



JAARS

August 13, 2020

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

ATTN Chief Clerk:

JAARS Inc. (W-1136) would like to clarify our rate increase application W-1136 Sub 3 as follows:

See attached updated figures for Revenues and Expenses on Page 2 of the original application.

See attached updated figures for Original Cost of Utility System on Page 3 of the original application.

This will change our proposed rate slightly from \$28.57 per REU per month to \$28.48 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

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	<u>\$ 41,925</u>	<u>\$ 41,925</u>	<u>\$ -</u>
Administrative and office expense	\$ 4,924	\$ 8,710	\$ 3,786
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	\$ 1,530	\$ -
Annual depreciation	\$ 2,785	\$ 3,038	\$ 253
Other expenses(describle in remarks below)	\$ 32,540	\$ 27,198	\$ (5,342)
Total Expenses	<u>\$ 60,393</u>	<u>\$ 59,867</u>	<u>\$ (526)</u>
Net Operating Income	<u>\$ (18,468)</u>	<u>\$ (17,942)</u>	<u>\$ 526</u>
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 JAARS	Operations at present rate	Net company increasase	Operation after rate increase	Rate increase
Operating revenues	\$ 41,925		\$ 41,925	\$ 21,534	\$ 63,459	51%
Salaries and wages	\$ -		\$ -		\$ -	
Outside labor expense	\$ 22,032		\$ 22,032		\$ 22,032	
Administrative and office expense	\$ 2,088	\$ 6,622	\$ 8,710		\$ 8,710	
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	\$ 1,530		\$ 1,530		\$ 1,530	
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	\$ 45,997		\$ 59,867		\$ 59,867	
Operating margin	\$ (4,072)		\$ (17,942)		\$ 3,592	
Net income	\$ (4,072)		\$ (17,942)		\$ 3,592	
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			-29.97%		6.00%	

JAARS 2020 Rate Design			
Operating Revenues	REU's per Month	REU's per Year	Calculated Rate
\$ 63,459	185.7	2228.4	\$ 28.48