

July 6, 2023

VIA ELECTRONIC DELIVERY

Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina

RE: Application by 904 Georgetown Treatment Plant, LLC for Authority to Adjust and Increase Rates for Providing Sewer Utility Service in All Its Service Area in Brunswick County, North Carolina
Docket No. W-1141, Sub 8

Dear Ms. Dunston:

904 Georgetown Treatment Plant, LLC (904 Georgetown or the Company) submits for electronic filing in the above-referenced docket its general rate case application, along with electronic payment of the filing fee of \$250.00, which is required for a Class B water and sewer company. Additionally, within one business day, as required by Commission Rule R1-28(e)(1), 904 Georgetown will file fifteen (15) paper copies of the Application.

904 Georgetown has not increased its rates since 2007. For the test period ending on October 31, 2022, the Company has 795 wastewater customers, all of whom are residential. For that same period, the Company experienced a net income loss of (\$133,831), which is clearly not sustainable. Notwithstanding the loss, 904 Georgetown continues to provide quality services to its customers and has not had any customer complaints filed with the Commission.

In support of its application for general rate relief, 904 Georgetown submits the following documents as attachments to this letter:

- Application for a General Rate Increase detailing the Company's operations.
- Pre-filed Direct Testimony of Timothy P. Tilma, Manager of 904 Georgetown.
- Pre-filed Direct Testimony of Julie Perry, Public Utility Consultant and co-owner of Peedin and Perry Consulting, LLC.
- Exhibit 1 to the Pre-filed Direct Testimony of Julie Perry.

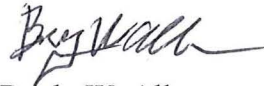
Shonta Dunston
July 6, 2023
Page 2

- An updated Effluent Easement and Irrigation Agreement that is unsigned for which the Company is seeking approval from the Commission under G.S. § 62-153. The revised Agreement will be signed, executed, and filed with the Commission upon Commission approval.
- A balance sheet and income statement for the test period ending October 31, 2023.

Unless suspended by the Commission, 904 Georgetown's new rates are proposed to become effective for service rendered on and after August 6, 2022.

Thank you for your assistance in this matter. If you have any questions, please let me know.

Sincerely,



Brady W. Allen

Enclosures

cc: Lucy Edmonson, Chief Counsel, Public Staff

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 904 Georgetown Treatment Plant
2. Name of owner (if different from trade name) _____
3. Business mailing address 800 N. Sandpiper Club Drive
 City and state Sunset Beach, NC Zip Code 28468
4. Business street address (if different from mailing address) _____
5. Business telephone number 910-579-9120
6. List the counties in which you provide water utility service Not Applicable
7. List the counties in which you provide sewer utility service Brunswick County

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
8. Metered Residential Service:		
Water:	<u>Not Applicable</u>	<u>Not Applicable</u>
Sewer:	<u>Not Applicable</u>	<u>Not Applicable</u>
9. Flat Rate Residential Service:		
Water:	<u>Not Applicable</u>	<u>Not Applicable</u>
Sewer:	<u>\$37.97 per month</u>	<u>\$25.04 per month</u>
10. Nonresidential Service (explain):		
Water:	<u>Not Applicable</u>	<u>Not Applicable</u>
Sewer:	<u>Not Applicable</u>	<u>Not Applicable</u>
11. Tap-on fees:		
Water:	<u>Not Applicable</u>	<u>Not Applicable</u>
Sewer:	<u>Not Applicable</u>	<u>Not Applicable</u>

OTHER PROPOSED RATES

12. Finance charge for late payment: 1 %
 (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: _____
14. Reconnection charge if water service discontinued at customer's request: _____
15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: Not Applicable
16. Other charges: _____
17. What date are the proposed rates to become effective? August 6, 2023
18. How long have the present rates been in effect? 2015

PROPOSED BILLING

19. Frequency of billing shall be (monthly, quarterly, etc.) Quarterly
20. Billing shall be for service (in advance or arrears) Arrears
21. Bills past due 30 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 October 31, 2022

<u>Revenues</u>	<u>Water</u>	<u>Sewer [1]</u>
1. Residential service (flat rate)	\$ <u>Not Applicable</u>	\$ <u>238,882</u>
2. Residential service (metered rate)	\$ _____	\$ _____
3. Nonresidential service (flat rate)	\$ _____	\$ _____
4. Nonresidential service (metered rate)	\$ _____	\$ _____
5. Other revenues (describe in remarks below)	\$ _____	\$ <u>137</u>
6. Total Revenues (Lines 1 thru 5)	\$ _____	\$ <u>239,019</u>
7. Total salaries	\$ _____	\$ <u>41,390</u>
8. Administrative and office expense (except salaries)	\$ _____	\$ <u>20,684</u>
9. Maintenance and repair expense (except salaries)	\$ _____	\$ <u>70,218</u>
10. Transportation expenses-Landscape, Mowing, & Effluent	\$ _____	\$ <u>41,989</u>
11. Electric power for pumping Utilities	\$ _____	\$ <u>6,313</u>
12. Chemicals for treatment	\$ _____	\$ <u>1,772</u>
13. Testing fees	\$ _____	\$ <u>4,720</u>
14. Permit fees	\$ _____	\$ <u>1,310</u>
15. Purchased water/sewer treatment-Sludge Removal	\$ _____	\$ <u>49,700</u>
16. Annual depreciation	\$ _____	\$ <u>67,639</u>
17. Taxes: State income taxes	\$ _____	\$ _____
18. Federal income taxes	\$ _____	\$ _____
19. Gross receipts (or franchise tax)	\$ _____	\$ _____
20. Property taxes	\$ _____	\$ <u>437</u>
21. Payroll taxes	\$ _____	\$ <u>3,375</u>
22. Other taxes-Regulatory Fee	\$ _____	\$ <u>311</u>
23. Other expenses (describe in remarks below)	\$ _____	\$ <u>23,811 *</u>
24. Total Expenses (Lines 7 thru 23)	\$ _____	\$ <u>343,668</u>
25. Net Operating Income (Line 6 minus Line 24)	\$ _____	\$ <u>(104,649)</u>
26. Interest on debt during year	\$ _____	\$ _____
27. Net Income (Line 25 minus Line 26)	\$ _____	\$ <u>(104,649)</u>

Remarks

- 28. * Other Expenses = Professional Expenses \$9,794; Insurance Expenses \$13,827; Bad Debt Expense 1,738, 29. and Miscellaneous Expense \$261.
- 30. * Regulatory Expense \$8,191 is also reflected in Other Expenses.
- 30. [1] See Exhibit I – Sch 3 NOI tab for more details
- 31. _____
- 32. _____

NUMBER OF CUSTOMERS SERVED

(at end of month)

	<u>Month</u>	<u>Water</u>			<u>Sewer</u>		
		<u>Flat Rate Custom</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	Not Applicable	Not Applicable	Not Applicable	795	Not Applicable	Not Applicable
34.	February	_____	_____	_____	795	_____	_____
35.	March	_____	_____	_____	795	_____	_____
36.	April	_____	_____	_____	795	_____	_____
37.	May	_____	_____	_____	795	_____	_____
38.	June	_____	_____	_____	795	_____	_____
39.	July	_____	_____	_____	795	_____	_____
40.	August	_____	_____	_____	795	_____	_____
41.	September	_____	_____	_____	795	_____	_____
42.	October	_____	_____	_____	795	_____	_____
43.	November	_____	_____	_____	795	_____	_____
44.	December	_____	_____	_____	795	_____	_____

ORIGINAL COST OF UTILITY SYSTEM
As of Year Ended October 31, 2022

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>
<u>Utility Property in Service</u>		
1. Land and rights-of-way	\$ <u>Not Applicable</u>	\$ <u>* see Exhibit I -</u>
2. Structures and site improvement	\$ _____	\$ <u>PIS AD DEPR EXP</u>
3. Wells	\$ _____	\$ _____
4. Pumping equipment	\$ _____	\$ _____
5. Treatment equipment	\$ _____	\$ _____
6. Storage tanks	\$ _____	\$ _____
7. Mains (excluding service connections)	\$ _____	\$ _____
8. Service connections	\$ _____	\$ _____
9. Meters (including spare meters)	\$ _____	\$ _____
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>1,078,260</u>
14. Less: accumulated depreciation	\$ _____	\$ <u>(894,998)</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>183,262</u>

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
<u>Utility Property Not in Service</u>		
18. Construction work in progress	\$ <u>Not Applicable</u>	\$ <u>Not Applicable</u>
19. Property held for future use	\$ <u>Not Applicable</u>	\$ <u>Not Applicable</u>
20. Other (describe in remarks below)	\$ <u>Not Applicable</u>	\$ <u>** See note.</u>

Remarks

- 21. * See Depreciation Schedule in Rate Case Exhibit I – PIS AD DEPR EXP tab
- 22. ** Cash Working Capital & Average Tax Accruals of \$33,988 and (\$894), respectively.
- 23. _____
- 24. _____

ANNUAL DEPRECIATION

- 25. If annual depreciation is claimed using a composite rate for the entire system, show composite rate used:
Water: Not Applicable
Sewer: Not Applicable
- 26. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: See in Exhibit I - PIS AD DEPR EXP tab

<u>Type of Equipment</u>	<u>Annual Depreciation Rate</u>	<u>Method Used (Straight Line, etc.)</u>	<u>Amount of Annual Depreciation</u>
<u>Exhibit I - PIS AD DEPR EXP tab</u>	_____	_____	<u>Straight Line</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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>Tim Tilma</u>	<u>Manager</u>	<u>\$ 15,000</u>	<u>416</u>
3. <u>Tonda Hockenberry / ED Otmar</u>	<u>Bookkeeping</u>	<u>\$ 24,000</u>	<u>1,560</u>
4. <u>Sunny Wright</u>	<u>Contract Operator</u>	<u>\$ 34,400</u>	<u>Per Contract Rate</u>

FINANCIAL INFORMATION

Source of Loans (For Utility Purposes)	Interest Rates	Amount Unpaid End of Year
5. <u>Not Applicable</u>	<u>Not Applicable</u>	<u>\$ Not Applicable</u>
6. _____	_____	<u>\$ _____</u>
7. _____	_____	<u>\$ _____</u>

OTHER FINANCIAL INFORMATION

8. Stocks issued	<u>\$ Not Applicable</u>
9. Accumulated (or retained) earnings or losses	<u>\$ Not Applicable</u>
10. Cash on hand	<u>\$ 14,724.37</u>
11. Accounts receivable	<u>\$ 13,662.56</u>
12. Accounts payable	<u>\$ 319,562.20</u>
13. Customer deposits on hand	<u>\$ Not Applicable</u>
14. Materials and supplies	<u>\$ Not Applicable</u>
15. Other investments	<u>\$ Not Applicable</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.

Timothy P. Tilma
Signature
7/16/23
Date

19. (Typed or Printed Name) Timothy P. Tilma
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 6th day of July, 2023.

Emelia Ventura
Notary Public



127 Carseway Dr. SW, Ocean Isle Beach, NC 28469
Address

My Commission Expires: August 23, 2023
Date