



August 26, 2020

North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

ATTN Chief Clerk:

JAARS Inc. (W-1136) would like to submit corrected exhibits for our recently filed Letter of Clarification 2. Please replace the exhibits in that letter with the exhibits attached.

This includes Revenues and Expenses on Page 2 of the original application and Original Cost of Utility System on Page 3 of the original application.

This will change our proposed rate slightly from \$28.48 per REU per month to \$27.75 per REU per month, see attached Rate Case Calculation.

Thank you for your consideration.

Sincerely,

Rick Rivers
Water System Manager
rick_rivers@jaars.org
704.843.6321

OFFICIAL COPY

AUG 27 2020

Updated Figures for JAARS.Inc Application W-1136 Sub 3

Page 2 - Revenus And Expenses

For 12 Months Ended December 31, 2019

	Original Amount	Updated Amount	Difference
Residential service	\$ 41,925	\$ 41,925	\$ -
Total Revenues	\$ 41,925	\$ 41,925	\$ -
Administrative and office expense	\$ 4,924	\$ 7,247	\$ 2,323
Maintenance and repair expense	\$ 4,197	\$ 4,197	\$ -
Transportation expenses	\$ 2,484	\$ 3,001	\$ 517
Electric power for pumping	\$ 3,225	\$ 3,485	\$ 260
Chemicals for treatment	\$ 1,988	\$ 1,988	\$ -
Testing fees	\$ 6,720	\$ 6,720	\$ -
Permit fees	\$ 1,530	\$ 1,464	\$ (66)
Annual depreciation	\$ 2,785	\$ 3,038	\$ 253
Other expenses(describle in remarks below)	\$ 32,540	\$ 27,198	\$ (5,342)
Total Expenses	\$ 60,393	\$ 58,338	\$ (2,055)
Net Operating Income	\$ (18,468)	\$ (16,413)	\$ 2,055
Remarks			
Insurance expense	\$ 5,000	\$ 5,000	\$ -
Outside labor expense	\$ 27,540	\$ 22,032	\$ (5,508)
Annual NCUC Regulatory Fee	\$ -	\$ 66	\$ 66
Rate Case Filing Fee	\$ -	\$ 100	\$ 100

Updated Figures for JAARS.Inc Application W-1136 Sub 3
Page 3 - Original Cost of Utility System
As of Year Ended December 31, 2019

	Original Amount JAARS owned	Updated Amount N/A	Difference N/A
Land and rights-of-way			
Structures and site improvement	\$ 14,000	\$ 14,000	\$ -
Wells	\$ 17,222	\$ 17,222	\$ -
Pumping equipment	\$ 30,506	\$ 30,506	\$ -
Treatment equipment	\$ 1,311	\$ 1,311	\$ -
Storage tanks	\$ 69,285	\$ 69,285	\$ -
Mains	\$ 21,492	\$ 21,492	\$ -
Service connections	\$ 7,780	\$ 7,780	\$ -
Meters	N/A	N/A	N/A
Office furniture and equipment	N/A	N/A	N/A
Transportation equipment	N/A	N/A	N/A
Other utility property in service (describe in remarks below)	\$ 76,709	\$ 82,432	\$ 5,723
Total utility property in service	<u>\$ 238,305</u>	<u>\$ 244,028</u>	<u>\$ 5,723</u>
Less: accumulated depreciation	\$ 221,341	\$ 227,317	\$ 5,976
Less: accumulated tap fees and other contributions in aid of construction	N/A	N/A	N/A
Less: customer advances	N/A	N/A	N/A
Net Investment in utility property	<u><u>\$ 16,964</u></u>	<u><u>\$ 16,711</u></u>	<u><u>\$ (253)</u></u>

Remarks

Upgraded system (1988) - \$13,621

Radin Rd. Waterline Upgrade (2001) - \$12,758

Backup Generator 10KW (2000) - \$10,581

12,000 Gallon Hydro-Pneumatic Storage Tank (2012) - \$45,472

**JAARS.Inc Application W-1136 Sub 3
Rate Case**

	2019 Updated Actual	Adjustment for items provided by	Operations at present rate	Net company increase	Operation after rate increase	Rate increase
Operating revenues	\$ 41,925		\$ 41,925	\$ 19,913	\$ 61,838	47%
Salaries and wages	\$ -		\$ -		\$ -	
Outside labor expense	\$ 22,032		\$ 22,032		\$ 22,032	
Administrative and office expense	\$ 625	\$ 6,622	\$ 7,247		\$ 7,247	
Maintenance and repair expense	\$ 3,897	\$ 300	\$ 4,197		\$ 4,197	
Purchased water expense	\$ -		\$ -		\$ -	
Electric power for pumping	\$ 3,485		\$ 3,485		\$ 3,485	
Chemicals for treatment	\$ 1,988		\$ 1,988		\$ 1,988	
Testing fees	\$ 6,720		\$ 6,720		\$ 6,720	
Permit Fees	\$ 1,464		\$ 1,464		\$ 1,464	
Transportation expenses	\$ 1,153	\$ 1,848	\$ 3,001		\$ 3,001	
Annual depreciation	\$ 3,038		\$ 3,038		\$ 3,038	
Property taxes	\$ -		\$ -		\$ -	
Payroll taxes	\$ -		\$ -		\$ -	
Annual NCUC regulatory fee	\$ 66		\$ 66		\$ 66	
Insurance	\$ -	\$ 5,000	\$ 5,000		\$ 5,000	
Rate case fees	\$ -	\$ 100	\$ 100		\$ 100	
Total operating expenses	\$ 44,468		\$ 58,338		\$ 58,338	
Operating margin	\$ (2,543)		\$ (16,413)		\$ 3,500	
Net income	\$ (2,543)		\$ (16,413)		\$ 3,500	
Original cost	\$ 161,596		\$ 161,596		\$ 161,596	
Additions	\$ 82,432		\$ 82,432		\$ 82,432	
Net gross plant	\$ 244,028		\$ 244,028		\$ 244,028	
Less: accumulated depreciation	\$ 227,317		\$ 227,317		\$ 227,317	
Return on Rate Base					6.00%	
Return on Operating Expenses			-28.13%		6.00%	

JAARS 2020 Rate Design

JAARS.Inc Application W-1136 Sub 3

	REUs			Monthly Revenues	Annual Revenues
	2008	Addition	2020		
JAARS	97.7	0.3	98	\$ 2,719.51	\$ 32,634.09
Residential ^A	50	17	67	\$ 1,859.26	\$ 22,311.06
Lydia House	1.3	-1.3	0	\$ -	\$ -
Waxhaw Creek Apts. ^B	6	14.7	<u>20.7</u>	\$ 574.43	\$ 6,893.12
			185.7	\$ 5,153.19	\$ 61,838.28

A - Taken from 2019 Average Residential Flat Rate Customer Count

B - 36 Units totaling 44 Bedrooms @ 120 gal/BR = \$5,280 gal. or 14.7 REU's

JAARS 2020 Rate Design			
Operating Revenues	REU's per Month	REU's per Year	Calculated Rate
\$ 61,838	185.7	2228.4	\$ 27.75