

OFFICIAL COPY

Water Resources, Inc.

5970 Fairview Road, Suite 710

Charlotte NC 28210

W-1034 Sub 8

April 13, 2018

North Carolina Utilities Commission

4325 Mail Service Center

Raleigh NC 27699-4325

FILED
APR 18 2018
Clerk's Office
N.C. Utilities Commission

RE: Water Resources Application for Rate Increase

Dear Sir or Madam:

Please find enclosed our original Application for Rate Increase and six copies for your review. As a Class C Company we have also included check #12769 for \$100.

Along with the rate increase for both River Walk and Rocky River we would like to see about adding and increasing fees for Rocky River to match River Walk. These fees would include the \$25 returned check fee, \$40 new account fee and increasing the disconnect fee to \$40 from \$23.94. Please let us know how we would go about requesting these changes as well.

Thank you for taking the time to review our application and please reach out with any questions or concerns.

Sincerely,

Samantha Kirilo



Accounting

skirilo@waterresourcesnc.com

704-805-1782

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, supplemental sheets may be attached. If any section does not apply, write "not applicable" or cross out the section.

FILED

APR 18 2018

Clark's Office
N.C. Utilities Commission

APPLICANT

- Trade name used for utility business Water Resources, Inc.
- Name of owner (if different from trade name) Dennis Abbott
- Business mailing address 5970 Fairview Rd, Suite 710
City and state Charlotte, NC Zip Code 28210
- Business street address (if different from mailing address) _____
- Business telephone number 704-643-9866
- List the counties in which you provide water utility service Mecklenburg, Cabarrus
- List the counties in which you provide sewer utility service N/A

PROPOSED AND PRESENT RATES

	Proposed Rates	Present Rates
8. Metered Residential Service:	10.18 per 1,000 - River Walk Water: 3.10 per 1,000 - Rocky River Sewer: _____	9.42 per 1,000 Gallons - River Walk 2.57 per 1,000 Gallons - Rocky River
9. Flat Rate Residential Service:	40.68, zero usage - River Walk Water: 11.20, zero usage - Rocky River Sewer: _____	37.67, zero usage - River Walk 9.29, zero usage - Rocky River
10. Nonresidential Service (explain):	Water: <u>N/A</u> Sewer: _____	<u>N/A</u>
11. Tap-on fees:	Water: <u>N/A</u> Sewer: _____	685.00 - River Walk only

OTHER PROPOSED RATES

- Finance charge for late payment: 1% per month to unpaid balance
(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.)
- Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: 40.00 - River Walk
23.94 - Rocky River
- Reconnection charge if water service discontinued at customer's request: 23.94 - Rocky River/40.00 - River Walk
- Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: N/A
- Other charges: 40.00 - New Account Fee - River Walk Only/\$25.00 - Retuned Check - River Walk
Only/40.00 Billing rates after hours, holidays, weekends - River Walk Only
- What date are the proposed rates to become effective? As soon as possible
- How long have the present rates been in effect? 1/27/2012 - River Walk 11/3/2002 - Rocky River

PROPOSED BILLING

- Frequency of billing shall be (monthly, quarterly, etc.) Monthly
- Billing shall be for service (in advance or arrears) Arrears
- 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).
- Will regular billing be by written statement? (yes or no) Yes

REVENUES AND EXPENSES

For 12 Months Ended 12/31/2017 (Date)

<u>Revenues</u>	<u>Water</u>	Sewer
1. Residential service (flat rate)	\$ 0	\$
2. Residential service (metered rate)	\$ 66310	\$
3. Nonresidential service (flat rate)	\$ 0	\$
4. Nonresidential service (metered rate)	\$ 0	\$
5. Other revenues (describe in remarks below)	\$ 26902	\$
6. Total Revenues (Lines 1 thru 5)	<u>\$ 93212</u>	<u>\$</u>
7. Total salaries	\$ 30667	\$
8. Administrative and office expense (except salaries)	\$ 15427	\$
9. Maintenance and repair expense (except salaries)	\$ 23968	\$
10. Transportation expenses	\$ 516	\$
11. Electric power for pumping	\$ 12611	\$
12. Chemicals for treatment	\$ 1105	\$
13. Testing fees	\$ 3090	\$
14. Permit fees	\$ 620	\$
15. Purchased water/sewer treatment	\$ 657	\$
16. Annual depreciation	\$ 0	\$
17. Taxes: State income taxes	\$ 0	\$
18. Federal income taxes	\$ 0	\$
19. Gross receipts (or franchise tax)	\$ 0	\$
20. Property taxes	\$ 1154	\$
21. Payroll taxes	\$ 2728	\$
22. Other taxes	\$ 258	\$
23. Other expenses (describe in remarks below)	\$ 0	\$
24. Total Expenses (Lines 7 thru 23)	<u>\$ 92801</u>	<u>\$</u>
25. Net Operating Income (Line 6 minus Line 24)	<u>\$ 411</u>	<u>\$</u>
26. Interest on debt during year	\$ 2128	\$
27. Net Income (Line 25 minus Line 26)	<u>\$ -1717</u>	<u>\$</u>

Remarks

28. Other Revenue: Mobile Phone Tower - Non utility income	
29.	
30.	
31.	
32.	

NUMBER OF CUSTOMERS SERVED
(at end of month)

	<u>Month</u>	<u>Water</u>			Sewer		
		<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		146	676713			
34.	February		146	808095			
35.	March		146	723906			
36.	April		146	598718			
37.	May		146	971823			
38.	June		146	953161			
39.	July		146	838405			
40.	August		146	962041			
41.	September		146	819754			
42.	October		146	838630			
43.	November		146	869725			
44.	December		146	790369			

CONTRIBUTIONS IN AID OF CONSTRUCTION
(Including Tap Fees)

- 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) Yes

EMPLOYEE SALARIES
(Including Owner)

Name	Duties	Salaries Paid During Year	Hours Worked During Year
2. Dennis Abbott	President	\$ 24000	900
3. Taylor Puckett	A/R: Billing, Customer Service	\$ 4000	480
4. Samantha Kirilo	A/P: Accounting Services	\$ 4000	480

FINANCIAL INFORMATION

Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5. Western Alliance Bank	5.50%	\$ 35,000
6. _____	_____	\$ _____
7. _____	_____	\$ _____

OTHER FINANCIAL INFORMATION

8. Stocks issued	\$ 100
9. Accumulated (or retained) earnings or losses	\$ 14253
10. Cash on hand	\$ 37389
11. Accounts receivable	\$ 8597
12. Accounts payable	\$ 4194
13. Customer deposits on hand	\$ 0
14. Materials and supplies	\$ 0
15. Other investments	\$ 0

FILING INSTRUCTIONS

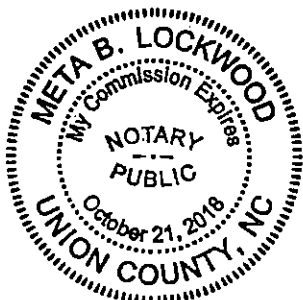
- Seven (7) copies of the application and exhibits shall be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. **Twenty-five (25) copies of a Class A or B utility company should be filed.** One of these copies **must** have original signature. (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).
- 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

- Application shall be signed and verified by the Applicant.

Dennis C. Abbott
Signature
4/13/2018
Date

- (Typed or Printed Name) Dennis C. Abbott
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 13th day of April, 2018.
Meta Brochu Lockwood
Notary Public
5970 Fairview Rd., Ste 710
Charlotte, NC 28210
Address
My Commission Expires: 10/21/2018
Date

2017 Test Year

Calculation of Net Operating Income	O&M	Operating & Maintenance Expense	91047
	D&D	Depreciation Expense	0
	GRT	Gross Receipts Tax or Franchise Tax (Payroll)	2728
	IT	Income Tax	1154
	r	Revenue Requirements	94929
	RR	Net Operating Income for a return (94929 x 10%)	9493

	Amount	Retention Factor	Revenue Requirement
Operating & Maintenance Expense	91047		
Depreciation Expense	0		
Gross Receipts Tax or Franchise Tax (Payroll)	2728		
Income / Property Tax	1154		
Total Operating Expenses	94929	0.959000	98987
Net Operating Income	9493	0.758905	12509
			111496

Income Statement w/Proposed Increase Operation Ration Method	Revenues	111496	
	Expenses:		
	O&M Expenses	91047	
	Depreciation		
	Payroll Taxes	2728	
	Property Taxes	1154	
	NCUC Regulatory Fees	120	
	Gross Receipt Tax	4460	
		99509	
	State Income Tax	827	11987
	Federal Income Tax	1674	11160
	Total Expenses	102010	
Net Operating Income for a return	9486		

	Current	New	Current	New	
Given Data - Rocky River			Given Data - River Walk		
Annualized # of bills based on EOP customer	1392 bills		Annualized # of bills based on EOP customer	384 bills	
Annualized consumption based on EOP customers	7736857 gallons		Annualized consumption based on EOP customers	2114483 gallons	
Base charge at present rates	9.29 per bill	11.20 per bill	Base charge at present rates	37.67 per bill	
Usage charge at present rates	2.57 per 1,000 gal	3.10 per 1,000	Usage charge at present rates	9.42 per 1,000 gal	
EOP adjusted revenues at present rates	\$32,815		EOP adjusted revenues at present rates	\$34,383	
Assumed New Revenue Requirement Needed	\$39,550		Assumed New Revenue Requirement Needed	\$37,134	
Design Rates			Design Rates		
Percent of Increase needed:			Percent of Increase needed:		
Revenues required	39550		Revenues required	37134	
Revenues at present rates	32815		Revenues at present rates	34383	
Increase needed	6735		Increase needed	2751	
Percent of increase:	0.2052	20.52%	Percent of increase:	0.0800	8.00%
Increase present base charge by 20.52%:	9.29 x 1.2052 =	11.20	Increase present base charge by 8%:	37.67 x 1.08 =	40.68
	11.20 x 1392 =	\$15,590		40.68 x 384	\$15,621
Determine remaining revenue for usage:			Determine remaining revenue for usage:		
New revenue requirement	\$39,550		New revenue requirement	\$37,134	
Less base charge revenues	\$15,590		Less base charge revenues	\$15,621	
Remaining revenues	\$23,960		Remaining revenues	\$21,513	
Calculate new usage charge:			Calculate new usage charge:		
Remaining revenues	\$23,960		Remaining revenues	\$21,513	
Divided by usage	7736857		Divided by usage	2114483	
New usage charge	0.0030969	or \$3.10 per 1,000	New usage charge	0.0101741	or \$10.18 per 1,000