

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
 APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE
 AND FOR APPROVAL OF RATES

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.

SELLER

1. Trade name used for utility business Old North State Water Company, LLC
2. Mailing address 3212 6th Avenue, Suite 200, Birmingham, Alabama 35222
3. Business telephone number (205) 326-3355

PURCHASER

4. Trade name used for utility business Pluris Hampstead, LLC
5. Name of owner (if different from trade name) _____
6. Business mailing address 5950 Berkshire Lane, Suite 800
 City and state Dallas, Texas Zip code 75225
7. Business street address (if different from mailing address) _____
8. Business telephone number (214) 220 - 3423
9. If corporation, list the following:
 President Maurice W. Gallarda Vice President Kenneth Pratt
 Secretary Dan Winters Treasurer Dan Winters
 Three (3) largest stockholders and percent of voting shares held by each
Not applicable
10. If partnership, list the owners and percent of ownership held by each
Pluris Holdings, LLC owns 100%
11. Is the purchaser acquiring the utility assets or stock? Assets only
 (No filing fee required if stock transfer only.)

PROPOSED AND PRESENT RATES

- | | <u>Proposed Rates</u> | <u>Present Rates</u> |
|---------------------------------------|-----------------------|-----------------------|
| 12. Metered Residential Service: | | |
| Water: <u>Not applicable</u> | | <u>Not applicable</u> |
| Sewer: <u>Not applicable</u> | | <u>Not applicable</u> |
| 13. Flat Rate Residential Service: | | |
| Water: <u>Not applicable</u> | | <u>Not applicable</u> |
| Sewer: <u>\$54.60</u> | | <u>\$54.60</u> |
| 14. Nonresidential Service (explain): | | |
| Water: <u>Not applicable</u> | | <u>Not applicable</u> |
| Sewer: <u>Not applicable</u> | | <u>Not applicable</u> |
| 15. Tap-on fees: | | |
| Water: <u>Not applicable</u> | | <u>Not applicable</u> |
| Sewer: <u>\$4,200</u> | | <u>\$4,200</u> |

OTHER PROPOSED RATES

16. Finance charge for late payment: In accordance with NCUC Rule R12-9
 (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.)
17. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: Not applicable
18. Reconnection charge if water service discontinued at customer's request: Not applicable
19. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: Actual cost
20. Other charges: _____
21. What date are the proposed rates to become effective: Rates are currently in effect.
22. How long have the present rates been in effect? January 4, 2019

PURCHASER'S PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
2. Billing shall be for service (in advance or arrears) In advance
3. Bills past due 15 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
4. Will regular billing be by written statement? (yes or no) Yes
5. Will the billing statement contain the following? (Indicate yes or no for each item)

(a) Meter reading at beginning and end of billing period	<u>Not applicable</u>
(b) Date of meter readings	<u>Not applicable</u>
(c) Gallons used, based on meter readings	<u>Not applicable</u>
(d) Amount due for current billing period listed as a separate amount	<u>Yes</u>
(e) Amount due from previous billing period listed as a separate amount	<u>Yes</u>
(f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount ..	<u>Yes</u>
6. Show how the following will appear on the billing statement:
 - (a) Mailing address of Company: Pluris Hampstead, LLC, 1095 NC Hwy 210, Sneads Ferry, NC 28460
 - (b) Address where bill can be paid in person: 1095 Highway 210 Sneads Ferry, North Carolina 28460
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours:
Pluris After Hours Emergency Services, (888) 758-7471, Option 2
7. Is service already metered? (yes or no) No
8. Does the Purchaser understand the provisions for establishing credit and collecting customer deposits set forth in NCUC Rules and Regulations, Chapter 12? (yes or no) Yes
 (Customer deposits must be refunded to customers having not more than two (2) bills overdue during a 12-month period and who are not then delinquent on the payment of their bills, per NCUC Rule R12-5.)
9. List the amount of customer deposits still held by Seller:

Water: <u>Not applicable</u>	Sewer: _____
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PURCHASER'S SERVICE ORGANIZATION

- | | <u>NAME</u> | <u>ADDRESS</u> | <u>TELEPHONE</u> |
|----------------------------|---|---|---------------------------------|
| 10. General Manager | <u>Randy Hoffer</u> | <u>1095 Highway 210 Sneads Ferry, NC</u> | <u>(888) 758-7471</u> |
| 11. Complaints or Billing | <u>Beverly Yopp</u> | <u>1095 Highway 210 Sneads Ferry, NC</u> | <u>(888) 758-7471</u> |
| 12. Engineering Operations | <u>Randy Hoffer</u> | <u>1095 Highway 210 Sneads Ferry, NC</u> | <u>(888) 758-7471</u> |
| 13. Emergency Service | <u>3rd Party After Hours Call Service</u> | <u>Not applicable</u> | <u>(888) 758-7471, Option 2</u> |
| 14. Accounting | <u>Dan Winters</u> | <u>5950 Berkshire Lane, Suite 800 Dallas TX</u> | <u>(214) 220-3423</u> |
15. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) No
 16. Will customers be able to make telephone calls for service without being charged for a long distance phone call? (yes or no) Yes
 17. Will persons designated to receive phone calls for emergency service, after regular business hours, have authority to provide the needed repairs without first contacting owner? (yes or no) Yes
 18. List the qualifications of the person in charge of the utility system:
Randy Hoffer, Regional Manager-WW4 (991796), CS4 (26293), SI (23922), PHY/Chem (997569); Kris King, PM-WW4 (996468), CS2 (996647); Zach Halso, OP- CS1 (100812); Matt O'Connor, OP CS1 (Pending)
 19. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: None

SERVICE AREA

Fill in one column for each Subdivision or Service Area.

		(1)	(2)	(3)
1.	Name of Subdivision(s) or Service Area(s)	Majestic Oaks	Southside Commons	Salter's Haven
2.	County (or Counties)	Pender	Pender	Pender
3.	Type of service (water, sewer, etc.)	Sewer only	Sewer only	Sewer only
4.	If water is purchased, list from whom	Not applicable	Not applicable	Not applicable
5.	Source of water supply (wells, etc.)	Not applicable	Not applicable	Not applicable
6.	Number of wells in service	Not applicable	Not applicable	Not applicable
7.	Pumping capacity of each pump in service	Not applicable	Not applicable	Not applicable
8.	Elevated storage tank capacity (gals.)	Not applicable	Not applicable	Not applicable
9.	Pressure tank capacity (gals.)	Not applicable	Not applicable	Not applicable
10.	Types of water treatment (chlorine, etc.)	Not applicable	Not applicable	Not applicable
11.	Number of fire hydrants installed	Not applicable	Not applicable	Not applicable
12.	Is sewage disposal by septic tank or by sewer system?	Sewer System	Sewer System	Sewer System
13.	If disposal is by sewer system, is sewage treated by utility company or by others?	Utility	Utility	Utility
14.	Capacity of Company's sewage treatment plant (gallons per day)	500,000	500,000	500,000
15.	Is service metered? (yes or no)	Not applicable	Not applicable	Not applicable
16.	Number of water meters in use	Not applicable	Not applicable	Not applicable
17.	Number of service taps in use (list number of each size)	Water Not applicable	Not applicable	Not applicable
		Not applicable	Not applicable	Not applicable
		Not applicable	Not applicable	Not applicable
	Sewer			
18.	Number of customers at the end of test year	Water Not applicable	Not applicable	Not applicable
		Sewer		
19.	Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water Not applicable	Not applicable	Not applicable
		Sewer		
20.	Number of customers that can be served by pumping capacity	Water Not applicable	Not applicable	Not applicable
21.	Number of customers that can be served by storage tank capacity	Water Not applicable	Not applicable	Not applicable
22.	Number of customers that can be served by treatment plant capacity	Sewer		
23.	Name nearest water/sewer utility system	Pluris Hampstead, LLC	Pluris Hampstead, LLC	Pluris Hampstead, LLC
24.	Distance to nearest water/sewer utility system	< 1 mile	< 1 mile	< 1 mile
25.	Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)	No	No	No
26.	Has the system been offered for sale to the customers, county, or municipality? (yes or no)	No	No	No
	If not, why not?	Pender County does not provide wastewater treatment in the area of the three subdivisions and granted Pluris Hampstead, LLC a special use permit for up to 3 million gallons per day for providing wastewater treatment to area customers.		
27.	a. DENR System I.D. No.	Water Not applicable	Not applicable	Not applicable
	b. NPDES or Nondischarge Permit No.	NPDES - Sewer NC0089524	NC0089524	NC0089524
		Non-Discharge - Sewer WQ0037287	WQ0037287	WQ0037287

FINANCIAL STATEMENT

1. Will a separate set of books be maintained for the utility business?
Yes
2. Will a separate bank account be maintained for the utility business?
Yes
3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?
(actual or estimated) Actual

REVENUES AND EXPENSES

For 12 Months Ended 07/31/2020 (Date)

	<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)		\$ Not applicable	\$ 104,345
5. Residential service (metered rate)		\$ Not applicable	\$ Not applicable
6. Nonresidential service (flat rate)		\$ Not applicable	\$ 9,646
7. Nonresidential service (metered rate)		\$ Not applicable	\$ Not applicable
8. Other revenues (describe in remarks below)		\$ Not applicable	\$ 79
9. Total Revenues (Lines 4 thru 8)		\$ Not applicable	\$ 114,070
10. Total salaries (except owner)		\$ Not applicable	\$ 0
11. Salaries paid to owner		\$ Not applicable	\$ 0
12. Administrative and office expense (except salaries)		\$ Not applicable	\$ 20,641
13. Maintenance and repair expense (except salaries)		\$ Not applicable	\$ 36,748*
14. Transportation expenses		\$ Not applicable	\$ 0
15. Electric power for pumping		\$ Not applicable	\$ 18,538
16. Chemicals for treatment		\$ Not applicable	\$ 9,013
17. Testing fees		\$ Not applicable	\$ 5,653
18. Permit fees		\$ Not applicable	\$ 2,446
19. Purchased water/sewer treatment		\$ Not applicable	\$ 5,760**
20. Annual depreciation		\$ Not applicable	\$ 31,504
21. Taxes: State income taxes		\$ Not applicable	\$ 0
22. Federal income taxes		\$ Not applicable	\$ 0
23. Gross receipts (or franchise tax)		\$ Not applicable	\$ 151
24. Property taxes		\$ Not applicable	\$ 5,009
25. Payroll taxes		\$ Not applicable	\$ 0
26. Other taxes		\$ Not applicable	\$ 0
27. Interest on debt during year		\$ Not applicable	\$ 0
28. Other expenses (describe in remarks below)		\$ Not applicable	\$ 41,007
29. Total Expenses (Lines 10 thru 28)		\$ Not applicable	\$ 176,470
30. Net Income (Line 9 minus Line 29)		\$ Not applicable	\$ (62,400)

Remarks

31. Other Revenues: LPC \$79
32. Other expenses: Sludge hauling \$15,248; Lawn Maintenance \$14,800; Primary Solids/Screenings Disposal \$1,918;
33. Insurance \$1,324; Miscellaneous \$7,717
34. * Maintenance & Repair expense includes Contract Services- Management Fees of \$27,712
35. ** Purchased water

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	Not applicable	Not applicable	159	Not applicable
37. Customers at end of year	Not applicable	Not applicable	171	Not applicable
38. Average gallons used per customer	3,000 to 4,000 gallons		per month	

PURCHASER'S COST OF UTILITY SYSTEM

1. List Purchaser's cost of utility systems:

Water: Not applicable

Sewer: \$975,000

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended 07/31/2020 (Date)

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

	<u>Utility Property in Service</u>	
	<u>Water</u>	<u>Sewer</u>
2. Land and rights-of-way	\$ Not applicable	\$ 14,500
3. Structures and site improvement	\$ Not applicable	\$ 1,686,357
4. Wells	\$ Not applicable	\$ 0
5. Pumping equipment	\$ Not applicable	\$ 89,449
6. Treatment equipment	\$ Not applicable	\$ 31,147
7. Storage tanks	\$ Not applicable	\$ 0
8. Mains (excluding service connections)	\$ Not applicable	\$ 168,649
9. Service connections	\$ Not applicable	\$ 0
10. Meters (including spare meters)	\$ Not applicable	\$ 0
11. Office furniture and equipment	\$ Not applicable	\$ 0
12. Transportation equipment	\$ Not applicable	\$ 0
13. Other utility property in service (describe in remarks below)	\$ Not applicable	\$ 7,949
14. Total utility property in service (Lines 2 thru 13)	\$ Not applicable	\$ 1,998,051
15. Less: acquisition adjustments (difference between original cost above and cost to Seller)	\$ Not applicable	\$ 0
16. Less: Seller's accumulated depreciation	\$ Not applicable	\$ 235,243
17. Less: Seller's accumulated tap fees and other contributions in aid of construction	\$ Not applicable	\$ 1,402,242
18. Seller's net investment in utility property (Line 14 minus 15, 16, & 17)	\$ Not applicable	\$ 360,566

	<u>Utility Property Not in Service</u>	
	<u>Water</u>	<u>Sewer</u>
19. Construction work in progress	\$ Not applicable	\$ 252,441
20. Property held for future use	\$ Not applicable	\$ 0
21. Other (describe in remarks below)	\$ Not applicable	\$ 0

Remarks

22. _____
23. _____
24. _____
25. _____

ANNUAL DEPRECIATION

26. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:

Water: Not applicable

Sewer: Not applicable

27. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used:

Structures and Improvements - 1.80% - 5.00%

Power Generation Equipment - 2.00%

Other Utility Property in Service - various %

OTHER FINANCIAL INFORMATION

1. Please provide the following capital structure information for the Purchaser prior to the purchase of the new water and/or sewer system(s):

a. Capital structure as of 3/31/2020

b. Capital structure balances:

	<u>Amount</u>	<u>Percent Of Total Capital</u>
Long-term debt/loans	\$ <u>3,420,046</u>	<u>57.65%</u>
Preferred stock (if any)	\$ <u>0</u>	<u>0%</u>
Common equity:		
Common stock	\$ <u>5,231,647</u>	<u>88.20%</u>
Retained earnings	\$ <u>(2,719,912)</u>	<u>(45.85%)</u>
Total common equity	\$ <u>2,511,735</u>	<u>42.35%</u>
Total capital	\$ <u>5,931,781</u>	<u>100%</u>

2. The purchase price of the system will be financed as follows:

a. Long-term debt	\$ <u>487,500</u>
b. Short-term debt	\$ <u>0</u>
c. Common stock	\$ <u>487,500</u>
d. Retained earnings	\$ <u>0</u>
e. Other (please describe below on Line g)	\$ <u>0</u>
f. Total purchase price	\$ <u>975,000</u>

g. Description of other: _____

3. Please provide the following for improvements/additions to be made in the first year:

a. Brief description: Lift station at "to be abandoned" historical wastewater treatment plant, serving Majestic Oaks. This plant has reached its design life, resulting in increased number of violations by DEQ in not meeting discharge limits.

b. Financing:

(1) Long-term debt	\$ _____
(2) Short-term debt	\$ _____
(3) Common stock	\$ _____
(4) Retained earnings	\$ _____
(5) Other (please describe below on Line (7))	\$ _____
(6) Total improvements/additions	\$ <u>_____</u>

(7) Description of other: _____

1. Are there any major improvements/additions required in the next five years and the next ten years? Indicate the estimated cost of each improvement/addition, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

Subsequent to the lift station referenced in 3.a above, there are none planned at this time.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

2. Are there any major replacements required in the next five years and the next ten years? Indicate the estimated cost of each replacement, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

None planned at this time.

[illegible]

3. Please fill out the attached addendum showing the projected cash flows and income statement for the first five years of operation of this system. This addendum should be for the utility system for which the subject application is being submitted, exclusively. Instructions are included on page 3 of the addendum. The following information may be provided instead of filing the addendum:

- (1) Audited financial statements for the Purchaser and/or parent company.
- (2) Budgets, capital and operating, for the Purchaser's North Carolina utility operations for the next five years.
- (3) The most recent fiscal year budgets, capital and operating, and the actual amounts for that year for the Purchaser's and/or parent company's North Carolina utility operations.

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Purchaser is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.) Previously filed.
2. If the Purchasers are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.) Previously filed
3. If the Purchaser is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68. N/A
4. Enclose a copy of (1) exhibits showing that the Seller has ownership of all property necessary to operate the utility and (2) a purchase agreement reduced to writing. Any changes in the purchase agreement should be filed immediately with the Commission.
5. If the application is for a stock transfer, enclose a copy of the most recent financial statements, including a balance sheet, for the Seller. Not applicable
6. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). Included in Exhibits
7. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Purchaser.
8. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Purchaser. Previously filed.
9. If the information requested in Exhibits 7 and 8 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the Purchaser and/or parent company. Not applicable.

FILING INSTRUCTIONS

10. Eight (8) 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 an application to acquire a Class A or B utility company should be filed.** One of these copies must have original signatures. (Applicants must also provide any copies to be returned to them.)
11. 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 \$250 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$100 filing fee. A Class C company (annual revenues less than \$200,000) requires a \$25 filing fee. **MAKE CHECK PAYABLE TO THE N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.** (No filing fee required if stock transfer only.)

SIGNATURES

12. Application shall be signed and verified by the Applicants.

Signature Maurice Gallarda
Purchaser

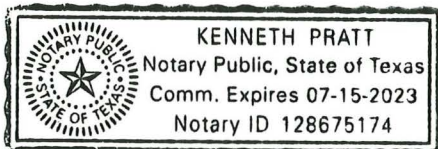
Date 10/9/2020

Signature _____
Seller

Date _____

13. (Typed or Printed Name) Maurice Gallarda
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 9th day of October, 20 20



Notary Public Kenneth Pratt
5950 Berkshire Ln.
Suite 800 Dallas, TX
Address 75225

My Commission Expires: 07/15/2023
Date

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Purchaser is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.) Previously filed.
2. If the Purchasers are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.) Previously filed
3. If the Purchaser is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68. N/A
4. Enclose a copy of (1) exhibits showing that the Seller has ownership of all property necessary to operate the utility and (2) a purchase agreement reduced to writing. Any changes in the purchase agreement should be filed immediately with the Commission.
5. If the application is for a stock transfer, enclose a copy of the most recent financial statements, including a balance sheet, for the Seller. Not applicable
6. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). Included in Exhibits
7. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Purchaser.
8. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Purchaser. Previously filed.
9. If the information requested in Exhibits 7 and 8 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the Purchaser and/or parent company. Not applicable.

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11. 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 \$250 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$100 filing fee. A Class C company (annual revenues less than \$200,000) requires a \$25 filing fee. **MAKE CHECK PAYABLE TO THE N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.** (No filing fee required if stock transfer only.)

SIGNATURES

12. Application shall be signed and verified by the Applicants.

Signature _____
Purchaser

Date _____

Signature _____
Seller

Date 10/9/20

13. (Typed or Printed Name) John McDonald

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 9th day of October, 2020.

Notary Public Erica Cochran

Address 3212 6th ave S, Birmingham, AL
35222

My Commission Expires: May 6, 2024
Date



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1. If the Purchaser is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.) **Previously filed.**
2. If the Purchasers are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.) **Previously filed**
3. If the Purchaser is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68. **N/A**
4. Enclose a copy of (1) exhibits showing that the Seller has ownership of all property necessary to operate the utility and (2) a purchase agreement reduced to writing. Any changes in the purchase agreement should be filed immediately with the Commission.
5. If the application is for a stock transfer, enclose a copy of the most recent financial statements, including a balance sheet, for the Seller. **Not applicable**
6. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). Included in Exhibits
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8. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Purchaser. **Previously filed.**
9. If the information requested in Exhibits 7 and 8 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the Purchaser and/or parent company. **Not applicable.**

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SIGNATURES

12. Application shall be signed and verified by the Applicants.

Signature _____
Purchaser

Date _____

Signature _____
Seller

Date _____

13. (Typed or Printed Name) _____
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 _____ day of _____, 20____.

Notary Public

Address

My Commission Expires: _____
Date

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES
MAJESTIC OAKS, SOUTHSIDE COMMONS, AND SALTER'S HAVEN
PROJECTED INCOME STATEMENT

LINE NO.	Item	2020	2021	2022	2023	2024
<u>Operating Revenue</u>						
1	Meter Service revenue (1)	-	-	-	-	-
2	Flat rate service revenue (1)	18,673.17	144,799.00	177,559.00	210,319.00	243,079.00
3	Bulk sewer revenue	-	-	-	-	-
4	Re-connect fees	-	-	-	-	-
5	Returned check charge	-	-	-	-	-
6	Late payment charge	-	-	-	-	-
7	Other operating revenue	-	-	-	-	-
8	Total operating revenue (Sum of Line 1 thru 7)	<u>18,673.17</u>	<u>144,799.00</u>	<u>177,559.00</u>	<u>210,319.00</u>	<u>243,079.00</u>
<u>Operating expenses</u>						
9	Total salaries and wages	-	-	-	-	-
10	Outside Labor expenses	-	-	-	-	-
11	Administrative and office expense	3,440.17	20,641.00	20,641.00	20,641.00	20,641.00
12	Maintenance and repair expense	6,124.67	36,748.00	36,748.00	36,748.00	36,748.00
13	Purchased water	960.00	5,760.00	5,760.00	5,760.00	5,760.00
14	Purchased sewage treatment	-	-	-	-	-
15	Electric power expense	3,089.67	18,538.00	18,538.00	18,538.00	18,538.00
16	Chemical expense	1,502.17	9,013.00	9,013.00	9,013.00	9,013.00
17	Testing fees	942.17	5,653.00	5,653.00	5,653.00	5,653.00
18	Transportation expense	-	-	-	-	-
19	Other operating expense	<u>7,242.17</u>	<u>43,453.00</u>	<u>43,453.00</u>	<u>43,453.00</u>	<u>43,453.00</u>
20	Total operation and maintenance expenses (Sum of Line 9 thru Line 19) (3)	<u>23,301.00</u>	<u>139,806.00</u>	<u>139,806.00</u>	<u>139,806.00</u>	<u>139,806.00</u>
21	Annual depreciation expense	7,125.00	9,921.00	4,167.00	(1,587.00)	(7,341.00)
22	Property taxes paid on utility property	834.83	5,009.00	5,009.00	5,009.00	5,009.00
23	Payroll taxes	-	-	-	-	-
24	Franchise (gross receipts) tax	-	-	-	-	-
25	Annual NCUC regulatory fee	<u>24.00</u>	<u>188.00</u>	<u>231.00</u>	<u>273.00</u>	<u>316.00</u>
26	Total operating expenses (Sum of Line 20 thru Line 25)	<u>31,284.83</u>	<u>154,924.00</u>	<u>149,213.00</u>	<u>143,501.00</u>	<u>137,790.00</u>
<u>Income Taxes</u>						
27	State income taxes	-	-	263.00	3,081.00	7,149.00
28	Federal income taxes	-	-	3,485.00	40,851.00	94,792.00
29	Total income taxes (Line 27 + 28) (4) (5)	<u>-</u>	<u>-</u>	<u>3,748.00</u>	<u>43,932.00</u>	<u>101,941.00</u>
30	Net operating income (loss) (Line 8 - Line 26 - Line 29)	<u>(12,611.67)</u>	<u>(10,125.00)</u>	<u>24,598.00</u>	<u>22,886.00</u>	<u>3,348.00</u>
31	Interest expense	-	-	-	-	-
32	Net income (loss) (Line 30 - Line 31)	<u>\$ (12,611.67)</u>	<u>\$ (10,125.00)</u>	<u>\$ 24,598.00</u>	<u>\$ 22,886.00</u>	<u>\$ 3,348.00</u>

Notes:

(1) Residential customers are billed at \$54.60 monthly.

(2) O&M expense in years 1-5 have been estimated based on the financials of previous ownership.

(3) The projected income statement is based on estimates provided by management. Actual results over five year period may vary significantly.

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES
MAJESTIC OAKS, SOUTHSIDE COMMONS, AND SALTER'S HAVEN
Statement of Cash Flows

LINE NO.	Item	2020	2021	2022	2023	2024
<u>Cash Flows From Operating Activities</u>						
1	Pre-tax operating income (loss):					
2	Total operating revenue	18,673.17	144,799.00	177,559.00	210,319.00	243,079.00
3	Less: Operation and maintenance expenses	23,301.00	139,806.00	139,806.00	139,806.00	139,806.00
4	Less: Taxes other than income	858.83	5,197.00	5,240.00	5,282.00	5,325.00
5	Pre-tax operating income (loss)	<u>(5,486.67)</u>	<u>(204.00)</u>	<u>32,513.00</u>	<u>65,231.00</u>	<u>97,948.00</u>
6	Income tax calculation:					
7	Pre-tax operating income (loss)	(5,486.67)	(204.00)	32,513.00	65,231.00	97,948.00
8	Plus: Contributions in aid of construction	-	-	-	80,000.00	210,000.00
9	Less: Tax depreciation	10,000.00	22,000.00	22,000.00	22,000.00	22,000.00
10	Less: Interest expense	-	-	-	-	-
11	Taxable income (loss)	-	-	10,513.00	123,231.00	285,948.00
12	State income tax	-	-	263.00	3,081.00	7,149.00
13	Federal income tax	-	-	3,485.00	40,851.00	94,792.00
14	Total income taxes to be paid	<u>-</u>	<u>-</u>	<u>3,748.00</u>	<u>43,932.00</u>	<u>101,941.00</u>
15	Net cash provided by (used in) operating activities	<u>(5,486.67)</u>	<u>(204.00)</u>	<u>28,765.00</u>	<u>21,299.00</u>	<u>(3,993.00)</u>
<u>Cash Flows From Investing Activities</u>						
16	Purchases of utility plant	250,000.00	300,000.00	-	-	-
17	Plus: Cash bonds posted	-	-	-	-	-
18	Less: Contributions in aid of construction	-	210,000.00	210,000.00	210,000.00	210,000.00
19	Less: Proceeds from disposal of utility plant	-	-	-	-	-
20	Net cash used (provided) by investing activities	<u>250,000.00</u>	<u>90,000.00</u>	<u>(210,000.00)</u>	<u>(210,000.00)</u>	<u>(210,000.00)</u>
<u>Cash Flows From Financing Activities</u>						
21	Proceeds from issuing short term debt	-	-	-	-	-
22	Less: Principal repayment of short term debt	-	-	-	-	-
23	Plus: Proceeds from issuing long term debt	487,500.00	-	-	-	-
24	Less: Principal repayment of long term debt	-	\$38,607.41	\$38,607.41	\$38,607.41	\$38,607.41
25	Less: Interest payment for short and long term debt	-	-	-	-	-
26	Plus: Proceeds from issuing stock	-	-	-	-	-
27	Less: Dividends paid	-	-	-	-	-
28	Plus: Funds provided by owner	-	-	-	-	-
29	Net cash provided (used) by financing activities	<u>487,500.00</u>	<u>(38,607.41)</u>	<u>(38,607.41)</u>	<u>(38,607.41)</u>	<u>(38,607.41)</u>
30	Net increase (decrease) in cash	232,013.33	(128,811.41)	200,157.59	192,691.59	167,399.59
31	Cash balance at beginning of year	-	232,013.33	103,201.92	303,359.51	496,051.10
32	Cash balance at end of year	<u>232,013.33</u>	<u>103,201.92</u>	<u>303,359.51</u>	<u>496,051.10</u>	<u>663,450.69</u>

Note: (1) The projected income statement is based on estimates provided by management. Actual results over five year period may vary significantly.

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Instructions

1. These schedules should reflect all revenues, costs, investment, etc. associated with or to be associated with the utility system for which the subject franchise application is being submitted, exclusively.
2. For purposes of forecasting future expenses, as a simplifying assumption, it may be assumed that increases in such costs due to increases in general price levels, (i.e., inflation) will on average be offset by concurrent rate increases. Thus, no provision(s) for such offsetting changes will need to be made in forecasting costs.
3. A written detailed narrative explanation of all assumptions underlying the information and data contained in this addendum and five (5) copies of all workpapers developed in completing the addendum are to be filed with the Commission's Chief Clerk concurrent with the filing of the franchise application.
4. Computations for Statement of Cash Flows (Page 2 of Addendum)
 - (a) Line 2 should agree with Addendum Page 1 - Projected Income Statement, Line 8.
 - (b) Line 3 should agree with Addendum Page 1 - Projected Income Statement, Line 20.
 - (c) Line 4 should agree with Addendum Page 1 - Projected Income Statement, Sum of Line 22 thru Line 25.
 - (d) Line 14 should equal Line 12 plus Line 13.
 - (e) Line 15 should equal Line 5 less Line 14.
 - (f) Line 30 should equal Line 15 less Line 20 plus Line 29.
 - (g) Line 31 should equal the cash balance at the end of the prior year, except for the beginning balance for Year 1, which should be zero.
 - (h) Line 32 should equal Line 30 plus Line 31.