

Hilburn
P. Swartz
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.

FILED

MAY 24 2019

Clark's Office
N.C. Utilities Commission

APPLICANT

1. Trade name used for utility business Fairfield Water Company
2. Name of owner (if different from trade name) George W. Morosani
3. Business mailing address 932 Hendershville Rd, Suite 201
City and state Asheville, NC Zip Code 28803
4. Business street address (if different from mailing address) _____
5. Business telephone number (828) 274-4111
6. List the counties in which you provide water utility service Henderson
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>base: 121.32; usage: 4.76/1,000 gallons</u> | <u>base: 84.48; usage: 2.16/1,000 gallons</u> |
| Sewer: | <u>N/A</u> | <u>N/A</u> |
| 9. Flat Rate Residential Service: | | |
| Water: | <u>N/A</u> | <u>N/A</u> |
| Sewer: | <u>N/A</u> | <u>N/A</u> |
| 10. Nonresidential Service (explain): <u>Korean Baptist Church</u> | | |
| Water: | <u>base: 30.33; usage: 4.76/1,000 gallons</u> | <u>base: 21.12; usage: 2.16/1,000 gallons</u> |
| Sewer: | <u>N/A</u> | <u>N/A</u> |
| 11. Tap-on fees: | | |
| Water: | <u>N/A</u> | <u>N/A</u> |
| Sewer: | <u>N/A</u> | <u>N/A</u> |

OTHER PROPOSED RATES

12. Finance charge for late payment: 1% per month
(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: 15.00
14. Reconnection charge if water service discontinued at customer's request: 15.00
15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: N/A
16. Other charges: _____
17. What date are the proposed rates to become effective? 9/1/19
18. How long have the present rates been in effect? March 2015

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

REVENUES AND EXPENSES

For 12 Months Ended 12/31/2018 (Date)

	Revenues	Water	Sewer
1.	Residential service (flat rate)	\$	\$
2.	Residential service (metered rate)	\$ 16,397.66	\$
3.	Nonresidential service (flat rate)	\$	\$
4.	Nonresidential service (metered rate)	\$ 274.00	\$ N/A
5.	Other revenues (describe in remarks below)	\$ 11.27	\$
6.	Total Revenues (Lines 1 thru 5)	\$ 16,682.93	\$
7.	Total salaries	\$	\$
8.	Administrative and office expense (except salaries)	\$ 13,091.15	\$
9.	Maintenance and repair expense (except salaries)	\$ 785.68	\$
10.	Transportation expenses	\$	\$
11.	Electric power for pumping	\$ 204.35	\$
12.	Chemicals for treatment	\$	\$
13.	Testing fees	\$ 1,195.00	\$
14.	Permit fees	\$ 270.00	\$
15.	Purchased water/sewer treatment	\$ 16,793.06	\$ N/A
16.	Annual depreciation	\$ 1,158.38	\$
17.	Taxes: State income taxes	\$	\$
18.	Federal income taxes	\$	\$
19.	Gross receipts (or franchise tax)	\$ 944.88	\$
20.	Property taxes	\$	\$
21.	Payroll taxes	\$	\$
22.	Other taxes	\$ 25.00	\$
23.	Other expenses (describe in remarks below)	\$ 250.50	\$
24.	Total Expenses (Lines 7 thru 23)	\$ 34,718.00	\$
25.	Net Operating Income (Line 6 minus Line 24)	\$ <18,035.07>	\$
26.	Interest on debt during year	\$	\$ N/A
27.	Net Income (Line 25 minus Line 26)	\$ <18,035.07>	\$

Remarks

28.	other revenues - bank account interest
29.	other expenses - meter reading service
30.	
31.	
32.	

NUMBER OF CUSTOMERS SERVED
(at end of month)

		Water			Sewer		
	Month	Flat Rate Customers	Metered Customers	Gallons Sold to Metered Custs.	Flat Rate Customers	Metered Customers	Gallons Sold to Metered Custs.
33.	January		12	195,190			
34.	February		12	237,940			
35.	March		12	222,830			
36.	April		12	196,665			
37.	May		12	230,400			
38.	June	N/A	12	202,600		N/A	
39.	July		12	160,600			
40.	August		12	168,300			
41.	September		12	218,560			
42.	October		12	159,360			
43.	November		12	182,840			
44.	December		12	177,720			

Utility Property in Service

Balance at End of Year

Utility Property Not in Service

Balance at End of YearRemarks

ANNUAL DEPRECIATION

- [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) no

EMPLOYEE SALARIES
(Including Owner)

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

FINANCIAL INFORMATION

	Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5.	<u>Great Western Management Co.</u>		\$ <u>14,897.72</u>
6.	<u>George W. Morosani</u>		\$ <u>57,293.50</u>
7.	<u>Morosani & Associates</u>		\$ <u>25,210.00</u>

OTHER FINANCIAL INFORMATION

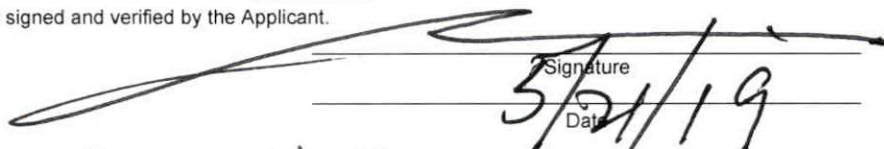
8.	Stocks issued	\$	
9.	Accumulated (or retained) earnings or losses	\$	
10.	Cash on hand	\$	<u>541.93</u>
11.	Accounts receivable	\$	
12.	Accounts payable	\$	
13.	Customer deposits on hand	\$	
14.	Materials and supplies	\$	
15.	Other investments	\$	<u>20,499.81</u>

FILING INSTRUCTIONS

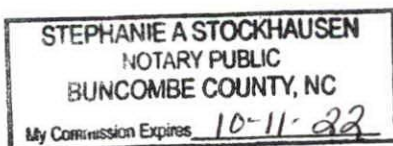
16. Seven (7) copies of the application and exhibits shall be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. **Twenty-five (25) copies of a Class A or B utility company should be filed.** One of these copies must have original signature.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


 Signature
 Date 5/21/19

19. (Typed or Printed Name) George W. Morosani
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 21st day of May, 2019.

Stephanie A. Stockhausen
Notary Public

932 Hendersonville Rd. Ste 201
Address

My Commission Expires: 10-11-22
Date

FAIRFIELD WATER COMPANY
Income Statement
For the Period Ended December 31, 2018

Account	Title	CURRENT ACTIVITY	Current Balance
<u>Income</u>			
919-4190	WATER INCOME	\$ 1,334.26	\$ 16,671.66
919-4800	GENERAL OPERATING INTEREST	.69	11.27
Total Income		\$ 1,334.95	\$ 16,682.93
Gross Margin		\$ 1,334.95	\$ 16,682.93
<u>Expenses</u>			
919-5500	DEPRECIATION EXPENSE	\$ 1,158.38	\$ 1,158.38
919-6000	FRANCHISE TAX		944.88
919-6080	BANK SERVICE CHARGE		(168.00)
919-6200	PROPERTY INSURANCE		1,184.27
919-6250	MANAGEMENT FEE	200.00	2,600.00
919-6270	LEGAL FEES		2,719.00
919-6275	ACCOUNTING		325.00
919-6320	PROFESSIONAL FEES	375.00	6,430.88
919-6360	WATER TESTING SERVICE	515.00	1,195.00
919-6370	PERMIT FEE		295.00
919-6380	METER READING SERVICE	30.88	250.50
919-8020	SUPPLIES		5.33
919-8040	BUILDING MAINTENANCE		780.35
919-8110	ELECTRICITY		204.35
919-8120	WATER / SEWER	2,256.54	16,793.06
Total Expenses		\$ 4,535.80	\$ 34,718.00
Net Income (Loss)		\$ (3,200.85)	\$ (18,035.07)

FAIRFIELD WATER COMPANY

Balance Sheet

December 31, 2018

Assets

Current Assets

919-1006	ASHEVILLE SAVINGS BANK	\$ 541.93	
919-1007	CERTIFICATE OF DEPOSIT FCB	<u>20,499.81</u>	
Total Current Assets			\$ 21,041.74

Long Term Assets

919-1100	LAND AND BUILDING	\$ 75,749.50	
919-1105	ACCUMULATED DEPRECIATION	<u>(15,951.84)</u>	
Total Long Term Assets			<u>\$ 59,797.66</u>
Total Assets			<u><u>\$ 80,839.40</u></u>

Liabilities and Equity

Current Liabilities

919-2001	N/P GREAT WESTERN	\$ 14,897.72	
919-2002	N/P GEORGE MOROSANI	<u>57,293.50</u>	
Total Current Liabilities			\$ 72,191.22

Long Term Liabilities

919-2100	NOTE PAYABLE - MOROSANI &	<u>\$ 25,210.00</u>	
Long Term Liabilities			<u>\$ 25,210.00</u>
Total Liabilities			\$ 97,401.22

Equity

919-2740	RETAINED EARNINGS	\$ 1,473.25	
	Net Income	<u>(18,035.07)</u>	
Total Equity			<u>\$ (16,561.82)</u>
Total Liabilities & Equity			<u><u>\$ 80,839.40</u></u>

Tax Asset Detail 1/01/19 - 12/31/19

FYE: 12/31/2019

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: EQUIPMENT												
3		TANK	7/01/83	4,626.00	0.00	0.00	4,626.00	0.00	4,626.00	0.00	S/L	25.00
4		MISC WATER LINE EQUIPMEN	7/01/83	1,209.00	0.00	0.00	1,209.00	0.00	1,209.00	0.00	S/L	25.00
5		GENERATOR & METER	7/01/83	2,417.00	0.00	0.00	2,417.00	0.00	2,417.00	0.00	S/L	25.00
6		AIR COMPRESSOR,	1/01/03	389.00	0.00	0.00	389.00	0.00	389.00	0.00	S/L	5.00
7		WATER TREATMENT IMPROVE	1/01/03	1,638.00	0.00	0.00	1,310.50	81.90	1,392.40	245.60	S/L	20.00
8		WATER TREATMENT IMPROVE	11/16/09	2,745.60	0.00	0.00	2,745.60	0.00	2,745.60	0.00	S/L	7.00
		EQUIPMENT		13,024.60	0.00c	0.00	12,697.10	81.90	12,779.00	245.60		
Group: LAND												
1		LAND	7/01/83	23,100.00	0.00	0.00	0.00	0.00	0.00	23,100.00	Land	0.00
		LAND		23,100.00	0.00c	0.00	0.00	0.00	0.00	23,100.00		
Group: PLANT												
2		PLANT	7/01/83	1,716.00	0.00	0.00	1,716.00	0.00	1,716.00	0.00	S/L	20.00
10		PLANT IMPROVEMENTS	1/01/17	5,150.40	0.00	0.00	515.04	257.52	772.56	4,377.84	S/L	20.00
		PLANT		6,866.40	0.00c	0.00	2,231.04	257.52	2,488.56	4,377.84		
Group: WATER LINES												
9		WATER LINE	9/22/17	32,758.50	0.00	0.00	1,023.70	818.96	1,842.66	30,915.84	S/L	40.00
		WATER LINES		32,758.50	0.00c	0.00	1,023.70	818.96	1,842.66	30,915.84		
		Grand Total		75,749.50	0.00c	0.00	15,951.84	1,158.38	17,110.22	58,639.28		

Fee Changes for the City of Asheville's Combined Utility Statement

Water Resources

Utility Charges

Single Family Residential (2.0% increase)
Irrigation (5% increase)
* Multi-Family Residential (4.0% increase)
Commercial, 1-1,000 CCF/month (2.0% increase)
Commercial, >1,000 CCF/month (5.0% increase)
Manufacturer, 1-1,000 CCF/month (2.0% increase)
Manufacturer, >1,000 CCF/month (2.0% increase)
Base Fee (2.0% increase)

Capital Improvement Fee -

2.0% increase for each meter size

Meter Size

5/8 inch
3/4 inch
1 inch
1 1/2 inch
2 inch
3 inch
4 inch
6 inch
8 inch
10 inch

Fee through June 30, 2018

Fee effective July 1, 2018

for bills issued on or after 9/1/2018

\$4.05 per CCF	\$4.13 per CCF
\$4.71 per CCF	\$4.95 per CCF
\$3.42 per CCF	\$3.56 per CCF *
\$3.42 per CCF	\$3.49 per CCF
\$2.00 per CCF	\$2.10 per CCF
\$3.42 per CCF	\$3.49 per CCF
\$1.94 per CCF	\$1.98 per CCF
\$6.09 per bill	\$6.21 per bill
\$4.09 per month	\$4.17 per month
\$4.68 per month	\$4.77 per month
\$56.19 per month	\$57.31 per month
\$93.65 per month	\$95.52 per month
\$163.88 per month	\$167.16 per month
\$515.06 per month	\$525.36 per month
\$901.36 per month	\$919.39 per month
\$1,158.89 per month	\$1,182.07 per month
\$1,416.42 per month	\$1,444.75 per month
\$1,673.96 per month	\$1,707.44 per month

Public Works

Recycling Fee
Solid Waste Fee

None	None
\$14.00 per month	\$14.00 per month

Stormwater (5% increase)

Single Family Residential Properties (225-2,000 sq. ft.)
Single Family Residential Properties (2,001-4,000 sq. ft.)
Single Family Residential Properties (>4,001 sq. ft.)
Non Single Family Residential Properties

\$2.90 per month	\$3.05 per month
\$4.63 per month	\$4.86 per month
\$6.37 per month	\$6.69 per month
\$4.63 per ERU per month	\$4.86 per ERU per month

Metropolitan Sewerage District

The Metropolitan Sewerage District will publish their rates in a separate brochure.



THE CITY OF ASHEVILLE
NORTH CAROLINA

FAIRFIELD WATER COMPANY WATER RATE CALCULATION

Annual Expenses:	Amount:
Administrative	11,511.15
Maintenance & Repair	785.68
Testing Fees	1,195.00
Permit Fees	270.00
Annual Depreciation	1,158.38
Other Expenses- Meter Reading	<u>250.50</u>
	15,170.71

15,170.71 divided by 12 months = 1,264.23 per month

1,264.23 divided by 45 units = 28.09 per unit per month

28.09	expenses per unit per month
<u>\$2.25</u>	8% profit allowed
\$30.33	base fee

Purchased water from the City of Asheville:

1 CCF equals 748 gallons	
billed per	<u>1,000</u>
	1.3369
COA rate per CCF	<u>\$3.56</u>
rate per 1,000 gallons	\$4.76