit the page to provide the depreciation rates for all Utility Property in Service items listed on Page 3, Lines 1-9 for the water and sewer divisions respectively. DRY RIDGE RESPONSE: CORRECTED

3. Application, Page 4. The Applicant has not provided any loan information in the "Financial Information" section. If the Company has any loans, please revise the Application and resubmit the page accordingly.

DRY RIDGE RESPONSE: UPDATED TO REFLECT MORTGAGE ON MOBILE HOME PARK & PROPERTY (NOT JUST THE UTILITY) AS OF 12/31/21

4. Application, Page 4. The Applicant has not provided any information in the "Other Financial Information" section. Please revise the Application to provide applicable information (e.g., notes payable, cash on hand, accounts receivable and payable, etc.) and resubmit the page.

DRY RIDGE RESPONSE: UPDATED; NOTE: NO OUTSTANDING AR OR AP AT CLOSE OF THE YEAR

Pursuant to Commission Rule R1-17(f), the Commission may deny the application for failure to include material data or information. Within five days of the date of this letter, please provide to the Public Staff and file with the Commission the data and information described above to complete the Company's application. If you have any questions, please contact me at (919) 733-6110. You are also welcome to contact Karen Proffitt at (919) 733-1879 for engineering related questions or Iris Morgan at (919) 733-1181 for accounting related questions.