

ORIGINAL

DOCKET NO. W-549 Sub 10  
FILING FEE RECEIVED \$100.00

## 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 PINEVIEW WATER SYSTEM (W-549)
2. Name of owner (if different from trade name) JOHN W. GENSINGER
3. Business mailing address PO BOX 303  
City and state RALEIGH, NC Zip Code 27602
4. Business street address (if different from mailing address) 5109 ORANGE CT, RALEIGH, NC 27606
5. Business telephone number 919-851-7783
6. List the counties in which you provide water utility service WAKE

7. List the counties in which you provide sewer utility service \_\_\_\_\_

## PROPOSED AND PRESENT RATES

- |                                       | Proposed Rates | Present Rates |
|---------------------------------------|----------------|---------------|
| 8. Metered Residential Service:       |                |               |
| Water:                                | _____          | _____         |
| Sewer:                                | _____          | _____         |
| 9. Flat Rate Residential Service:     |                |               |
| Water:                                | <u>46.96</u>   | <u>21.52</u>  |
| Sewer:                                | _____          | _____         |
| 10. Nonresidential Service (explain): |                |               |
| Water:                                | _____          | _____         |
| Sewer:                                | _____          | _____         |
| 11. Tap-on fees:                      |                |               |
| Water:                                | _____          | _____         |
| Sewer:                                | _____          | _____         |

## OTHER PROPOSED RATES

12. Finance charge for late payment: 1.0%  
(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: 25
14. Reconnection charge if water service discontinued at customer's request: 25
15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: \_\_\_\_\_
16. Other charges: \_\_\_\_\_

FILED

MAY 10 2017

N.C. Utilities Commission

Hilburn  
PS water

REVENUES AND EXPENSES

For 12 Months Ended Dec 31, 2016 (Date)

<u>Revenues</u>		<u>Water</u>	<u>Sewer</u>
1. Residential service (flat rate)	\$	<u>8612</u>	\$
2. Residential service (metered rate)	\$		\$
3. Nonresidential service (flat rate)	\$		\$
4. Nonresidential service (metered rate)	\$		\$
5. Other revenues (describe in remarks below)	\$		\$
6. Total Revenues (Lines 1 thru 5)	\$		\$
7. Total salaries	\$	<u>7017</u>	\$
8. Administrative and office expense (except salaries)	\$	<u>853</u>	\$
9. Maintenance and repair expense (except salaries)	\$	<u>610</u>	\$
10. Transportation expenses	\$	<u>1428</u>	\$
11. Electric power for pumping	\$	<u>1100</u>	\$
12. Chemicals for treatment	\$	<u>356</u>	\$
13. Testing fees	\$	<u>1025</u>	\$
14. Permit fees	\$	<u>325</u>	\$
15. Purchased water/sewer treatment	\$		\$
16. Annual depreciation	\$		\$
17. Taxes: State income taxes	\$		\$
18. Federal income taxes	\$		\$
19. Gross receipts (or franchise tax)	\$		\$
20. Property taxes	\$	<u>101</u>	\$
21. Payroll taxes	\$	<u>537</u>	\$
22. Other taxes	\$		\$
23. Other expenses (describe in remarks below)	\$	<u>384</u>	\$
24. Total Expenses (Lines 7 thru 23)	\$	<u>13736</u>	\$
25. Net Operating Income (Line 6 minus Line 24)	\$	<u>(5124)</u>	\$
26. Interest on debt during year	\$		\$
27. Net Income (Line 25 minus Line 26)	\$	<u>(5124)</u>	\$

Remarks

28.	<u>Bank Fees - 29 Insurance - 205 Training - 150</u>
29.	
30.	
31.	
32.	

NUMBER OF CUSTOMERS SERVED

(at end of month)

		Water			Sewer		
	<u>Month</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	<u>33</u>					
34.	February	<u>24</u>					

ORIGINAL COST OF UTILITY SYSTEM  
As of Year Ended Dec 31, 2016 (Date)

**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>4,000</u>	\$	
2. Structures and site improvement	\$	<u>1,500</u>	\$	
3. Wells	\$	<u>4,900</u>	\$	
4. Pumping equipment	\$	<u>633</u>	\$	
5. Treatment equipment	\$	<u>218</u>	\$	
6. Storage tanks	\$	<u>4,200</u>	\$	
7. Mains (excluding service connections)	\$	<u>7,226</u>	\$	
8. Service connections	\$		\$	
9. Meters (including spare meters)	\$	<u>816</u>	\$	
10. Office furniture and equipment	\$		\$	
11. Transportation equipment	\$		\$	
12. Other utility property in service (describe in remarks below)	\$		\$	
13. Total utility property in service (Lines 1 thru 12)	\$	<u>23,493</u>	\$	
14. Less: accumulated depreciation	\$	<u>19,047</u>	\$	
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)	\$	<u>4,446</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	\$		\$	
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: NO DEPRECIATION CLAIMED IN 2016

Type of Equipment	Annual Depreciation Rate	Method Used (Straight Line, etc.)	Amount of Annual Depreciation
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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>JOHN GENSINGER</u>	<u>OPERATOR IN CHARGE</u>	\$ <u>7,017</u>	<u>312</u>
3.			\$	
4.			\$	

FINANCIAL INFORMATION

	Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5.	<u>JOHN GENSINGER</u>	<u>0</u>	\$ <u>12,000</u>
6.			\$
7.			\$

OTHER FINANCIAL INFORMATION

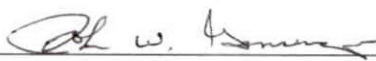
8.	Stocks issued .....	\$
9.	Accumulated (or retained) earnings or losses .....	\$ <u>(6290)</u>
10.	Cash on hand .....	\$ <u>108</u>
11.	Accounts receivable .....	\$ <u>151</u>
12.	Accounts payable .....	\$
13.	Customer deposits on hand .....	\$ <u>45</u>
14.	Materials and supplies .....	\$ <u>50</u>
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.

  
 Signature  
05-05-2017  
 Date

19. (Typed or Printed Name) John W Gensinger  
 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.

# Pineview Water System

## Proposed Revenues and Expenses

<u>Revenues</u>	<u>Water</u>
1. Residential service (flat rate)	\$ 18737
2. Residential service (metered rate)	\$
3. Nonresidential service (flat rate)	\$
4. Nonresidential service (metered rate)	\$
5. Other revenues (described in remarks below)	\$ 125
6. Total Revenues (Lines 1 thru 5)	\$ 18862
7. Total salaries	\$ 7017
8. Administrative and office expenses (except salaries)	\$ 853
9. Maintenance and repair expense (except salaries)	\$ 610
10. Transportation expenses	\$ 1428
11. Electric power for pumping	\$ 1100
12. Chemicals for treatment	\$ 356
13. Testing fees	\$ 1376
14. Permit fees	\$ 300
15. Purchased water/sewer treatment	\$
16. Annual depreciation	\$ 736
17. Taxes: State income taxes	\$
18. Federal income taxes	\$
19. Gross receipts (or franchise tax)	\$
20. Property taxes	\$ 101
21. Payroll taxes	\$ 537
22. Other taxes	\$ 25
23. Other expenses (describe in remarks below)	\$ 384
24. Total Expenses (Lines 7 thru 24)	\$ 14823
25. Net Operating Income (Line 6 minus Line 24)	\$ 4039
26. Interest on debt during year	\$ 2432
27. Net Income (Line 25 minus Line 26)	\$ 1607

### Remarks

28. Flat Rate -  $\#35 \times \$46.96 \times 95\%$  (5% Collection / Vacancy Factor)  $\times 12 = \$18737$

29. Reconnection Charges -  $\#5 \times \$25 = \$125$

30. Other Expenses - Bank Fees - \$29, Training - \$150, Insurance - \$205 = \$384

31.

32.

# **Pineview Water System**

## **Coverage Area**

Pineview Water System's coverage area is Pineview Estates, a mobile home community in Wake County, North Carolina. There are 39 service connections of which 35 are active:

- 10 owner occupied homes

- 25 rental homes

- 4 uninhabited and abandoned homes

# Pineview Water System

## FLAT RATE INSTEAD OF METERS

All of Pineview Water System customers are on a flat rate instead of meters, because no property is equipped with a meter. The cost for installing meters at these residences are prohibitive and would incur more expense in meter readings and billing calculations each month.

## Pineview Water System Water Testing

Test Name	Sample Requirements		Cost of Test	Cost Per Year
	Number	Frequency		
Coliform	1	Month (+4)	\$ 50.00	\$ 800.00
THM & HAA	1	3 Years	\$ 185.00	\$ 62.00
Lead & Copper	5	3 Years	\$ 250.00	\$ 83.00
IOC (Including Secondaries)	1	3 Years	\$ 220.00	\$ 73.00
Nitrate	1	1 Year	\$ 50.00	\$ 50.00
VOC	1	3 Years	\$ 100.00	\$ 33.00
SOC	1	3 Years	\$ 750.00	\$ 250.00
4000 - Gross Alpha, Excl. Radon & U	1	9 Years	\$ 65.00	\$ 7.00
4006 - Combined Uranium	1	9 years	\$ 60.00	\$ 7.00
4010 - Combined Radium (-226 & -228)	1	6 Years	\$ 65.00	\$ 11.00
Total				\$ 1,376.00



## Pineview Water System Chlorine Usage

Brand*	Cost Per Container (121 oz)	Number of Containers Per Month (8-10 or 9 average)	Monthly Cost	Annual Cost
Food Lion	\$ 3.30	9	\$ 29.70	\$ 356.40
Clorox	\$ 4.26	9	\$ 38.34	\$ 460.08

\*Clorox brand used to show potential costs had Pineview Water System not exclusively used store brands

## Pineview Water System

### Utility Costs

Utility Service	Monthly Cost	Annual Cost
Electric*	Variable	\$ 1,099.96
Annual Total		\$ 1,099.96

\*Electric used to operate pumps, chlorinator,  
and air compressor

# Pineview Water System

## Office and Postage Expenses

Postage Expenses				
Expense	Number Sent per Month	Postage Cost	Monthly Cost	Annual Cost
Bills	35	\$ 0.48	\$ 16.80	\$ 201.60
Notices, Reports, Etc.	7	\$ 0.48	\$ 3.36	\$ 40.32
Post Office Box Rent	N/A	N/A	N/A	\$ 86.00
Total				\$ 327.92

Office Expenses			
Expense	Amount Used	Price per unit (including sales tax)	Total Price Paid
Paper	1.5 Reams	\$ 7.25	\$ 10.87
Double Windowed Envelopes	1 Box of 500 Envelopes	\$ 55.50	\$ 55.50
Ink	1 Ink Cartridge for Printer	\$ 44.82	\$ 44.82
Total			\$ 111.19

Utility Expenses		
Expense	Monthly Cost	Annual Cost
Phone	\$ 32.50	\$ 390.00
Total		\$ 390.00

Total Expenses	
Expense	Total Annual Amount
Postage	\$ 327.92
Office	\$ 111.19
Utility	\$ 390.00
Miscellaneous	\$ 24.00
Total	\$ 853.11

Miscellaneous Office Supplies (file folders, receipt books, etc.) amount to \$24.00 annually.

**Pineview Water System**  
**Auto Expense**  
**Mileage Report - 2016**

Round Trips	Per Trip	Trips Per Month	Total
Office to Water System (Monitoring)	13.6	10	136.0
Office to Bank (Deposit Water Revenue)	7.6	2	15.2
Office to Post Office (Pick-up, Drop-Off Mail)	14.0	4	56.0
Office to Lab (Water Testing)	13.2	1	13.2
Total			220.4

Monthly	220.4
	× 12
Year	<u>2644.8</u>

# Pineview Water System

## Depreciation

1/3/2017 - Storage Tank \$18,395

25 year as required by IRS (Publication 946)

Yearly Depreciation \$736

# Water & Waste Systems Construction, Inc.

14 Apothecary Court, Garner, NC 27529

Phone (919)661-8602 Fax (919)661-8609

**Invoice**          1701

**Date:**            1/3/2017

**Customer:** Mr. John Gensinger  
Pineview Water System  
5901 Briarwood Dr  
Raleigh, NC 27603

Description of Work	Quantity (MH)	Unit Cost	Extended
Replace existing 1000 gallon hydropnumatic water tank and accessories	LS	\$17,870.00	\$17,870.00
Change Order - Electrical Improvements, replace existing distribution panel.	LS	\$525.00	\$525.00
<b>Invoice Total</b>			<b>\$18,395.00</b>

## Pineview Water System

### Debt

Previous Balance	12000
1/3/2017 – Water Storage Tank	18395
Total	<hr/> 30395

8% Yearly Interest - \$2432

# Pineview Water System

## Licensed Water System Operator's Responsibilities:

Operator: John Gensinger

Certification #: C-Well-4755

Years of Experience: 45 years, licensed from March 13, 1990

### Monthly

Collection of samples for testing and delivery to lab	2 hrs.
Monitoring as required (chlorination and inspect 8-10 times per month)	8 hrs.
Minor repairs/maintenance cut-on & cut-off and supervision of major repairs	6 hrs.
Collections	2 hrs.
Accounting, including	8 hrs.
Accounts receivable	
Accounts payable	
Bank deposits	
Reports	
Tax filing	
Mail pick-up & drop-off at post office	

Total hours per month	<hr/> 26 hrs.
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26 hrs × \$22.49 per hr. = \$584.74 per month  
    × 12 months  
    

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\$7016.88 per year



# Pineview Water System

Wage of Certified Water System Operator

\$22.49 Per Hour

According to the U.S. Bureau of Labor Statistics (BLS), water and wastewater treatment plant and system operators earned average annual salaries of \$46,790, or \$22.49 hourly (*bls.gov*).

## Pineview Water System

PAYROLL TAXES = SALARIES EXPENSE  $\times$  7.65% (FICA 6.2% + MEDICARE 1.45%)

PAYROLL TAXES = 7016.88  $\times$  7.65% = \$536.79



**NC Water Treatment Facility Operators  
Certification Board**

**JOHN W GENSINGER**

*Is a duly Certified Water Treatment Operator under provisions of Article 2, Chapter  
90-A of the General Statutes of North Carolina.*

**GRADE**

**C-WELL**

**2017**



974755

**NCWTFOCB**

1635 Mail Service Center

Raleigh NC 27699-1635

Phone: (919) 707-9048 Fax: (919) 715-2726

[www.ncwater.org/ncwtfocb](http://www.ncwater.org/ncwtfocb)

<http://pwn.ncwater.org/OpPortal/pages/dashboard.aspx>



**GENSINGER, JOHN W**