

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION  
APPLICATION FOR RATE INCREASE

*A. L. L. L. L. L.  
P. S. Water*

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**  
**MAR 14 2019**

APPLICANT

Clerk's Office  
N.C. Utilities Commission

1. Trade name used for utility business Saxapahaw Utility Company
2. Name of owner (if different from trade name) \_\_\_\_\_
3. Business mailing address PO Box 128  
City and state Saxapahaw, NC Zip Code 27340
4. Business street address (if different from mailing address) \_\_\_\_\_
5. Business telephone number 336-376-3122
6. List the counties in which you provide water utility service Alamance
7. List the counties in which you provide sewer utility service n/a

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
8. Metered Residential Service:		
Water:	<u>See Attachment A</u>	<u>See Attachment A</u>
Sewer:	<u>n/a</u>	<u>n/a</u>
9. Flat Rate Residential Service:		
Water:	<u>n/a - flat rate phased out</u>	<u>n/a</u>
Sewer:	<u>n/a</u>	<u>n/a</u>
10. Nonresidential Service (explain):		
Water:	<u>See Attachment A</u>	<u>See Attachment A</u>
Sewer:	<u>n/a</u>	<u>n/a</u>
11. Tap-on fees:		
Water:	<u>\$500.00</u>	<u>0</u>
Sewer:	<u>n/a</u>	<u>n/a</u>

OTHER PROPOSED RATES

12. Finance charge for late payment: 1% per month per NCUC Rule R 12-9  
(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.)
13. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: \$39.03 (\$78.06 if on weekends)
14. Reconnection charge if water service discontinued at customer's request: \$39.03 (\$78.06 if after hours, holiday, weekends)
15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: N/a
16. Other charges: \$39.03 new account, \$27.50 returned check
17. What date are the proposed rates to become effective? Immediately upon approval
18. How long have the present rates been in effect? Since October 2017

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 Dec. 31, 2018 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer all n/a</u> <u>Comments are for</u> <u>Water only</u>
1. Residential service (flat rate)	\$ <u>n/a</u>	\$ _____
2. Residential service (metered rate) & non-residential	\$ <u>136,933</u>	\$ _____
3. Nonresidential service (flat rate)	\$ <u>0</u>	\$ _____
4. Nonresidential service (metered rate)	\$ <u>0</u>	\$ _____
5. Other revenues (describe in remarks below)	\$ <u>1,371</u>	\$ <u>See line 28</u>
6. Total Revenues (Lines 1 thru 5)	\$ <u>138,304</u>	\$ _____
7. Total salaries	\$ <u>82,290</u>	\$ _____
8. Administrative and office expense (except salaries)	\$ <u>1,373</u>	\$ <u>See line 29</u>
9. Maintenance and repair expense (except salaries)	\$ <u>10,895</u>	\$ _____
10. Transportation expenses	\$ <u>0</u>	\$ _____
11. Electric power for pumping	\$ <u>6,857</u>	\$ _____
12. Chemicals for treatment	\$ <u>1,425</u>	\$ _____
13. Testing fees	\$ <u>731</u>	\$ _____
14. Permit fees	\$ <u>356</u>	\$ _____
15. Purchased water/sewer treatment	\$ <u>0</u>	\$ _____
16. Annual depreciation	\$ <u>15,129</u>	\$ _____
17. Taxes: State income taxes	\$ <u>0</u>	\$ _____
18. Federal income taxes	\$ <u>0</u>	\$ _____
19. Gross receipts (or franchise tax)	\$ <u>258</u>	\$ _____
20. Property taxes	\$ <u>420</u>	\$ _____
21. Payroll taxes	\$ <u>0</u>	\$ _____
22. Other taxes	\$ <u>196</u>	\$ _____
23. Other expenses (describe in remarks below)	\$ <u>22,757</u>	\$ <u>See line 30</u>
24. Total Expenses (Lines 7 thru 23)	\$ <u>142,687</u>	\$ _____
25. Net Operating Income (Line 6 minus Line 24)	\$ <u>-4,383</u>	\$ _____
26. Interest on debt during year	\$ <u>0</u>	\$ _____
27. Net Income (Line 25 minus Line 26)	\$ <u>-4,383</u>	\$ _____

**Remarks**

- 28. Line 5 – New Acct. Fee, 993; Ret. Ck. Fee, 50; Late Fee, 328
- 29. Line 8 - Postage, 608; Office Expense, 169; Bank Charges, 596
- 30. Line 23 – Insurance, 210; Professional & Legal, 11,815; Computer/Software, 2,797; Rent, 7,200; Dues, 735

**NUMBER OF CUSTOMERS SERVED (at end of month)**

	<u>Month</u>	<u>2018 Water</u>			<u>Sewer</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>0</u>	<u>152</u>	<u>935,079</u>			
34.	February	<u>0</u>	<u>153</u>	<u>909,422</u>			
35.	March	<u>0</u>	<u>154</u>	<u>750,953</u>			
36.	April	<u>0</u>	<u>154</u>	<u>896,301</u>			
37.	May	<u>0</u>	<u>154</u>	<u>1,014,728</u>			
38.	June	<u>0</u>	<u>154</u>	<u>935,720</u>			
39.	July	<u>0</u>	<u>154</u>	<u>517,992</u>			
40.	August	<u>0</u>	<u>154</u>	<u>1,194,435</u>			
41.	September	<u>0</u>	<u>154</u>	<u>1,086,552</u>			
42.	October	<u>0</u>	<u>154</u>	<u>854,661</u>			
43.	November	<u>0</u>	<u>154</u>	<u>929,198</u>			
44.	December	<u>0</u>	<u>154</u>	<u>876,809</u>			

**ORIGINAL COST OF UTILITY SYSTEM**

As of Year Ended December 2018

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

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
1. Land and rights-of-way	\$ 4,790	\$ _____
2. Structures and site improvement	\$ 164,366	\$ _____
3. Wells	\$ 69,966	\$ _____
4. Pumping equipment	\$ 79,469	\$ _____
5. Treatment equipment	\$ 0	\$ _____
6. Storage tanks	\$ 92,354	\$ _____
7. Mains (excluding service connections)	\$ 448,597	\$ _____
8. Service connections	\$ 29,831	\$ _____
9. Meters (including spare meters)	\$ 50,185	\$ _____
10. Office furniture and equipment	\$ 497	\$ _____
11. Transportation equipment	\$ 0	\$ _____
12. Other utility property in service (describe in remarks below)	\$ 23,419	\$ <u>See remark 21</u>
13. Total utility property in service (Lines 1 thru 12)	\$ 963,468	\$ _____
14. Less: accumulated depreciation	\$ (220,196)	\$ _____
15. Less: accumulated tap fees and other contributions in aid of construction	\$ (336,094)	\$ _____
16. Less: customer advances	\$ 0	\$ _____
17. Net investment in utility property (Line 13 minus 14, 15, & 16)	\$ 407,177	\$ _____

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
18. Construction work in progress	\$ 0	\$ _____
19. Property held for future use	\$ 0	\$ _____
20. Other (describe in remarks below)	\$ 0	\$ _____

Remarks

21. Other: engineering = \$1,899, organizational costs = \$2,109, ICS software = \$7,984, Meter Reading Software = \$7,838, Attorney/Acct/Eng = \$3,583, Misc = \$6

ANNUAL DEPRECIATION

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

Water: N/A

Sewer: N/A

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

<u>Type of Equipment</u>	<u>Annual Depreciation Rate</u>	<u>Method Used (Straight Line, etc.)</u>	<u>Amount of Annual Depreciation</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**CONTRIBUTIONS IN AID OF CONSTRUCTION**  
(Including Tap Fees)

- Has the utility collected any gross-up on contributions in aid of construction (CIAC), such as contributed plant and tap fees, since the test year of its last rate case? (yes or no) No

**EMPLOYEE SALARIES**  
(Including Owner)

Name	Duties	Salaries Paid During Year	Hours Worked During Year
2. All Employees are employed by Sellers, Inc. Amounts shown on Page 2 include all wages, taxes and insurance.	See Page 2.	\$ See Page 2.	
3. <u>John M. Jordan management fee</u>	R & M, meter reading, bookkeeping	82,290	4,720
4. _____	management	\$ _____	_____
_____	_____	\$ _____	_____

**FINANCIAL INFORMATION**

Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5. <u>none</u>	_____	\$ _____
6. _____	_____	\$ _____
7. _____	_____	\$ _____

**OTHER FINANCIAL INFORMATION**

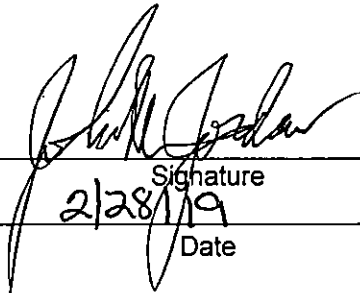
8. Stocks issued .....	\$ 10,000
9. Accumulated (or retained) earnings or losses .....	\$ _____
10. Cash on hand .....	\$ 1,136
11. Accounts receivable .....	\$ 2,160
12. Accounts payable .....	\$ 245
13. Customer deposits on hand .....	\$ 0
14. Materials and supplies .....	\$ 0
15. Other investments .....	\$ 30,000 Bond

**FILING INSTRUCTIONS**

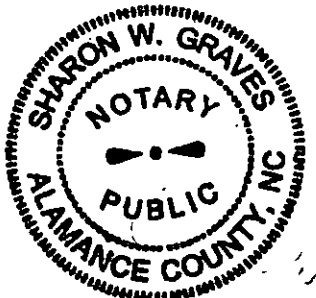
- Seven (7) copies of the application and exhibits shall be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. **Twenty-five (25) copies of a Class A or B utility company should be filed.** One of these copies must have original signature. (Applicants must make their copies if desired.) Class A and B utility companies are also required to file a written letter of intent to file a general rate case with the Commission thirty (30) days in advance of filing this application. Furthermore, Class A utility companies should file a NCUC Form W-1 along with this rate increase application form as required in Rule R1-17(12)(d).
- Enclose a filing fee as required by G. S. §62-300. A Class A company (annual revenues of \$1,000,000 or more) requires a \$500 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$250 filing fee. A Class C company (annual revenues less than \$200,000) requires a filing fee of \$100. **MAKE CHECK PAYABLE TO N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.**

**SIGNATURE**

- Application shall be signed and verified by the Applicant.

  
 \_\_\_\_\_  
 Signature  
 2/28/19  
 \_\_\_\_\_  
 Date

- (Typed or Printed Name) John M. Jordan  
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 28 day of February, 2019.

Sharon W. Graves  
Notary Public

1624 Jordan Dr. Saxapahaw NC  
Address

My Commission Expires: 1-19-24  
Date

**ATTACHMENT A**

**Attachment A - Schedule of Rates 2018**

<b><u>Description</u></b>	<b><u>Present Rates</u></b>	<b>10% of present rates</b>	<b><u>Proposed Rates with 10% increase</u></b>
<b>Metered Rates - Water Service</b>			
Residential Base Charge, zero usage	\$ 29.72	\$ 2.97	\$ 32.69
Commercial Base charge, zero usage			
3/4 - inch meter	\$ 29.72	\$ 2.97	\$ 32.69
1 - inch meter	\$ 74.35	\$ 7.44	\$ 81.79
1 1/2 - inch meter	\$ 148.67	\$ 14.87	\$ 163.54
2 - inch meter	\$ 237.87	\$ 23.79	\$ 261.66
3 - inch meter	\$ 446.01	\$ 44.60	\$ 490.61
4 - inch meter	\$ 743.34	\$ 74.33	\$ 817.67
6 - inch meter	\$ 1,486.68	\$ 148.67	\$ 1,635.35
 Usage charge per 1,000 gallons of water	 \$ 7.10	 \$ 0.71	 \$ 7.81
 <b>Additional Fees:</b>			
New Account	\$ 35.48	\$ 3.55	\$ 39.03
Returned Check	\$ 25.00	\$ 2.50	\$ 27.50
Reconnect (during work hours, cut-off for good cause)	\$ 35.48	\$ 3.55	\$ 39.03
Reconnect (after hours, holiday, weekends)	\$ 70.96	\$ 7.10	\$ 78.06
Discontinued (during work hours, cut-off requested)	\$ 35.48	\$ 3.55	\$ 39.03
Late Charge	1% per month		1% per month
Tap on fee			\$ 500.00