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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

- Trade name used for utility business Clarke Utilities, Inc.
- Name of owner (if different from trade name) \_\_\_\_\_
- Business mailing address 223 Hwy 70 East Suite 115  
City and state Garner, NC Zip Code 27529-4062
- Business street address (if different from mailing address) \_\_\_\_\_
- Business phone number 919-662-0457
- List the counties in which you provide water utility service Wake, Franklin
- List the counties in which you provide sewer utility service Wake

Mar 22 2021

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
8. Metered Residential Service:		
Water:	<u>Base charge \$17.48, plus \$3.50 per 1,000</u>	<u>Base charge \$12.68, plus \$2.49 / 1,000 gals</u>
Sewer:	<u>Base charge \$32.10, plus \$3.60 per 1,000</u>	<u>Base charge \$25.58, plus \$2.88 / 1,000 gals</u>
9. Flat Rate Residential Service:		
Water:	_____	_____
Sewer:	_____	_____
10. Nonresidential Service (explain):		
Water:	<u>1" meter \$43.70 base plus \$3.50 per 1,000 gals</u>	<u>1" meter \$31.69 base plus \$2.49 per 1,000 gals</u>
Sewer:	<u>1" meter \$80.25 base plus \$3.60 per 1,000 gals</u> <u>2" meter \$256.80 base, \$3.60/kgal</u>	<u>1" meter \$63.92 plus \$2.88 /1000 gals;</u> <u>2" meter \$204.56 base plus \$2.88 /kgal</u>
11. Tap-on fees:		
Water:	_____	_____
Sewer:	_____	_____

OTHER PROPOSED RATES

- Finance charge for late payment 1.0 % per month  
(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.)
- Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: \$14.35
- Reconnection charge if water service discontinued at customer's request \$14.35
- Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: NA
- Other charges: \$19.13 Return Check Charge
- What date are the proposed rates to become effective? May 1, 2021
- How long have the present rates been in effect? June 2009

PROPOSED BILLING

- Frequency of billing shall be (monthly, quarterly, etc.) Monthly
- Billing shall be for service (in advance or arrears) Arrears
- 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).
- Will regular billing be by written statement? (yes or no) Yes

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REVENUES AND EXPENSES

For 12 Months Ended December 31, 2019 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
1. Residential service (flat rate)	\$ _____	\$ _____
2. Residential service (metered rate)	\$ 170,600	\$ 159,135
3. Nonresidential service (flat rate)	\$ _____	\$ _____
4. Nonresidential service (metered rate)	\$ _____	\$ _____
5. Other revenues (describe in remarks below)	\$ (189)	\$ (189)
6. Total Revenues (Lines 1 thru 5)	\$ 170,411	\$ 158,946
7. Total salaries	\$ 78,803	\$ 64,475
8. Administrative and office expense (except salaries)	\$ 11,226	\$ 9,185
9. Maintenance and repair expense (except salaries)	\$ 20,959	\$ 4,356
10. Transportation expenses	\$ 4,297	\$ 3,515
11. Electric power for pumping	\$ 16,380	\$ 12,708
12. Chemicals for treatment	\$ 11,749	\$ 558
13. Testing fees	\$ 9,751	\$ 15,257
14. Permit fees	\$ 2,538	\$ 2,374
15. Purchased water/sewer treatment	\$ 0	\$ 0
16. Annual depreciation	\$ 14,062	\$ 22,585
17. Taxes: State income taxes	\$ 0	\$ 0
18. Federal income taxes	\$ 0	\$ 0
19. Gross receipts (or franchise tax)	\$ 0	\$ 0
20. Property taxes	\$ 1,185	\$ 913
21. Payroll taxes	\$ 6,139	\$ 5,022
22. Other taxes (NCUC Regulatory Fee)	\$ 222	\$ 222
23. Other expenses (describe in remarks below)	\$ 28,981	\$ 39,548
24. Total Expenses (Lines 7 thru 23)	\$ 206,292	\$ 180,718
25. Net Operating Income (Line 6 minus Line 24)	\$ (35,881)	\$ (21,772)
26. Interest on debt during year	\$ 316	\$ 316
27. Net Income (Line 25 minus Line 26)	\$ (36,197)	\$ (22,088)

Remarks

- 28. Line 5 – Water: Misc. \$58, Uncollect. -\$247; Sewer: Misc. \$57, Uncollect. -\$246
- 29. Line 23. Water: Phone \$1,635, Insurance: \$4,062, Bond \$300, Uniforms \$67, Employee Benefits \$17,623
- 30. Rate Case Expense \$2,671, Telemetry \$2,151, Inspection fees \$472
- 31. Line 23. Sewer: Sludge Disposal \$11,242, Inspect. Fees \$5,833, Ph. \$1,338, Telemetry \$941
- 32. Insurance \$3,324, Bond \$200, Uniforms \$67, Employee Benefits \$14,418, Rate Case \$2,185

NUMBER OF CUSTOMERS SERVED  
(at end of month)

	<u>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		517	2,482,781		312	1,753,704
34. February		521	1,957,762		312	1,277,794
35. March		525	1,957,529		312	1,315,808
36. April		526	2,481,138		312	1,635,656
37. May		530	2,323,963		312	1,514,888
38. June		533	3,689,019		312	2,028,702
39. July		534	3,763,680		312	2,107,335
40. August		535	3,306,533		312	1,830,926
41. September		549	2,938,527		312	1,673,815
42. October		552	3,176,195		312	1,890,594
43. November		556	2,700,581		312	1,655,680
44. December		558	2,193,212		312	1,345,507

**ORIGINAL COST OF UTILITY SYSTEM**

Year Ended December 31, 2019 (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>
1. Land and rights-of-way	\$ _____	\$ _____
2. Structures and site improvement	\$ _____	\$ _____
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>1,242,293</u>	\$ <u>341,575</u>
14. Less: accumulated depreciation	\$ <u>118,836</u>	\$ <u>161,324</u>
15. Less: accumulated tap fees and other contributions in aid of construction	\$ <u>1,081,408</u>	\$ _____
16. Less: customer advances	\$ _____	\$ _____
17. Net investment in utility property (Line 13 minus 14, 15, & 16)	\$ <u>42,049</u>	\$ <u>180,251</u>

	<u>Utility Property Not in Service</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. Line 13: Water – Plant at 12/17/2012 (Sub 5 rate case) plus additions since that rate case
- 22. \_\_\_\_\_
- 23. Line 13: Sewer – Plant at 12/17/2012 (Sub 5 rate case) plus additions since that rate case.
- 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: \_\_\_\_\_

Type of Equipment	Annual Depreciation Rate	Method Used (Straight Line, etc.)	Amount of Annual Depreciation
Truck	25%	SL	_____
Lawn Mower	20%	_____	_____
Small Power Equipment	33.3%	_____	_____
Pumps	20%	_____	_____
Small WWTP mechanical equipment	20%	_____	_____
Small WWTP electrical	33.3%	_____	_____
Office furniture	10%	_____	_____
Computer-equipment	25%	_____	_____
Computer-software	33.3%	_____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (Including Tap Fees)

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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)

Table with 4 columns: Name, Duties, Salaries Paid During Year, Hours Worked During Year. Rows include Joel Clarke - Owner, ORC and Ray Dixon-Water/Sewer Operator.

FINANCIAL INFORMATION

Table with 3 columns: Source of Loans (For Utility Purposes), Interest Rates, Amount Unpaid End of Year. Row includes Southern Bank Visa with APR 10% interest rate.

OTHER FINANCIAL INFORMATION

Table with 2 columns: Description, Amount. Rows include Stocks issued, Accumulated earnings or losses, Cash on hand, Accounts receivable, Accounts payable, Customer deposits on hand, Materials and supplies, Other investments.

FILING INSTRUCTIONS

- 16. Seven (7) copies of the application and exhibits shall be filed with the North Carolina Utilities Commission...
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.

SIGNATURE

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

Handwritten signature of Joel Clarke and date 3/17/2021.

19. (Typed or Printed Name)

Joel Clarke

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 17th day of March, 2021

Handwritten signature of Rhonda C. Mitchell, Notary Public.

4125 Peaces Rd, Zebulon NC Address

My Commission Expires: 11-26-22 Date