

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY
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.

APPLICANT

1. Trade name used for utility business Red Bird Utility Operating Company, LLC d/b/a Red Bird Water
2. Name of owner (if different from trade name) Red Bird Utility Holding Company, LLC
3. Business mailing address 1650 Des Peres Road, Suite 303
City and state St. Louis, MO Zip Code 63131
4. Business street address (if different from mailing address) N/A
5. Business telephone number 314-380-8544
6. If corporation, list the following: Central States Water Resources, Inc., is the manager of Red Bird Utility Operating Co., LLC & Red Bird Utility Holding Company, LLC
President Josiah Cox Vice President _____
Secretary _____ Treasurer _____
Three (3) largest stockholders and percent of voting shares held by each
Red Bird Utility Holding Company, LLC, is the sole member of Red Bird Utility Operating Company, LLC holding 100% voting shares
7. If partnership, list the owners and percent of ownership held by each
N/A

PROPOSED UTILITY SERVICE AREAS

8. Name of Subdivision or Service Area Pine Mountain Lakes
9. County (or Counties) Burke
10. Type of Service (Water and/or Sewer) Water and Sewer

PROPOSED RATES

(Amount Applicant Proposes to Charge)

11. Metered Residential Service:
Water: N/A
Sewer: N/A
12. Flat Rate Residential Service:
Water: \$35.56
Sewer: \$27.72 per toilet
13. Nonresidential Service (explain): Commercial
Water: \$400.00
Sewer: N/A
14. Tap-on fees:
Water: \$0
Sewer: \$0
15. Finance charge for late payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date (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.)
16. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: \$14.99
17. Reconnection charge if water service discontinued at customer's request: \$14.99
18. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: \$14.99
19. Other charges: N/A

PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
2. Billing shall be for service (in advance or arrears) Arrears
3. Bills past due 25 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 No
 - (b) Date of meter readings No
 - (c) Gallons used, based on meter readings No
 - (d) Amount due for current billing period listed as a separate amount Yes
 - (e) Amount due from previous billing period listed as a separate amount Yes
 - (f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount .. Yes
6. Show how the following will appear on the billing statement: **SEE ATTACHMENT A**
 - (a) Mailing address of company: PO Box 790379, St. Louis, MO 63179
 - (b) Address where bill can be paid in person: SEE ATTACHMENT B
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours: SEE ATTACHMENT B
7. Is service already metered? (yes or no) No
8. Does the Applicant 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.)

PRESENT RATES

9. Are you presently charging for service? If so, describe the rates being charged.
The current owners of the Pine Mountain POA system are charging the rates presented in response to Question 12 on page 1 of this application.
10. How long have these rates been in effect? These rates have been in effect since the inception of the system.

PERSONS TO CONTACT

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
11. General Manager	<u>Josiah Cox</u>	<u>1650 Des Peres Rd., Ste. 303, Des Peres, MO 63131</u>	<u>314-380-8544</u>
12. Complaints or Billing	<u>Nitor Billing Service</u>	<u>100 Chesterfield Business Pkwy 256, Chesterfield, MO 63005</u>	<u>314-540-3803</u>
13. Engineering Operations	<u>CSWR, LLC Jake Freeman</u>	<u>1650 Des Peres Rd., Ste. 303, Des Peres, MO 63131</u>	<u>314-380-8544</u>
14. Emergency Service	<u>TBD</u>		
15. Accounting	<u>CSWR, LLC</u>	<u>1650 Des Peres Rd., Ste. 303, Des Peres, MO 63131</u>	<u>314-380-8544</u>

16. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) No. Contact information for customer service, billing, and service-related issues will be printed on customer bills & also will be available online.
17. Can customers make phone calls for service without being charged for a long distance phone call? (yes or no) Yes
18. Do 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
19. List the qualifications of the person in charge of the utility system:
SEE ATTACHMENT C
20. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: Purchaser has had no DENR violations

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) Past

Note: If the Applicant already holds a public utility franchise, the proposed service area is new (i.e., there are no customers being served), and the proposed rates herein are the same as those previously approved, then the financial information below (lines 4 through 35) may be omitted.

REVENUES AND EXPENSES

For 12 Months Ended 6/30/2021 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ 39,825	\$ 26,041
5. Residential service (metered rate)	\$ 0	\$ 0
6. Nonresidential service (flat rate)	\$ 0	\$ 0
7. Nonresidential service (metered rate)	\$ 0	\$ 0
8. Other revenues (describe in remarks below)	\$ 0	\$ 0
9. Total Revenues (Lines 4 thru 8)	\$ 39,825	\$ 26,041
10. Total salaries (except owner)	\$ 61,956	\$ 0
11. Salaries paid to owner	\$ 0	\$ 0
12. Administrative and office expense (except salaries)	\$ 0	\$ 0
13. Maintenance and repair expense (except salaries)	\$ 24,218	\$ 23,666
14. Transportation expenses	\$ 0	\$ 0
15. Electric power for pumping	\$ 13,186	\$ 5,623
16. Chemicals for treatment	\$ 900	\$ 1,440
17. Testing fees	\$ 0	\$ 10,309
18. Permit fees	\$ 420	\$ 860
19. Purchased water/sewer treatment	\$ 0	\$ 0
20. Annual depreciation	\$ 0	\$ 0
21. Taxes: State income taxes	\$ 0	\$ 0
22. Federal income taxes	\$ 0	\$ 0
23. Gross receipts (or franchise tax)	\$ 482	\$ 0
24. Property taxes	\$ 0	\$ 0
25. Payroll taxes	\$ 0	\$ 0
26. Other taxes	\$ 0	\$ 0
27. Interest on debt during year	\$ 0	\$ 0
28. Other expenses (describe in remarks below)	\$ 0	\$ 0
29. Total Expenses (Lines 10 thru 28)	\$ 101,162	\$ 41,898
30. Net Income (Line 9 minus Line 29)	\$ (\$61,337)	\$ (\$15,857)

Remarks

31. Total salaries is for Water & Sewer
32. All information is provided in good faith based on information provided by the current owner.
33. _____
34. _____
35. _____

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	97	0	34	0
37. Customers at end of year	97	0	34	0
38. Average gallons used per customer	N/A		per month	

COST OF UTILITY SYSTEM

1. Is the cost of utility system listed below based on past operation, or is it estimated for future operation?
(actual or estimated) Past

2. Does the cost of utility system listed below represent the cost to the Applicant herein? (yes or no)
No

If no, list cost (purchase price to Applicant). SEE CONFIDENTIAL ATTACHMENT D for Purchase Price

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended 2/14/1974 (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>Water</u>	<u>Sewer</u>
3. Land and rights-of-way	\$ <u>Unknown</u>	\$ <u>Unknown</u>
4. Structures and site improvement	\$ <u>Unknown</u>	\$ <u>Unknown</u>
5. Wells	\$ <u>Unknown</u>	\$ <u>Unknown</u>
6. Pumping equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
7. Treatment equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
8. Storage tanks	\$ <u>Unknown</u>	\$ <u>Unknown</u>
9. Mains (excluding service connections)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
10. Service connections	\$ <u>Unknown</u>	\$ <u>Unknown</u>
11. Meters (including spare meters)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
12. Office furniture and equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
13. Transportation equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
14. Other utility property in service (describe in remarks below)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
15. Total utility property in service (Lines 3 thru 14)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
16. Less: accumulated depreciation	\$ <u>Unknown</u>	\$ <u>Unknown</u>
17. Less: accumulated tap fees and other contributions in aid of construction	\$ <u>Unknown</u>	\$ <u>Unknown</u>
18. Less: customer advances	\$ <u>Unknown</u>	\$ <u>Unknown</u>
19. Net investment in utility property (Line 15 minus 16, 17, & 18)	\$ <u>1,065,000-1,624,000</u>	\$ <u>511,000</u>

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

Remarks

23. The information provided above is the most up to date information held by Pine Mountain POA. The system's original cost
 24. information is from 1974 and the current owners have told Red Bird that much of the information has been lost due to POA
 25. employee turnover.
 26. _____

OTHER FINANCIAL INFORMATION

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

a. Capital structure as of Date of Closing (Includes Purchase Price and Initial Improvements)

b. Capital structure balances:

	Amount	Percent Of Total Capital
Long-term debt/loans	\$ 0.00	0%
Preferred stock (if any)	\$ 0.00	0%
Common equity:		
Member Equity	\$ 0.00	100%
Retained earnings	\$ 0.00	0%
Total common equity	\$ 0.00	0%
Total capital	\$ 0.00	100%

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

- a. Long-term debt \$ 0.00
- b. Short-term debt \$ 0.00
- c. **Member Equity** \$ SEE ATTACHMENT D
- d. Retained earnings \$ 0.00
- e. Other (please describe below on Line g) \$ 0.00
- f. Total purchase price \$ SEE ATTACHMENT D

g. Description of other: Please see Confidential Attachment D for the Purchase Price of the system. The entirety of Purchase Price will be initially funded with Equity from Red Bird's parent company.

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

a. Brief description: Please see Attachments E and F for improvements/additions to be made in the first year.

b. Financing:

- (1) Long-term debt \$ 0.00
- (2) Short-term debt \$ 0.00
- (3) **Member Equity** \$ SEE ATTACHMENTS E & F
- (4) Retained earnings \$ 0.00
- (5) Other (please describe below on Line (7)) \$ 0.00
- (6) Total improvements/additions \$ SEE ATTACHMENTS E & F

(7) Description of other: Please see Attachments E & F for the costs of initial improvements to be made in the first year. These improvements will initially be funded through equity from Red Bird's parent company but the Company intends to seek debt to achieve a 50/50 capital structure post-closing.

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)).

Attachment E are reports on the systems prepared by McGill Associates that identify and itemize major improvements/additions required during the next five years and their estimated costs. The full engineering report is designated "Confidential," but Attachment F are summaries that can be made available to customers and the general public. Initially, Red Bird will finance required improvements/additions with equity provided by CSWR, but will utilize debt when and if such financing can be obtained. .

At this time, Red Bird has not identified any required improvements/additions between Year 5 and Year 10.

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)).

Attachment E is an engineering report prepared by McGill Associates that identifies and itemizes major replacements required during the next ten years and their estimated costs. The full engineering report is designated "Confidential," but Attachment F is a summary that can be made available to customers and the general public. Initially, Red Bird will finance required replacements with equity provided by CSWR, but will utilize debt when and if such financing can be obtained.

At this time, Red Bird has not identified any major replacements between Year 5 and Year 10.

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 utility and/or parent company. **SEE ATTACHMENT G**
- (2) Budgets, capital and operating, for the company's North Carolina utility operations for the next five years. **SEE CONFIDENTIAL Attachment H; we also provide a redacted / public version of Attachment H.**
- (3) The most recent fiscal year budgets, capital and operating, and the actual amounts for that year for the utility's and/or parent company's North Carolina utility operations.
N/A; No current North Carolina Utility Operations

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Applicant 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.)
2. If the Applicants are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.)
3. If the Applicant 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.
4. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each water system.
5. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system.
6. Enclose a copy of a Division of Environmental Health (DEH) report on a chemical analysis of untreated water from each well. (This should not be confused with the monthly samples submitted to DEH for bacteriological analysis. Contact DEH for instructions to obtain a sample for chemical analysis.)
7. Enclose a copy of purchase agreements or contracts showing provision for ownership or control of the water or sewer systems, including sites for wells or treatment plants.
8. 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") _____
9. Enclose a vicinity map showing the location of the proposed subdivisions or service areas in sufficient detail for someone not familiar with the county to locate the subdivisions. (A county roadmap with the subdivisions outlined is suggested.)
10. Enclose maps of the subdivisions in sufficient detail to show the layout of streets, lots, the water or sewer mains, hydrants, wells, pumping equipment, treatment facilities, storage facilities, etc.
11. Enclose a copy of the workpapers supporting the estimate of the plant costs, including a breakdown by type of plant item, showing the detail of how the estimated cost was determined, and indicating which plant items, if any, will be contributed to the utility.
12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Applicant.
13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant.
14. If the information requested in Exhibits 12 and 13 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the utility and/or parent company.

FILING INSTRUCTIONS

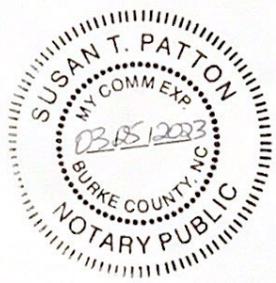
15. Eight (8) copies of the application and exhibits shall be filed with the **North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325**. One of these copies must have an original signature. (Applicants must also provide any copies to be returned to them.)
16. 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.**

SIGNATURE

17. Application shall be signed and verified by the Applicant.

Signature Edith Stitt
 Date September 22, 2021

18. (Typed or Printed Name) EDITH STITT
 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 22 day of Sept, 2021
Susan T Patton
 Notary Public
127 W. Parker Rd
 Address Morganton NC 28655
 My Commission Expires: MARCH 25, 2023
 Date

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Applicant 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.) N/A
2. If the Applicants are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.) SEE ATTACHMENTS I & J FOR LLC OPERATING AGREEMENTS & ARTICLES OF ORGANIZATION
3. If the Applicant 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 a letter from the Department of Environment and Natural Resources granting approval of the plans for each water system. N/A
5. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system. N/A
6. Enclose a copy of a Division of Environmental Health (DEH) report on a chemical analysis of untreated water from each well. (This should not be confused with the monthly samples submitted to DEH for bacteriological analysis. Contact DEH for instructions to obtain a sample for chemical analysis.) N/A
7. Enclose a copy of purchase agreements or contracts showing provision for ownership or control of the water or sewer systems, including sites for wells or treatment plants. SEE ATTACHMENT D
8. 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"). None
9. Enclose a vicinity map showing the location of the proposed subdivisions or service areas in sufficient detail for someone not familiar with the county to locate the subdivisions. (A county roadmap with the subdivisions outlined is suggested.) SEE ATTACHMENT K
10. Enclose maps of the subdivisions in sufficient detail to show the layout of streets, lots, the water or sewer mains, hydrants, wells, pumping equipment, treatment facilities, storage facilities, etc. SEE ATTACHMENT E
11. Enclose a copy of the workpapers supporting the estimate of the plant costs, including a breakdown by type of plant item, showing the detail of how the estimated cost was determined, and indicating which plant items, if any, will be contributed to the utility. SEE ATTACHMENTS H & I
12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Applicant. SEE ATTACHMENT G
13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant. SEE ATTACHMENT G
14. If the information requested in Exhibits 12 and 13 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the utility and/or parent company. N/A

FILING INSTRUCTIONS

15. 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**. One of these copies must have an original signature. (Applicants must also provide any copies to be returned to them.)
16. 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.**

SIGNATURE

17. Application shall be signed and verified by the Applicant.

Signature [Handwritten Signature]

Date 9.23.2021

18. (Typed or Printed Name) Josiah Cox
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 23rd day of September, 2021.

Meranda Keubler
Notary Public

1650 Des Peres Rd. Ste. 303
Address Des Peres, MO 63131

My Commission Expires: 11/13/2022
Date



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Projected Income Statement

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
	<u>Operating revenue</u>					
1.	Metered service revenue					
2.	Flat rate service revenue					
3.	EPA testing surcharge					
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 Line 7)					
	<u>Operating expenses</u>					
9.	Total salaries and wages (employees only)					
10.	Outside labor expenses (non-employees)					
11.	Administrative and office expense					
12.	Maintenance and repair expense					
13.	Purchased water					
14.	Purchased sewage treatment					
15.	Electric power expense (exclude office)					
16.	Chemicals expense					
17.	Testing fees					
18.	Transportation expense					
19.	Other operating expense					
20.	Total operation and maintenance expenses (Sum of Line 9 thru Line 19)					
21.	Annual depreciation expense					
22.	Property taxes paid on utility property					
23.	Payroll taxes					
24.	Franchise (gross receipts) tax					
25.	Annual NCUC regulatory fee					
26.	Total operating expenses (Sum of Line 20 thru Line 25)					
	<u>Income Taxes</u>					
27.	State income taxes					
28.	Federal income taxes					
29.	Total income taxes (Line 27 + Line 28)					
30.	Net operating income (loss) (Line 8 - Line 26 - Line 29)					
31.	Interest expense					
32.	Net income (loss) (Line 30 - Line 31)					

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Statement of Cash Flows

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Cash Flows From Operating Activities</u>						
1.	Pre-tax operating income (loss):					
2.	Total operating revenue					
3.	Less: Operation and maintenance expenses					
4.	Less: Taxes other than income					
5.	Pre-tax operating income (loss)					
6.	Income tax calculation:					
7.	Pre-tax operating income (loss)					
8.	Plus: Contributions in aid of construction					
9.	Less: Tax depreciation					
10.	Less: Interest expense					
11.	Taxable income (loss)					
12.	State income tax					
13.	Federal income tax					
14.	Total income taxes to be paid					
15.	Net cash provided by (used in) operating activities					
<u>Cash Flows From Investing Activities</u>						
16.	Purchases of utility plant					
17.	Plus: Cash bonds posted					
18.	Less: Contributions in aid of construction					
19.	Less: Proceeds from disposal of utility plant					
20.	Net cash used (provided) by investing activities					
<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					
24.	Less: Principal repayment of long term debt					
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					
30.	Net increase (decrease) in cash					
31.	Cash balance at beginning of year					
32.	Cash balance at end of year					

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY 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.