

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

April 30, 2019

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Filing

Re: Carolina Water Service, Inc. of North Carolina (Emergency Operator
of Riverbend Estates Water System)
Docket No. W-390, Sub 13
Filing of Quarterly Financial Reports (January - March 2019
Calendar Quarter)

Dear Ms. Jarvis:

Pursuant to decretal paragraph number 4.a. of the Order Appointing Emergency Operator, Approving Increased Rates, and Requiring Customer Notice issued in Docket No. W-390, Sub 13 on May 16, 2017), Carolina Water Service, Inc. of North Carolina ("CWSNC" or "Company") hereby files certain quarterly financial reports for the January - March 2019 calendar quarter. The Company files these reports in its capacity as Emergency Operator of the water utility system which was formerly operated by Riverbend Estates Water System, Inc.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford

Attorney for Carolina Water Service,
Inc. of North Carolina (Emergency
Operator)

cc: Parties of Record

Riverbend Estates Water System
 Carolina Water Service, Inc. of NC as EO
 Docket No. W-390, Sub 13
 Revenues, Expenses, and Reserve Balances
 For Q1 2019

Schedule 1

Line No.	<u>Item</u>	<u>Riverbend Estates</u> (a)
1	Revenues	19,368.93 [1]
2	Expenses for a return	33,544.38 [2]
3	Regulatory fee (L1 x 0.14%)	27.12
4	Gross receipts tax (L1 x 0%)	0.00
5	Pre-tax return on expenses	3,375.12 [3]
6	Total expenses and return (Sum of L2 thru L5)	36,946.62
7	Net activity for the month (L1 - L6)	(\$17,577.69)
8	Reserve balance prior month	(\$59,391.24)
9	Net activity for the month (L7)	(17,577.69)
10	Current Reserve balance (L8 + L9)	(\$76,968.93)
[1]	Total revenues from Schedule 2.	
[2]	Total expenses for return from Schedule 2.	
[3]	Schedule 1(a), Line 5.	

Riverbend Estates Water System
Carolina Water Service, Inc. of NC as EO
Docket No. W-390, Sub 13
Calculation of Pre-Tax Return
For Q1 2019

Schedule 1(a)

Line			
<u>No.</u>	<u>Item</u>	Riverbend Estates	
		(a)	
	<u>Calculation of Pre-Tax Return</u>		
1	Expenses for return	\$33,544.38	[1]
2	Overall rate of return	7.75%	[2]
3	Return on expenses (L1 x L2)	2,599.69	
4	Retention factor for income taxes (L10)	0.770250	
5	Pre-tax return on expenses (L3 / L4)	\$3,375.12	
	<u>Calculation of Retention Factor</u>		
6	Revenues	1.000000	
7	Less: State income tax at 2.5%	0.025000	
8	Federal taxable income	0.975000	
9	Less: Federal income tax at 21%	0.204750	
10	Retention factor for income taxes	0.770250	

[1] Schedule 1, Line 2.
[2] Overall return authorized by Commission for CWSNC on February 21, 2019 in Docket No. W-354, Sub 360.

Riverbend Estates Water System

Schedule 2

Carolina Water Service, Inc. of NC as EO

Docket No. W-390, Sub 13

Revenues and Expenses

For Q1 2019

<u>Account Number</u>	<u>Account Description</u>	<u>Riverbend Estates (BU 196100)</u>
		(a)
5025	WATER REVENUE-RESIDENTIAL	(19,461.45)
5030	WATER REVENUE-ACCRUALS	207.58
5265	FORFEITED DISCOUNTS	(40.06)
5270	MISC SERVICE REVENUE	-
5285	OTHER W/S REVENUES	(75.00)
5405	REV FROM MGMT SERVICES	-
	Total Revenues	(19,368.93)
5435	PURCHASED WATER-WATER S	21,954.52
5465	ELEC PWR - WATER SYSTEM	-
5495	METER READING	-
5505	AGENCY EXPENSE	1.66
5510	UNCOLLECTIBLE ACCOUNTS	896.49
5515	UNCOLL ACCOUNTS ACCRUAL	(562.00)
5525	BILL STOCK	-
5530	BILLING COMPUTER SUPPLI	-
5535	BILLING ENVELOPES	-
5540	BILLING POSTAGE	(5.49)
5545	CUSTOMER SERVICE PRINTING	136.38
5580	NON-REGULATED COGS B	(8.26)
5625	401K/ESOP CONTRIBUTIONS	128.78
5630	HEALTH & DENTAL PREMIUMS	84.03
5635	DENTAL INS REIMBURSEMENTS	29.24
5645	EMPLOYEE INS DEDUCTIONS	(193.38)
5650	HEALTH COSTS & OTHER	0.16
5655	HEALTH INS REIMBURSEMENTS	720.22
5660	OTHER EMP PENSION/BENEFITS	4.82
5665	PENSION CONTRIBUTIONS	113.72
5670	TERM LIFE INS	67.00
5675	TERM LIFE INS-OPT	(11.47)
5680	DEPEND LIFE INS-OPT	(5.08)
5690	TUITION	0.33
5705	INSURANCE-GEN LIAB	315.56
5715	INSURANCE-OTHER	46.29
5735	COMPUTER MAINTENANCE	159.99
5740	COMPUTER SUPPLIES	0.13
5745	COMPUTER AMORT & PROG COST	-
5750	INTERNET SUPPLIER	19.12
5785	ADVERTISING/MARKETING	-
5790	BANK SERVICE CHARGE	11.98
5805	LICENSE FEES	1.06
5810	MEMBERSHIPS	33.92
5820	TRAINING EXPENSE	14.14
5825	OTHER MISC EXPENSE	5.44
5855	ANSWERING SERVICE	4.78
5860	CLEANING SUPPLIES	0.58
5865	COPY MACHINE	1.34
5875	KITCHEN SUPPLIES	0.32
5880	OFFICE SUPPLY STORES	2.95

Riverbend Estates Water System

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For Q1 2019

<u>Account Number</u>	<u>Account Description</u>	<u>Riverbend Estates (BU 196100)</u> (a)
5885	PRINTING/BLEUPRINTS	2.16
5890	PUBL SUBSCRIPTIONS/TAPES	0.12
5895	SHIPPING CHARGES	10.80
5900	OTHER OFFICE EXPENSES	4.53
5930	OFFICE ELECTRIC	1.92
5935	OFFICE GAS	1.19
5940	OFFICE WATER	0.20
5945	OFFICE TELECOM	136.15
5950	OFFICE GARBAGE REMOVAL	1.46
5955	OFFICE LANDSCAPE / MOW / PLOW	-
5960	OFFICE ALARM SYS PHONE EXP	1.05
5965	OFFICE MAINTENANCE	1.65
5970	OFFICE CLEANING SERVICE	3.47
5975	OFFICE MACHINE/HEAT&COOL	1.48
5980	OTHER OFFICE UTILITIES	0.03
5985	TELEMETERING PHONE EXPENSE	-
6010	AUDIT FEES	50.64
6015	EMPLOY FINDER FEES	0.40
6020	ENGINEERING FEES	-
6025	LEGAL FEES	24.45
6030	MANAGEMENT FEES	732.20
6035	PAYROLL SERVICES	18.25
6040	TAX RETURN REVIEW	27.80
6045	TEMP EMPLOY - CLERICAL	-
6050	OTHER OUTSIDE SERVICES	75.42
6065	RATE CASE AMORT EXPENSE	30.68
6070	MISC REG MATTERS COMM EXP	3,380.76
6090	RENT	141.74
6110	SALARIES-ACCTG/FINANCE	139.66
6115	SALARIES-ADMIN	28.96
6120	SALARIES-OFFICERS/STKHLDR	236.70
6125	SALARIES-HR	35.87
6130	SALARIES-MIS	76.44
6135	SALARIES-LEADERSHIP OPS	428.90
6140	SALARIES-REGULATORY	34.76
6145	SALARIES-CUSTOMER SERVICE	156.40
6146	SALARIES-BILLING	64.78
6147	SALARIES-CORP SERVICE A	22.89
6150	SALARIES-OPERATIONS FIELD	89.12
6155	SALARIES-OPERATIONS OFFICE	55.23
6165	CAPITALIZED TIME ADJUSTMENT	(61.63)
6185	TRAVEL LODGING	19.75
6190	TRAVEL AIRFARE	11.85
6195	TRAVEL TRANSPORTATION	3.57
6200	TRAVEL MEALS	8.53
6205	TRAVEL ENTERTAINMENT	0.36
6207	TRAVEL OTHER	(3.18)
6215	FUEL	166.74
6220	AUTO REPAIR/TIRES	121.13
6225	AUTO LICENSES	7.73

Riverbend Estates Water System

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Docket No. W-390, Sub 13

Revenues and Expenses

For Q1 2019

<u>Account Number</u>	<u>Account Description</u>	<u>Riverbend Estates (BU 196100)</u> (a)
6230	OTHER TRANS EXPENSES	9.80
6255	TEST-WATER	60.00
6260	TEST-EQUIP/CHEMICAL	-
6285	WATER-MAINT SUPPLIES	-
6290	WATER-MAINT REPAIRS	2,370.36
6300	WATER-ELEC EQUIPT REPAIR	-
6305	WATER-PERMITS	-
6310	WATER-OTHER MAINT EXP	-
6355	DEFERRED MAINT EXPENSE	-
6360	COMMUNICATION EXPENSE	2.06
6370	OPER CONTRACTED WORKERS	-
6385	UNIFORMS	7.98
6390	WEATHER/HURRICANE COSTS	41.95
6510	DEPREC-ELEC PUMP EQP WTP	-
6525	DEPREC-DIST RESV & STANDPIPES	-
6530	DEPREC-TRANS & DISTR MA	-
6580	DEPREC-OFFICE STRUCTURE	9.49
6585	DEPREC-OFFICE FURN/EQPT	5.11
6595	DEPREC-TOOL SHOP & MISC EQPT	0.06
6605	DEPREC-POWER OPERATED EQUIP	-
6610	DEPREC-COMMUNICATION EQPT	6.94
6905	DEPREC-AUTO TRANS	228.59
6920	DEPREC-COMPUTER	200.49
7165	AMORT-WATER-TAP	(11.25)
7510	FICA EXPENSE	283.62
7515	FEDERAL UNEMPLOYMENT TAX	10.89
7520	STATE UNEMPLOYMENT TAX	20.56
7545	PERSONAL PROPERTY/ICT TAX	16.26
7550	PROPERTY/OTHER GENERAL TAX	1.50
7555	REAL ESTATE TAX	21.21
7735	S/T INT EXP BANK ONE	(3.62)
		<u>33,544.38</u>
	Operating Income	14,175.45

CERTIFICATE OF SERVICE

On behalf of Carolina Water Service, Inc. of North Carolina (Emergency Operator of Riverbend Estates Water System), I hereby certify that I have served a copy of the foregoing Quarterly Financial Reports for the Riverbend Estates Water System (January - March 2019 Calendar Quarter) in Docket No. W-390, Sub 13 on all parties of record in this proceeding, in accordance with North Carolina Utilities Commission Rule R1-39, either by United States mail, first class postage pre-paid; by hand delivery; or by means of electronic delivery upon agreement of the receiving party.

This the 30th day of April, 2019.

Electronically Submitted

/s/Jo Anne Sanford

State Bar No. 6831

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Attorney for Carolina Water Service,
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Operator)