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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present Rates:</u>						
1	Debt	50.90%	\$32,195,673 [2]	5.36% [1]	2.73%	\$1,725,688 [8]
2	Equity	49.10%	31,057,122 [2]	5.19% [6]	2.55%	1,611,069 [9]
3	Total	100.00%	<u>\$63,252,795 [3]</u>		<u>5.28%</u>	<u>\$3,336,757 [10]</u>
<u>Company Proposed Rates:</u>						
4	Debt	50.90%	\$32,195,673 [4]	5.36% [1]	2.73%	\$1,725,688 [8]
5	Equity	49.10%	31,057,122 [4]	11.85% [6]	5.82%	3,679,477 [11]
6	Total	100.00%	<u>\$63,252,795 [3]</u>		<u>8.55%</u>	<u>\$5,405,165 [12]</u>
<u>Public Staff Recommended Rates:</u>						
7	Debt	50.90%	\$32,195,673 [5]	5.36% [1]	2.73%	\$1,725,688 [8]
8	Equity	49.10%	31,057,122 [5]	9.10% [1]	4.47%	2,826,198 [13]
9	Total	100.00%	<u>\$63,252,795 [3]</u>		<u>7.20%</u>	<u>\$4,551,886 [14]</u>

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(a), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(a), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(a), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(a), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present Rates:</u>						
1	Debt	50.90%	\$29,917,449 [2]	5.36% [1]	2.73%	\$1,603,575 [8]
2	Equity	49.10%	28,859,464 [2]	1.75% [6]	0.86%	505,403 [9]
3	Total	100.00%	\$58,776,913 [3]		3.59%	\$2,108,978 [10]
<u>Company Proposed Rates:</u>						
4	Debt	50.90%	\$29,917,449 [4]	5.36% [1]	2.73%	\$1,603,575 [8]
5	Equity	49.10%	28,859,464 [4]	12.32% [6]	6.05%	3,555,206 [11]
6	Total	100.00%	\$58,776,913 [3]		8.78%	\$5,158,781 [12]
<u>Public Staff Recommended Rates:</u>						
7	Debt	50.90%	\$29,917,449 [5]	5.36% [1]	2.73%	\$1,603,575 [8]
8	Equity	49.10%	28,859,464 [5]	9.10% [1]	4.47%	2,626,211 [13]
9	Total	100.00%	\$58,776,913 [3]		7.20%	\$4,229,786 [14]

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(b), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(b), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(b), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(b), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	50.90%	\$1,536,075 [2]	5.36% [1]	2.73%	\$82,334 [8]
2	Equity	49.10%	1,481,753 [2]	4.72% [6]	2.32%	69,870 [9]
3	Total	100.00%	\$3,017,828 [3]		5.05%	\$152,204 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$1,536,075 [4]	5.36% [1]	2.73%	\$82,334 [8]
5	Equity	49.10%	1,481,753 [4]	14.44% [6]	7.09%	214,008 [11]
6	Total	100.00%	\$3,017,828 [3]		9.82%	\$296,342 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$1,536,075 [5]	5.36% [1]	2.73%	\$82,334 [8]
8	Equity	49.10%	1,481,753 [5]	9.10% [1]	4.47%	134,840 [13]
9	Total	100.00%	\$3,017,828 [3]		7.20%	\$217,174 [14]

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(c), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(c), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(c), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	50.90%	\$3,908,791 [2]	5.36% [1]	2.73%	\$209,511 [8]
2	Equity	49.10%	3,770,563 [2]	6.70% [6]	3.29%	252,677 [9]
3	Total	100.00%	\$7,679,354 [3]		6.02%	\$462,188 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$3,908,791 [4]	5.36% [1]	2.73%	\$209,511 [8]
5	Equity	49.10%	3,770,563 [4]	11.01% [6]	5.41%	415,311 [11]
6	Total	100.00%	\$7,679,354 [3]		8.14%	\$624,822 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$3,908,791 [5]	5.36% [1]	2.73%	\$209,511 [8]
8	Equity	49.10%	3,770,563 [5]	9.10% [1]	4.47%	343,121 [13]
9	Total	100.00%	\$7,679,354 [3]		7.20%	\$552,632 [14]

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(d), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(d), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(d), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [2]
1	Plant in service	\$111,829,743	\$2,937,074	\$ 114,766,817 [3]
2	Accumulated depreciation	(28,655,001)	(898,702)	(29,553,703) [4]
3	Net plant in service (L1 + L2)	83,174,742	2,038,372	85,213,114
4	Cash working capital	1,232,777	(51,937)	1,180,840 [5]
5	Contributions in aid of construction	(17,943,076)	280,263	(17,662,813) [6]
6	Advances in aid of construction	(23,760)	0	(23,760)
7	Accumulated deferred income taxes	(3,094,767)	807,510	(2,287,257) [7]
8	Customer deposits	(169,004)	(6,938)	(175,942) [8]
9	Inventory	167,608	0	167,608
10	Gain on sale and flow back taxes	(87,248)	(194,620)	(281,868) [9]
11	Plant acquisition adjustment	(2,152,235)	67,231	(2,085,004) [10]
12	Excess book value	(331)	331	0 [11]
13	Cost-free capital	(121,791)	0	(121,791)
14	Average tax accruals	71,990	(153,585)	(81,595) [12]
15	Regulatory liability for excess deferred taxes	(2,084,991)	0	(2,084,991)
16	Deferred charges	1,743,073	(246,818)	1,496,255 [13]
17	Pro forma plant	1,651,751	(1,651,751)	0 [14]
18	Original cost rate base (Sum of L3 thru L17)	\$62,364,736	\$888,059	\$63,252,795

[1] Column (c) minus Column (a).

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 3.

[4] Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 6.

[5] Feasel Exhibit I, Schedule 2-3, Column (a), Line 4.

[6] Feasel Exhibit I, Schedule 2-4, Column (c), Line 5.

[7] Feasel Exhibit I, Schedule 2-5(a), Column (d), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (a), Line 3.

[9] Feasel Exhibit I, Schedule 2-7, Column (a), Line 6.

[10] Feasel Exhibit I, Schedule 2-8, Column (c), Line 9.

[11] Feasel Exhibit I, Schedule 2-9, Column (d), Line 7.

[12] Feasel Exhibit I, Schedule 2-3, Column (a), Line 9.

[13] Feasel Exhibit I, Schedule 2-10, Column (a), Line 4.

[14] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Plant in service	\$86,043,725	\$16,930,839	\$ 102,974,564 [3]
2	Accumulated depreciation	(22,391,031)	(1,255,062)	(23,646,093) [4]
3	Net plant in service (L1 + L2)	63,652,694	15,675,777	79,328,471
4	Cash working capital	945,121	(5,523)	939,598 [5]
5	Contributions in aid of construction	(17,746,596)	187,316	(17,559,280) [6]
6	Advances in aid of construction	(9,180)	0	(9,180)
7	Accumulated deferred income taxes	(2,714,636)	(152,713)	(2,867,349) [7]
8	Customer deposits	(102,119)	(4,192)	(106,311) [8]
9	Inventory	101,275	0	101,275
10	Gain on sale and flow back taxes	(44,447)	(91,496)	(135,943) [9]
11	Plant acquisition adjustment	292,810	4,152	296,963 [10]
12	Excess book value	0	0	0
13	Cost-free capital	(139,708)	0	(139,708)
14	Average tax accruals	44,058	(93,981)	(49,923) [11]
15	Regulatory liability for excess deferred taxes	(1,259,826)	0	(1,259,826)
16	Deferred charges	297,309	(59,183)	238,126 [12]
17	Pro forma plant	14,735,814	(14,735,814)	0 [13]
18	Original cost rate base (Sum of L3 thru L17)	\$58,052,570	\$724,343	\$58,776,913

[1] Column (c) minus Column (a).

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 3.

[4] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 6.

[5] Feasel Exhibit I, Schedule 2-3, Column (b), Line 4.

[6] Feasel Exhibit I, Schedule 2-4, Column (f), Line 5.

[7] Feasel Exhibit I, Schedule 2-5(a), Column (e), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (b), Line 3.

[9] Feasel Exhibit I, Schedule 2-7, Column (b), Line 6.

[10] Feasel Exhibit I, Schedule 2-8, Column (f), Line 9.

[11] Feasel Exhibit I, Schedule 2-3, Column (b), Line 9.

[12] Feasel Exhibit I, Schedule 2-10, Column (b), Line 4.

[13] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2(c)**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b) [1]	Amount Per Public Staff (c) [2]
1	Plant in service	\$6,124,796	\$160,893	\$6,285,688 [3]
2	Accumulated depreciation	(1,973,425)	(109,837)	(2,083,262) [4]
3	Net plant in service (L1 + L2)	4,151,370	51,056	4,202,426
4	Cash working capital	131,494	(7,332)	124,162 [5]
5	Contributions in aid of construction	(1,107,296)	52,158	(1,055,139) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(102,079)	20,723	(81,356) [7]
8	Customer deposits	(16,137)	(99)	(16,236) [8]
9	Inventory	1,503	0	1,503
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	21,257	(8,061)	13,196 [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	4,285	(9,909)	(5,624) [10]
15	Regulatory liability for excess deferred taxes	(291,777)	0	(291,777)
16	Deferred charges	126,015	658	126,673 [11]
17	Pro forma plant	0	0	0
18	Original cost rate base (Sum of L3 thru L17)	\$2,918,635	\$99,193	\$3,017,828

[1] Column (c) minus Column (a).

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 4.

[4] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 8.

[5] Feasel Exhibit I, Schedule 2-3, Column (c), Line 4.

[6] Feasel Exhibit I, Schedule 2-4, Column (i), Line 5.

[7] Feasel Exhibit I, Schedule 2-5(b), Column (d), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (c), Line 3.

[9] Feasel Exhibit I, Schedule 2-8, Column (i), Line 9.

[10] Feasel Exhibit I, Schedule 2-3, Column (c), Line 9.

[11] Feasel Exhibit I, Schedule 2-10, Column (c), Line 4.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]
1	Plant in service	\$13,461,976	\$723,039		\$14,185,016	[3]
2	Accumulated depreciation	(2,720,300)	105,415		(2,614,885)	[4]
3	Net plant in service (L1 + L2)	10,741,677	828,454		11,570,131	
4	Cash working capital	158,284	(4,731)		153,553	[5]
5	Contributions in aid of construction	(4,119,137)	125,694		(3,993,443)	[6]
6	Advances in aid of construction	0	0		0	
7	Accumulated deferred income taxes	(788,457)	77,841		(710,616)	[7]
8	Customer deposits	(16,854)	(104)		(16,958)	[8]
9	Inventory	1,570	0		1,570	
10	Gain on sale and flow back taxes	0	0		0	
11	Plant acquisition adjustment	964,434	(27,466)		936,967	[9]
12	Excess book value	0	0		0	
13	Cost-free capital	0	0		0	
14	Average tax accruals	4,681	(10,737)		(6,056)	[10]
15	Regulatory liability for excess deferred taxes	(304,750)	0		(304,750)	
16	Deferred charges	86,248	(37,291)		48,957	[11]
17	Pro forma plant	807,664	(807,664)		0	[12]
18	Original cost rate base (Sum of L3 thru L17)	\$7,535,358	\$143,996		\$7,679,354	

[1] Column (c) minus Column (a).

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 3.

[4] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 6.

[5] Feasel Exhibit I, Schedule 2-3, Column (d), Line 4.

[6] Feasel Exhibit I, Schedule 2-4, Column (I), Line 5.

[7] Feasel Exhibit I, Schedule 2-5(b), Column (e), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (d), Line 3.

[9] Feasel Exhibit I, Schedule 2-8, Column (I), Line 9.

[10] Feasel Exhibit I, Schedule 2-3, Column (d), Line 9.

[11] Feasel Exhibit I, Schedule 2-10, Column (d), Line 4.

[12] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(a)**CWSNC WATER OPERATIONS**

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Direct plant in service	\$104,982,991	\$2,972,266	\$107,955,257 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	6,846,751	(35,191)	6,811,560 [4]
3	Total plant in service (L1 + L2)	<u>\$111,829,742</u>	<u>\$2,937,075</u>	<u>\$114,766,817</u>
Accumulated Depreciation:				
4	Direct accumulated depreciation	(\$23,621,429)	(\$922,710)	(\$24,544,139) [5]
5	Allocation of common accumulated depreciation: WSC cost center, Regional and NC	(5,033,571)	24,007	(5,009,564) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$28,655,000)</u>	<u>(\$898,703)</u>	<u>(\$29,553,703)</u>

[1] Column (c) minus Column (a), unless otherwise footnoted.

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d), Line 46.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (a), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(b)**CWSNC SEWER OPERATIONS**

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
	Plant In Service:			
1	Direct plant in service	\$82,763,331	\$16,952,103	\$99,715,435 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	<u>3,280,393</u>	<u>(21,264)</u>	<u>3,259,129</u> [4]
3	Total plant in service (L1 + L2)	<u>\$86,043,724</u>	<u>\$16,930,839</u>	<u>\$102,974,564</u>
	Accumulated Depreciation:			
4	Direct accumulated depreciation	<u>(\$19,700,492)</u>	<u>(\$1,269,569)</u>	<u>(\$20,970,061)</u> [5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	<u>(2,690,538)</u>	<u>14,506</u>	<u>(2,676,032)</u> [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$22,391,030)</u>	<u>(\$1,255,063)</u>	<u>(\$23,646,093)</u>

[1] Column (c) minus Column (a), unless otherwise footnoted.

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d), Line 58.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (b), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(c)**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
<u>Plant In Service:</u>				
1	Direct plant in service	\$5,313,468	\$162,011	\$5,475,478 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	739,857	(1,118)	738,739 [4]
3	Pace Utilities plant in service	71,471	0	71,471
4	Total plant in service (L1+ L2 + L3)	<u>\$6,124,796</u>	<u>\$160,893</u>	<u>\$6,285,688</u>
<u>Accumulated Depreciation:</u>				
5	Direct accumulated depreciation	(\$1,387,939)	(\$110,563)	(\$1,498,502) [5]
6	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	(531,224)	726	(530,498) [4]
7	Pace Utilities accumulated depreciation	(54,262)	0	(54,262)
8	Total accumulated depr. (L5 + L6 + L7)	<u>(\$1,973,425)</u>	<u>(\$109,837)</u>	<u>(\$2,083,262)</u>

[1] Column (c) minus Column (a), unless otherwise footnoted.

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), Line 46.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (c), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(d)**BF/FH SEWER OPERATIONS**

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
	Plant In Service:			
1	Direct plant in service	\$12,884,980	\$727,428	\$13,612,409 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	576,996	(4,389)	572,607 [4]
3	Total plant in service (L1+ L2)	<u>\$13,461,976</u>	<u>\$723,039</u>	<u>\$14,185,016</u>
	Accumulated Depreciation:			
4	Direct accumulated depreciation	(\$2,245,646)	\$102,421	(\$2,143,225) [5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	(474,654)	2,994	(471,660) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$2,720,300)</u>	<u>\$105,415</u>	<u>(\$2,614,885)</u>

[1] Column (c) minus Column (a), unless otherwise footnoted.

[2] Column (a) plus Column (b), unless otherwise footnoted.

[3] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d), Line 58.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (d), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
 For The Test Year Ended March 31, 2019

Settlement Exhibit I
 Schedule 2-1(a)(1)

CWSNC WATER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1020	Organization	\$458,604	\$0	\$0	\$458,604
2	1025	Franchises	111,898	117,618	0	229,516
3	1030	Land & land rights pump	71,437	0	0	71,437
4	1035	Land & land rights water tr.	357,109	0	0	357,109
5	1040	Land & land rights trans.	20,173	0	0	20,173
6	1045	Land & land rights gen. plt.	514,264	0	750	515,014
7	1050	Struct & improv. src. supply	4,307,230	0	17,474	4,324,704
8	1055	Struct & improv. wtr. trt. plt.	1,366,535	0	27,112	1,393,647
9	1060	Struct & improv. trans. dist.	262,847	0	3,370	266,217
10	1065	Struct & improv. gen. plt.	330,888	0	4,264	335,152
11	1070	Collecting reservoirs	13,139	0	0	13,139
12	1080	Wells & springs	13,772,515	0	287,307	14,059,822
13	1085	Infiltration gallery	45,185	0	0	45,185
14	1090	Supply mains	472,166	0	9,573	481,739
15	1095	Power generation equip.	158,288	0	0	158,288
16	1100	Electric pump equip. src. plt.	2,610,038	0	24,636	2,634,674
17	1105	Electric pump equip. wtp.	8,330,630	0	56,637	8,387,267
18	1110	Electric pump equip. trans.	3,224,838	0	130,652	3,355,490
19	1115	Water treatment equip.	4,379,737	0	221,872	4,601,608
20	1120	Dist. resv. & standpipes	7,996,539	0	145,497	8,142,035
21	1125	Trans. & distr. mains	32,853,508	0	701,331	33,554,839
22	1130	Service lines	12,343,931	0	349,703	12,693,634
23	1135	Meters	5,364,271	0	921,067	6,285,338
24	1140	Meter installations	1,210,168	0	18,475	1,228,643
25	1145	Hydrants	1,219,074	0	5,989	1,225,062
26	1150	Backflow prevention devic.	28,256	0	(114)	28,142
27	1160	Other plt. & misc. equip. src. su.	260	0	0	260
28	1165	Other plt. & misc. equip. wtp.	6,262	0	0	6,262
29	1175	Office struct & improv.	110,967	0	7,596	118,562
30	1180	Office furn. & equip.	370,606	0	7,968	378,575
31	1185	Stores equipment	4,224	0	274	4,498
32		Tool shop & misc. equip.	1,381,118	0	9,381	1,390,499
33	1195	Laboratory equipment	157,246	0	1,414	158,660
34		Power operated equip.	326,637	0	2,818	329,456
35	1205	Communication equip.	322,016	0	0	322,016
36	1210	Misc. equipment	183,548	0	24	183,572
37	1215	Water plant allocated	207,809	0	0	207,809
38	1220	Other tangible plt. water	36,650	0	0	36,650
39	1555	Transportation equip.	0	0	0	0
40	1580	Mainframe computer - wtr	0	0	0	0
41	1585	Mini computer - wtr	(6,977)	(4,893)	0	(11,871)
42	1590	Comp. system cost - wtr	59,359	0	0	59,359
43	1595	Micro system cost - wtr	0	0	0	0
44	1805	Plt. held for future use	0	(95,528)	0	(95,528)
45		Pro forma plant additions	0	0	0	0
46		Total plant in service (Sum of L1 thru L45)	<u>\$104,982,991</u>	<u>\$17,196</u>	<u>\$2,955,070</u>	<u>\$107,955,257</u>

[1] Per examination of Company's financial records.

[2] Feasel Exhibit I, Schedule 2-1(a)(2), column (d).

[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(b)(1)

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1245	Organization	\$907,628	\$0	\$0	\$907,628
2	1250	Franchises intang. plt.	127,476	0	0	127,476
3	1270	Land & land rights trtmnt plt	39,167	0	0	39,167
4	1275	Land & land rights reclaim.	1,150	0	0	1,150
5	1285	Land & land rights gen. plt.	213,811	0	0	213,811
6	1290	Struct/improv. coll. plt.	87,344	0	0	87,344
7	1295	Struct/improv. pump plt. ls.	7,193,839	0	1,280,154	8,473,993
8	1300	Struct/improv. treat. plt.	19,729,926	0	186,850	19,916,776
9	1305	Struct/improv. reclaim. wtp.	3,271	0	0	3,271
10	1310	Struct/improv. reclaim. wtr.	179,730	0	192	179,922
11	1315	Struct/improv. gen. plt.	1,672,150	0	6,008	1,678,158
12	1320	Power gen. equip. coll. plt.	107,623	0	0	107,623
13	1325	Power gen. equip. pump plt.	52,159	0	850	53,009
14	1330	Power gen. equip. treat. plt.	209,729	0	1,851	211,580
15	1345	Sewer force main/serv. lin.	3,595,018	0	32,051	3,627,069
16	1350	Sewer gravity main	16,806,485	0	984,395	17,790,880
17	1353	Manholes	777,668	0	253,029	1,030,697
18	1355	Special coll. structures	6,922	0	17	6,939
19	1360	Services to customers	1,630,854	0	72,312	1,703,167
20	1365	Flow measure devices	130,945	0	2,666	133,611
21	1370	Flow measure install	1,010	0	96	1,106
22	1375	Receiving wells	89,444	0	0	89,444
23	1380	Pumping equipment pump plt.	3,941,182	0	163,544	4,104,726
24	1385	Pumping equipment reclaim.	29,342	0	0	29,342
25	1390	Pumping equipment rcl. wtr.	44,313	0	0	44,313
26	1395	Treat./disp. equip. lagoon	580,369	0	0	580,369
27	1400	Treat./disp. equip. trt. plt.	18,942,144	0	27,395	18,969,538
28	1405	Treat./disp. equip. rct. wtp.	13,459	0	364	13,823
29	1410	Plant sewers treat. plt.	3,944,724	0	14,022,525	17,967,248
30	1415	Plant sewers reclaim wtp.	5,155	0	0	5,155
31	1420	Outfall lines	98,839	0	408,438	507,277
32	1425	Other plt. tangible	3,676	0	0	3,676
33	1430	Other plt. collection	21,142	0	0	21,142
34	1435	Other plt. pump	48,131	0	288	48,419
35	1440	Other plt. treatment	37,177	0	0	37,177
36	1445	Other plt. reclaim wtr. trt.	650	0	0	650
37	1450	Other plt. reclaim wtr. dis.	460	0	0	460
38	1455	Office struct & improv.	34,218	0	0	34,218
39	1460	Office furn. & equip.	32,053	0	1,080	33,133
40	1465	Stores equipment	5,251	0	1,220	6,471
41	1470	Tool shop & misc. equip.	197,990	0	7,567	205,556
42	1475	Laboratory equipment	139,339	0	5,141	144,480
43	1480	Power operated equip.	366,346	0	10,054	376,400
44	1485	Communication equip.	73,595	0	48	73,643
45	1490	Misc equip. sewer	19,105	0	0	19,105
46	1495	Sewer plant allocated	526,952	0	0	526,952
47	1500	Other tangible plt. sewer	1,776	0	0	1,776
48	1535	Reuse dist. reservoirs	3,417	0	89	3,507
49	1540	Reuse transmission & dist.	57,527	0	1,444	58,971
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	(4,216)	(2,957)	0	(7,173)
54	1590	Comp. system cost - wtr	35,867	0	0	35,867
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	(514,608)	0	(514,608)
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	<u>\$82,763,331</u>	<u>(\$517,565)</u>	<u>\$17,469,668</u>	<u>\$99,715,435</u>

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(b)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(c)(1)

BF/FH/TC WATER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1020	Organization	\$99,771	\$0	\$0	\$99,771
2	1025	Franchises	29,653	21,587	0	51,240
3	1030	Land & land rights pump	0	0	0	0
4	1035	Land & land rights water tr.	0	0	0	0
5	1040	Land & land rights trans.	0	0	0	0
6	1045	Land & land rights gen. plt.	419	0	0	419
7	1050	Struct & improv. src. supply	162,898	0	238	163,136
8	1055	Struct & improv. wtr. trt. plt.	82,874	0	61,017	143,891
9	1060	Struct & improv. trans. dist.	461	0	0	461
10	1065	Struct & improv. gen. plt.	1,671	0	459	2,130
11	1070	Collecting reservoirs	0	0	0	0
12	1080	Wells & springs	520,420	0	(7,819)	512,601
13	1085	Infiltration gallery	0	0	0	0
14	1090	Supply mains	839	0	4,057	4,896
15	1095	Power generation equip.	0	0	0	0
16	1100	Electric pump equip. src. plt.	48,999	0	1,247	50,246
17	1105	Electric pump equip. wtp.	347,796	0	6,893	354,689
18	1110	Electric pump equip. trans.	33,379	0	4,756	38,135
19	1115	Water treatment equip.	131,019	0	4,797	135,816
20	1120	Dist. resv. & standpipes	754,899	0	3,016	757,915
21	1125	Trans. & distr. mains	1,830,245	0	19,694	1,849,939
22	1130	Service lines	686,359	0	28,460	714,819
23	1135	Meters	126,102	0	2,598	128,700
24	1140	Meter installations	138,351	0	8,425	146,776
25	1145	Hydrants	162,374	0	713	163,087
26	1150	Backflow prevention devic.	98	0	0	98
27	1160	Other plt. & misc. equip. src. su.	0	0	0	0
28	1165	Other plt. & misc. equip. wtp.	0	0	0	0
29	1175	Office struct & improv.	6,790	0	955	7,745
30	1180	Office furn. & equip.	4,240	0	0	4,240
31	1185	Stores equipment	235	0	114	349
32	1190	Tool shop & misc. equip.	95,744	0	1,387	97,131
33	1195	Laboratory equipment	11,419	0	0	11,419
34	1200	Power operated equip.	3,815	0	0	3,815
35	1205	Communication equip.	32,582	0	0	32,582
36	1210	Misc. equipment	18	0	0	18
37	1215	Water plant allocated	0	0	0	0
38	1220	Other tangible plt. water	0	0	0	0
39	1555	Transportation equip.	0	0	0	0
40	1580	Mainframe computer - wtr	0	0	0	0
41	1585	Mini computer - wtr	0	(584)	0	(584)
42	1590	Comp. system cost - wtr	0	0	0	0
43	1595	Micro system cost - wtr	0	0	0	0
44	1805	Plt. held for future use	0	0	0	0
45		Pro forma plant additions	0	0	0	0
46		Total plant in service (Sum of L1 thru L45)	\$5,313,468	\$21,003	\$141,008	\$5,475,478

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(c)(2), column (d).
[3] Sum of Column (a) through Column (c).

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Nov 27 2019

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(d)(1)

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1245	Organization	\$16,593	\$0	\$0	\$16,593
2	1250	Franchises intang. plt.	20,351	21,587	0	41,938
3	1270	Land & land rights trtmnt plt	0	0	0	0
4	1275	Land & land rights reclaim.	0	0	0	0
5	1285	Land & land rights gen. plt.	0	0	0	0
6	1290	Struct/improv. coll. plt.	0	0	0	0
7	1295	Struct/improv. pump plt. ls.	1,028,215	0	614,816	1,643,031
8	1300	Struct/improv. treat. plt.	1,985,807	0	27,800	2,013,607
9	1305	Struct/improv. reclaim. wtp.	0	0	0	0
10	1310	Struct/improv. reclaim. wtr.	2,477	0	0	2,477
11	1315	Struct/improv. gen. plt.	252,398	0	11,627	264,025
12	1320	Power gen. equip. coll. plt.	0	0	0	0
13	1325	Power gen. equip. pump plt.	41,076	0	750	41,826
14	1330	Power gen. equip. treat. plt.	0	0	0	0
15	1345	Sewer force main/serv. lin.	193,718	0	2,767	196,485
16	1350	Sewer gravity main	5,207,792	0	12,548	5,220,340
17	1353	Manholes	32,586	0	11,793	44,379
18	1355	Special coll. structures	775	0	0	775
19	1360	Services to customers	58,429	0	1,809	60,239
20	1365	Flow measure devices	17,011	0	0	17,011
21	1370	Flow measure install	0	0	0	0
22	1375	Receiving wells	0	0	0	0
23	1380	Pumping equipment pump plt.	737,049	0	11,004	748,053
24	1385	Pumping equipment reclaim.	234	0	0	234
25	1390	Pumping equipment rcl. wtr.	0	0	0	0
26	1395	Treat./disp. equip. lagoon	56	0	0	56
27	1400	Treat./disp. equip. trt. plt.	2,781,412	0	11,249	2,792,662
28	1405	Treat./disp. equip. rct. wtp.	0	0	0	0
29	1410	Plant sewers treat. plt.	388,316	0	(1,606)	386,711
30	1415	Plant sewers reclaim wtp.	0	0	0	0
31	1420	Outfall lines	15,379	0	0	15,379
32	1425	Other plt. tangible	0	0	0	0
33	1430	Other plt. collection	(224)	0	0	(224)
34	1435	Other plt. pump	2,873	0	0	2,873
35	1440	Other plt. treatment	0	0	0	0
36	1445	Other plt. reclaim wtr. trt.	5,189	0	0	5,189
37	1450	Other plt. reclaim wtr. dis.	0	0	0	0
38	1455	Office struct & improv.	12,031	0	0	12,031
39	1460	Office furn. & equip.	970	0	623	1,593
40	1465	Stores equipment	2,752	0	0	2,752
41	1470	Tool shop & misc. equip.	13,934	0	380	14,314
42	1475	Laboratory equipment	6,227	0	0	6,227
43	1480	Power operated equip.	47,780	0	100	47,881
44	1485	Communication equip.	993	0	0	993
45	1490	Misc equip. sewer	8,603	0	790	9,393
46	1495	Sewer plant allocated	0	0	0	0
47	1500	Other tangible plt. sewer	0	0	0	0
48	1535	Reuse dist. reservoirs	2,763	0	0	2,763
49	1540	Reuse transmission & dist.	1,414	0	0	1,414
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	0	(611)	0	(611)
54	1590	Comp. system cost - wtr	0	0	0	0
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	0	0	0
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	<u>\$12,884,980</u>	<u>\$20,976</u>	<u>\$706,452</u>	<u>\$13,612,409</u>

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(d)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(a)(2)

CWSNC WATER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1]	Riverbend unrecovered cost [1]	INTOOLLECT LLC reclass adjustments [1]	Adjustments Amount Per Public Staff [2]
			(a)	(b)	(c)	(d)
1	1020	Organization	\$0	\$0	\$0	\$0
2	1025	Franchises	0	117,618	0	117,618
3	1030	Land & land rights pump	0	0	0	-
4	1035	Land & land rights water tr.	0	0	0	-
5	1040	Land & land rights trans.	0	0	0	-
6	1045	Land & land rights gen. plt.	0	0	0	-
7	1050	Struct & improv. src. supply	0	0	0	-
8	1055	Struct & improv. wtr. trt. plt.	0	0	0	-
9	1060	Struct & improv. trans. dist.	0	0	0	-
10	1065	Struct & improv. gen. plt.	0	0	0	-
11	1070	Collecting reservoirs	0	0	0	-
12	1080	Wells & springs	0	0	0	-
13	1085	Infiltration gallery	0	0	0	-
14	1090	Supply mains	0	0	0	-
15	1095	Power generation equip.	0	0	0	-
16	1100	Electric pump equip. src. plt.	0	0	0	-
17	1105	Electric pump equip. wtp.	0	0	0	-
18	1110	Electric pump equip. trans.	0	0	0	-
19	1115	Water treatment equip.	0	0	0	-
20	1120	Dist. resv. & standpipes	0	0	0	-
21	1125	Trans. & distr. mains	0	0	0	-
22	1130	Service lines	0	0	0	-
23	1135	Meters	0	0	0	-
24	1140	Meter installations	0	0	0	-
25	1145	Hydrants	0	0	0	-
26	1150	Backflow prevention devic.	0	0	0	-
27	1160	Other plt. & misc. equip. src. su.	0	0	0	-
28	1165	Other plt. & misc. equip. wtp.	0	0	0	-
29	1175	Office struct & improv.	0	0	0	-
30	1180	Office furn. & equip.	0	0	0	-
31	1185	Stores equipment	0	0	0	-
32		Tool shop & misc. equip.	0	0	0	-
33	1195	Laboratory equipment	0	0	0	-
34		Power operated equip.	0	0	0	-
35	1205	Communication equip.	0	0	0	-
36	1210	Misc. equipment	0	0	0	-
37	1215	Water plant allocated	0	0	0	-
38	1220	Other tangible plt. water	0	0	0	-
39	1555	Transportation equip.	0	0	0	-
40	1580	Mainframe computer - wtr	0	0	0	-
41	1585	Mini computer - wtr	0	0	(4,893)	(4,893)
42	1590	Comp. system cost - wtr	0	0	0	-
43	1595	Micro system cost - wtr	0	0	0	-
44	1805	Plt. held for future use	(95,528)	0	0	(95,528)
45		Pro forma plant additions	0	0	0	-
46		Total plant in service (Sum of L1 thru L45)	(\$95,528)	\$117,618	(\$4,893)	\$17,196

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(b)(2)

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1]	Riverbend unrecovered cost [1]	INTOOLLECT LLC reclass adjustments [1]	Adjustments Amount Per Public Staff [2]
			(a)	(b)	(c)	(d)
1	1245	Organization	\$0	\$0	\$0	\$0
2	1250	Franchises intang. plt.	0	0	0	-
3	1270	Land & land rights trmnt plt	0	0	0	-
4	1275	Land & land rights reclaim.	0	0	0	-
5	1285	Land & land rights gen. plt.	0	0	0	-
6	1290	Struct/improv. coll. plt.	0	0	0	-
7	1295	Struct/improv. pump plt. ls.	0	0	0	-
8	1300	Struct/improv. treat. plt.	0	0	0	-
9	1305	Struct/improv. reclaim. wtr.	0	0	0	-
10	1310	Struct/improv. reclaim. wtr.	0	0	0	-
11	1315	Struct/improv. gen. plt.	0	0	0	-
12	1320	Power gen. equip. coll. plt.	0	0	0	-
13	1325	Power gen. equip. pump plt.	0	0	0	-
14	1330	Power gen. equip. treat. plt.	0	0	0	-
15	1345	Sewer force main/serv. lin.	0	0	0	-
16	1350	Sewer gravity main	0	0	0	-
17	1353	Manholes	0	0	0	-
18	1355	Special coll. structures	0	0	0	-
19	1360	Services to customers	0	0	0	-
20	1365	Flow measure devices	0	0	0	-
21	1370	Flow measure install	0	0	0	-
22	1375	Receiving wells	0	0	0	-
23	1380	Pumping equipment pump plt.	0	0	0	-
24	1385	Pumping equipment reclaim.	0	0	0	-
25	1390	Pumping equipment rcl. wtr.	0	0	0	-
26	1395	Treat./disp. equip. lagoon	0	0	0	-
27	1400	Treat./disp. equip. trt. plt.	0	0	0	-
28	1405	Treat./disp. equip. rct. wtp.	0	0	0	-
29	1410	Plant sewers treat. plt.	0	0	0	-
30	1415	Plant sewers reclaim wtp.	0	0	0	-
31	1420	Outfall lines	0	0	0	-
32	1425	Other plt. tangible	0	0	0	-
33	1430	Other plt. collection	0	0	0	-
34	1435	Other plt. pump	0	0	0	-
35	1440	Other plt. treatment	0	0	0	-
36	1445	Other plt. reclaim wtr. trt.	0	0	0	-
37	1450	Other plt. reclaim wtr. dis.	0	0	0	-
38	1455	Office struct & improv.	0	0	0	-
39	1460	Office furn. & equip.	0	0	0	-
40	1465	Stores equipment	0	0	0	-
41	1470	Tool shop & misc. equip.	0	0	0	-
42	1475	Laboratory equipment	0	0	0	-
43	1480	Power operated equip.	0	0	0	-
44	1485	Communication equip.	0	0	0	-
45	1490	Misc equip. sewer	0	0	0	-
46	1495	Sewer plant allocated	0	0	0	-
47	1500	Other tangible plt. sewer	0	0	0	-
48	1535	Reuse dist. reservoirs	0	0	0	-
49	1540	Reuse transmission & dist.	0	0	0	-
50	1555	Transportation equip.	0	0	0	-
51	1575	Desktop computer - wtr	0	0	0	-
52	1580	Mainframe computer - wtr	0	0	0	-
53	1585	Mini computer - wtr	0	0	(2,957)	(2,957)
54	1590	Comp. system cost - wtr	0	0	0	-
55	1595	Micro system cost - wtr	0	0	0	-
56	1805	Plt. held for future use	(514,608)	0	0	(514,608)
57		Pro forma plant additions	0	0	0	-
58		Total plant in service (Sum of L1 thru L57)	(\$514,608)	\$0	(\$2,957)	(\$517,565)

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(c)(2)

BF/FH/TC WATER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Pace Utilities unrecovered cost [1] (b)	INTOOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (c)
1	1020	Organization	\$0	\$0	\$0	\$0
2	1025	Franchises	0	21,587	0	21,587
3	1030	Land & land rights pump	0	0	0	-
4	1035	Land & land rights water tr.	0	0	0	-
5	1040	Land & land rights trans.	0	0	0	-
6	1045	Land & land rights gen. plt.	0	0	0	-
7	1050	Struct & improv. src. supply	0	0	0	-
8	1055	Struct & improv. wtr. trt. plt.	0	0	0	-
9	1060	Struct & improv. trans. dist.	0	0	0	-
10	1065	Struct & improv. gen. plt.	0	0	0	-
11	1070	Collecting reservoirs	0	0	0	-
12	1080	Wells & springs	0	0	0	-
13	1085	Infiltration gallery	0	0	0	-
14	1090	Supply mains	0	0	0	-
15	1095	Power generation equip.	0	0	0	-
16	1100	Electric pump equip. src. plt.	0	0	0	-
17	1105	Electric pump equip. wtp.	0	0	0	-
18	1110	Electric pump equip. trans.	0	0	0	-
19	1115	Water treatment equip.	0	0	0	-
20	1120	Dist. resv. & standpipes	0	0	0	-
21	1125	Trans. & distr. mains	0	0	0	-
22	1130	Service lines	0	0	0	-
23	1135	Meters	0	0	0	-
24	1140	Meter installations	0	0	0	-
25	1145	Hydrants	0	0	0	-
26	1150	Backflow prevention devic.	0	0	0	-
27	1160	Other plt. & misc. equip. src. su.	0	0	0	-
28	1165	Other plt. & misc. equip. wtp.	0	0	0	-
29	1175	Office struct & improv.	0	0	0	-
30	1180	Office furn. & equip.	0	0	0	-
31	1185	Stores equipment	0	0	0	-
32	1190	Tool shop & misc. equip.	0	0	0	-
33	1195	Laboratory equipment	0	0	0	-
34	1200	Power operated equip.	0	0	0	-
35	1205	Communication equip.	0	0	0	-
36	1210	Misc. equipment	0	0	0	-
37	1215	Water plant allocated	0	0	0	-
38	1220	Other tangible plt. water	0	0	0	-
39	1555	Transportation equip.	0	0	0	-
40	1580	Mainframe computer - wtr	0	0	0	-
41	1585	Mini computer - wtr	0	0	(584)	(584)
42	1590	Comp. system cost - wtr	0	0	0	-
43	1595	Micro system cost - wtr	0	0	0	-
44	1805	Plt. held for future use	0	0	0	-
45		Pro forma plant additions	0	0	0	-
46		Total plant in service (Sum of L1 thru L45)	\$0	\$21,587	(\$584)	\$21,003

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-1(d)(2)

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1]	Pace Utilities unrecovered cost [1]	INTOOLLECT LLC reclass adjustments [1]	Adjustments Amount Per Public Staff [2]
			(a)	(b)	(c)	(d)
1	1245	Organization	\$0	\$0	\$0	\$0
2	1250	Franchises intang. plt.	0	21,587	0	21,587
3	1270	Land & land rights trmnt plt	0	0	0	0
4	1275	Land & land rights reclaim.	0	0	0	0
5	1285	Land & land rights gen. plt.	0	0	0	0
6	1290	Struct/improv. coll. plt.	0	0	0	0
7	1295	Struct/improv. pump plt. ls.	0	0	0	0
8	1300	Struct/improv. treat. plt.	0	0	0	0
9	1305	Struct/improv. reclaim. wtr.	0	0	0	0
10	1310	Struct/improv. reclaim. wtr.	0	0	0	0
11	1315	Struct/improv. gen. plt.	0	0	0	0
12	1320	Power gen. equip. coll. plt.	0	0	0	0
13	1325	Power gen. equip. pump plt.	0	0	0	0
14	1330	Power gen. equip. treat. plt.	0	0	0	0
15	1345	Sewer force main/serv. lin.	0	0	0	0
16	1350	Sewer gravity main	0	0	0	0
17	1353	Manholes	0	0	0	0
18	1355	Special coll. structures	0	0	0	0
19	1360	Services to customers	0	0	0	0
20	1365	Flow measure devices	0	0	0	0
21	1370	Flow measure install	0	0	0	0
22	1375	Receiving wells	0	0	0	0
23	1380	Pumping equipment pump plt.	0	0	0	0
24	1385	Pumping equipment reclaim.	0	0	0	0
25	1390	Pumping equipment rcl. wtr.	0	0	0	0
26	1395	Treat./disp. equip. lagoon	0	0	0	0
27	1400	Treat./disp. equip. trt. plt.	0	0	0	0
28	1405	Treat./disp. equip. rct. wtp.	0	0	0	0
29	1410	Plant sewers treat. plt.	0	0	0	0
30	1415	Plant sewers reclaim wtp.	0	0	0	0
31	1420	Outfall lines	0	0	0	0
32	1425	Other plt. tangible	0	0	0	0
33	1430	Other plt. collection	0	0	0	0
34	1435	Other plt. pump	0	0	0	0
35	1440	Other plt. treatment	0	0	0	0
36	1445	Other plt. reclaim wtr. trt.	0	0	0	0
37	1450	Other plt. reclaim wtr. dis.	0	0	0	0
38	1455	Office struct & improv.	0	0	0	0
39	1460	Office furn. & equip.	0	0	0	0
40	1465	Stores equipment	0	0	0	0
41	1470	Tool shop & misc. equip.	0	0	0	0
42	1475	Laboratory equipment	0	0	0	0
43	1480	Power operated equip.	0	0	0	0
44	1485	Communication equip.	0	0	0	0
45	1490	Misc equip. sewer	0	0	0	0
46	1495	Sewer plant allocated	0	0	0	0
47	1500	Other tangible plt. sewer	0	0	0	0
48	1535	Reuse dist. reservoirs	0	0	0	0
49	1540	Reuse transmission & dist.	0	0	0	0
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	0	0	(611)	(611)
54	1590	Comp. system cost - wtr	0	0	0	0
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	0	0	0
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	\$0	\$21,587	(\$611)	\$20,976

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT ACCUMULATED DEPRECIATION
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Direct accumulated depreciation per application	(\$23,621,429)	(\$19,700,492)	(\$1,387,939)	(\$2,245,646)
2	Adjustment to include actual general ledger A/D additions through 9/30/2019	(888,243) [1]	(851,400) [1]	(73,085) [1]	239,876 [1]
3	Adjustments to reflect Conneestee and Nags Head WWTP	0	(51,816) [1]	0	0
4	Adjustment to reflect riverbend & pace utilities accumulated reclass	(2,450) [1]	0	(450) [1]	(450) [1]
5	Adjustment to reflect annual level of depreciation	(32,016) [1]	(366,353) [1]	(37,029) [1]	(137,005) [1]
6	Adjustment to accumulated depreciation (Sum of L2 thru L5)	(922,710)	(1,269,569)	(110,563)	102,421
7	Direct accumulated depreciation per Public Staff (L1 + L6)	(\$24,544,139)	(\$20,970,061)	(\$1,498,502)	(\$2,143,225)

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CASH WORKING CAPITAL

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2-3

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
<u>Cash Working Capital:</u>					
1	Maintenance expenses, less purchased water and sewer	\$5,908,878 [1]	\$5,377,427 [5]	\$591,372 [9]	\$800,581 [13]
2	General expenses	3,537,845 [2]	2,139,358 [6]	401,922 [10]	427,844 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$ 9,446,723</u>	<u>\$7,516,786</u>	<u>\$993,294</u>	<u>\$1,228,425</u>
4	Cash working capital (L3 x 1/8)	<u>1,180,840</u>	<u>939,598</u>	<u>124,162</u>	<u>153,553</u>
<u>Average Tax Accruals:</u>					
5	Property taxes	154,066 [3]	93,092 [7]	10,553 [11]	11,022 [15]
6	Average accrual (L5 x 1/2)	<u>77,033</u>	<u>46,546</u>	<u>5,276</u>	<u>5,511</u>
7	Regulatory fee	22,810 [4]	16,884 [8]	1,741 [12]	2,724 [16]
8	Average accrual (L7 x 1/5)	<u>4,562</u>	<u>3,377</u>	<u>348</u>	<u>545</u>
9	Total tax accrual (L6 + L8)	<u>81,595</u>	<u>49,923</u>	<u>5,624</u>	<u>6,056</u>
10	Total cash working capital (L4 - L9)	<u>\$1,099,245</u>	<u>\$889,675</u>	<u>\$118,538</u>	<u>\$147,497</u>

[1] Feasel Exhibit I, Schedule 3(a), Column (c), Line 15 minus Line 7.

[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 24.

[3] Feasel Exhibit I, Schedule 3(a), Column (c), Line 30.

[4] Feasel Exhibit I, Schedule 3(a), Column (c), Line 32.

[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 15 minus Line 7.

[6] Feasel Exhibit I, Schedule 3(b), Column (c), Line 24.

[7] Feasel Exhibit I, Schedule 3(b), Column (c), Line 30.

[8] Feasel Exhibit I, Schedule 3(b), Column (c), Line 32.

[9] Feasel Exhibit I, Schedule 3(c), Column (c), Line 15 minus Line 7.

[10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 24.

[11] Feasel Exhibit I, Schedule 3(c), Column (c), Line 30.

[12] Feasel Exhibit I, Schedule 3(c), Column (c), Line 32.

[13] Feasel Exhibit I, Schedule 3(d), Column (c), Line 15 minus Line 7.

[14] Feasel Exhibit I, Schedule 3(d), Column (c), Line 24.

[15] Feasel Exhibit I, Schedule 3(d), Column (c), Line 30.

[16] Feasel Exhibit I, Schedule 3(d), Column (c), Line 32.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-4

Line No.	Item	CWSNC Water Operations			[2]	CWSNC Sewer Operations			[3]
		CIAC (a)	Accumulated Amortization (b)	CIAC, Net of Amortization (c)		CIAC (d)	Accumulated Amortization (e)	CIAC, Net of Amortization (f)	
1	CIAC and accumulated amortization per application	<u>(\$28,608,568)</u>	<u>\$10,665,491</u>	<u>(\$17,943,077)</u>		<u>(\$27,966,359)</u>	<u>\$10,219,763</u>	<u>(\$17,746,596)</u>	
2	Adjustment to include actual general ledger additions through 9/30/2019	(61,541) [1]	343,029 [1]	281,488		(23,264) [1]	306,976 [1]	283,712	
3	Adjustment to reflect annual level of amortization	<u>0</u>	<u>(1,224) [1]</u>	<u>(1,224)</u>		<u>0</u>	<u>(96,396) [1]</u>	<u>(96,396)</u>	
4	Adjustment to CIAC (L2 + L3)	<u>(61,541)</u>	<u>341,805</u>	<u>280,264</u>		<u>(23,264)</u>	<u>210,580</u>	<u>187,316</u>	
5	CIAC per Public Staff (L1 + L4)	<u>(\$28,670,109)</u>	<u>\$11,007,296</u>	<u>(\$17,662,813)</u>		<u>(\$27,989,623)</u>	<u>\$10,430,343</u>	<u>(\$17,559,280)</u>	

[1] Per examination of Company's financial records.

[2] Column (a) plus Column (b).

[3] Column (d) plus Column (e).

[4] Column (g) plus Column (h).

[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2-4

Line No.	Item	BF/FH/TC Water Operations			[4]	BF/FH Sewer Operations			[5]
		CIAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization (i)		CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization (l)	
1	CIAC and accumulated amortization per application	<u>(\$2,249,286)</u>	<u>\$1,141,990</u>	<u>(\$1,107,296)</u>		<u>(\$7,088,979)</u>	<u>\$2,969,842</u>	<u>(\$4,119,137)</u>	
2	Adjustment to include actual general ledger additions through 9/30/2019	(4,500) [1]	19,668 [1]	15,168		0	72,324 [1]	72,324	
3	Adjustment to reflect annual level of amortization	<u>0</u>	<u>36,990</u> [1]	<u>36,990</u>		<u>0</u>	<u>53,370</u> [1]	<u>53,370</u>	
4	Adjustment to CIAC (L2 + L3)	<u>(4,500)</u>	<u>56,657</u>	<u>52,157</u>		<u>0</u>	<u>125,694</u>	<u>125,694</u>	
5	CIAC per Public Staff (L1 + L4)	<u>(\$2,253,786)</u>	<u>\$1,198,647</u>	<u>(\$1,055,139)</u>		<u>(\$7,088,979)</u>	<u>\$3,095,536</u>	<u>(\$3,993,443)</u>	

[1] Per examination of Company's financial records.

[2] Column (a) plus Column (b).

[3] Column (d) plus Column (e).

[4] Column (g) plus Column (h).

[5] Column (j) plus Column (k).

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Nov 27 2019

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 364
**CALCULATION OF ACCUMULATED DEFERRED
INCOME TAXES**
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-5(a)

CWSNC UNIFORM OPERATIONS

Line No.	Item	Total ADIT Per Application [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [5] (c)	CWS Uniform Water [8] (d)	CWS Uniform Sewer [8] (e)
1	ACCUM DEF INCOME TAX-FED	\$411,362	\$0	\$411,362	\$256,402	\$154,960
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	2,199,191	0	2,199,191	1,370,755	828,435
4	DEF FED TAX - RATE CASE	(161,181)	32,759	(128,422) [6]	(80,045) [9]	(48,377) [9]
5	DEF FED TAX - DEF MAINT	(256,587)	29,895	(226,692) [6]	(226,307) [10]	(385) [10]
6	DEF FED TAX - ORGN EXP	(199,947)	0	(199,947)	(124,627)	(75,320)
7	DEF FED TAX - BAD DEBT	152,039	0	152,039	94,766	57,273
8	DEF FED TAX - CAB WOODS GOS	0	0	0	0	0
9	DEF FED TAX - DEPRECIATIO	(10,727,135)	0	(10,727,135)	(5,654,273) [11]	(5,072,862) [11]
10	DEF FED TAX - NOL	3,452,426	0	3,452,426	2,151,897	1,300,529
11	Total Federal ADIT (Sum of L1 thru L10)	(5,129,832)	62,654	(5,067,177)	(2,211,432)	(2,855,747)
12	ACCUM DEF INCOME TAX - ST	(337,000)	0	(337,000)	(210,052)	(126,948)
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	702,754	0	702,754	438,026	264,727
15	DEF ST TAX - RATE CASE	(19,680)	4,000	(15,680) [7]	(9,773) [9]	(5,907) [9]
16	DEF ST TAX - DEF MAINT	(31,329)	3,650	(27,679) [7]	(27,632) [10]	(47) [10]
17	DEF ST TAX - ORGN EXP	(110,367)	0	(110,367)	(68,792)	(41,575)
18	DEF ST TAX - BAD DEBT	11,690	0	11,690	7,286	4,404
19	DEF ST TAX - CAB WOODS GOS	0	0	0	0	0
20	DEF ST TAX - DEPRECIATION	(1,137,109)	0	(1,137,109)	(599,370) [11]	(537,739) [11]
21	DEF ST TAX - NOL	238,190	0	238,190	148,464	89,726
22	Total State ADIT (Sum of L12 thru L21)	(682,853)	7,651	(675,202)	(321,843)	(353,359)
23	Total Direct ADIT (L11 + L22)	(5,812,684)	70,305	(5,742,380)	(2,533,275)	(3,209,106)
24	ADIT allocated from WSC	0	(72,915) [3]	(72,915)	(45,448)	(27,467)
25	Total ADIT (L23 + L24)	(5,812,684)	(2,610)	(5,815,295)	(2,578,723)	(3,236,573)
26	Excess deferred income tax	0	660,690 [4]	660,690	291,466 [12]	369,224 [12]
27		(\$5,812,684)	\$658,080	(\$5,154,605)	(\$2,287,257)	(\$2,867,349)

[1] Form W-1, Item 10, Supplemental Schedules.

[2] Column (c) minus Column (a), unless otherwise footnoted.

[3] Calculated by Public Staff per examination of the Company's records

[4] Provided by Public Staff Accountant Boswell.

[5] Column (a) plus Column (b), unless otherwise footnoted.

[6] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.

[7] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.

[8] Column (c) allocated based on customers, unless otherwise footnoted.

[9] Column (c) allocated based on unamortized rate case expense.

[10] Column (c) allocated based on unamortized deferred maintenance.

[11] Column (c) allocated based on plant in service.

[12] Column (c) allocated based on ADIT.

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 364
**CALCULATION OF ACCUMULATED DEFERRED
INCOME TAXES**
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-5(b)

BF/FH/TC OPERATIONS

Line No.	Item	Total ADIT Per Application [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [5] (c)	BF/FH/TC Water [8] (d)	BF/FH Sewer [8] (e)
1	ACCUM DEF INCOME TAX-FED	\$147,613	\$0	\$147,613	\$72,197	\$75,415
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	259,006	0	259,006	126,680	132,326
4	DEF FED TAX - RATE CASE	(24,751)	5,204	(19,547) [6]	(9,558) [9]	(9,989) [9]
5	DEF FED TAX - DEF MAINT	(18,710)	2,296	(16,414) [6]	(16,378) [10]	(36) [10]
6	DEF FED TAX - ORGN EXP	(20,932)	0	(20,932)	(10,238)	(10,694)
7	DEF FED TAX - BAD DEBT	27,821	0	27,821	13,607	14,214
8	DEF FED TAX - CAB WOODS GOS	0	0	0	0	0
9	DEF FED TAX - DEPRECIATIO	(1,748,738)	0	(1,748,738)	(537,037) [11]	(1,211,700) [11]
10	DEF FED TAX - NOL	515,996	0	515,996	252,373	263,622
11	Total Federal ADIT (Sum of L1 thru L10)	(862,695)	7,500	(855,195)	(108,354)	(746,842)
12	ACCUM DEF INCOME TAX - ST	23,001	0	23,001	11,250	11,751
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	83,313	0	83,313	40,748	42,565
15	DEF ST TAX - RATE CASE	(3,022)	635	(2,387) [7]	(1,167) [9]	(1,220) [9]
16	DEF ST TAX - DEF MAINT	(2,284)	280	(2,004) [7]	(2,000) [10]	(4) [10]
17	DEF ST TAX - ORGN EXP	(6,217)	0	(6,217)	(3,041)	(3,176)
18	DEF ST TAX - BAD DEBT	3,552	0	3,552	1,737	1,815
19	DEF ST TAX - CAB WOODS GOS	0	0	0	0	0
20	DEF ST TAX - DEPRECIATION	(202,634)	0	(202,634)	(62,229) [11]	(140,405) [11]
21	DEF ST TAX - NOL	75,951	0	75,951	37,148	38,803
22	Total State ADIT (Sum of L12 thru L21)	(28,341)	916	(27,425)	22,446	(49,871)
23	Total Direct ADIT (L11 + L22)	(891,036)	8,416	(882,620)	(85,908)	(796,713)
24	ADIT allocated from WSC	0	(10,901) [3]	(10,901)	(5,332)	(5,569)
25	Total ADIT (L23 + L24)	(891,036)	(2,485)	(893,521)	(91,240)	(802,282)
26	Excess deferred income tax	0	101,550 [4]	101,550	9,884 [12]	91,666 [12]
27		(\$891,036)	\$99,065	(\$791,971)	(\$81,356)	(\$710,616)

[1] Form W-1, Item 10, Supplemental Schedules.

[2] Column (c) minus Column (a), unless otherwise footnoted.

[3] Calculated by Public Staff per examination of the Company's records

[4] Provided by Public Staff Accountant Boswell.

[5] Column (a) plus Column (b), unless otherwise footnoted.

[6] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.

[7] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.

[8] Column (c) allocated based on customers, unless otherwise footnoted.

[9] Column (c) allocated based on unamortized rate case expense.

[10] Column (c) allocated based on unamortized deferred maintenance.

[11] Column (c) allocated based on plant in service.

[12] Column (c) allocated based on ADIT.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO CUSTOMER DEPOSITS

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2-6

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Customer deposits per application	(\$169,004)	(\$102,119)	(\$16,137)	(\$16,854)
2	Adjustment to update customer deposits to 9/30/2019	<u>(6,938) [1]</u>	<u>(4,192) [1]</u>	<u>(99) [1]</u>	<u>(104) [1]</u>
3	Customer deposits per Public Staff (L1 + L2)	<u><u>(\$175,942)</u></u>	<u><u>(\$106,311)</u></u>	<u><u>(\$16,236)</u></u>	<u><u>(\$16,958)</u></u>

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO GAIN ON SALE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2-7

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)
1	Gain on sale per application	(\$87,248)	(\$44,447)
2	Gain on sale of systems sold to CMUD	(152,858) [1]	(77,871) [1]
3	Less: accumulated amortization	67,937 [2]	34,609 [2]
4	Gain on sale of systems, net of amortization (L2 + L3)	(84,921)	(43,262)
5	Gain on sale and flow back of taxes	(196,947) [1]	(92,681) [1]
6	Gain on sale per Public Staff (L4 + L5)	(281,868)	(135,943)
7	Adjustment to gain on sale (L6 - L1)	(\$194,620.39)	(\$91,496)
8	Gain on sale amortization expense per application	(\$87,248) [1]	(\$44,447) [1]
9	Gain on sale amortization expense per Public Staff (L4)	(84,921)	(43,262)
10	Adjustment to gain on sale amortization expense (L9 - L8)	\$2,327	\$1,185

[1] Per examination of Company's financial records.

[2] Line 2 divided by 36 months times 16 months (11/8/2017~2/21/2019)

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Nov 27 2019

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-8

Line No.	Item	CWSNC Water Operations			[2]	CWSNC Sewer Operations			[3]
		PAA (a)	Accumulated Amortization (b)	PAA, Net of Amortization (c)		PAA (d)	Accumulated Amortization (e)	PAA, Net of Amortization (f)	
1	PAA and accumulated amortization per application	<u>(\$4,224,513)</u>	<u>\$2,072,277</u>	<u>(\$2,152,236)</u>		<u>(\$627,070)</u>	<u>\$919,880</u>	<u>\$292,810</u>	
2	Adjustment to include company updates 10.04.2019	\$3,000	[1]	\$3,000					
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	(\$4,221,513)	\$2,072,277	(\$2,149,236)		(\$627,070)	\$919,880	\$292,810	
4	Adjustment to include actual general ledger additions through 9/30/2019	0	51,893 [1]	51,893		0	12,492 [1]	12,492	
5	Adjustment to reflect annual level of amortization	<u>0</u>	<u>12,338</u> [1]	<u>12,338</u>		<u>0</u>	<u>(8,339)</u> [1]	<u>(8,339)</u>	
6	Total adjustment to PAA (L2 + L4 + L5)	<u>3,000</u>	<u>64,232</u>	<u>67,232</u>		<u>0</u>	<u>4,153</u>	<u>4,153</u>	
7	PAA per Public Staff (L1 + L6)	<u>(\$4,221,513)</u>	<u>\$2,136,509</u>	<u>(\$2,085,004)</u>		<u>(\$627,070)</u>	<u>\$924,033</u>	<u>\$296,963</u>	

[1] Per examination of Company's financial records.

[2] Column (a) plus Column (b).

[3] Column (d) plus Column (e).

[4] Column (g) plus Column (h).

[5] Column (j) plus Column (k).

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Nov 27 2019

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-8

Line No.	Item	BF/FH/TC Water Operations			[4]	BF/FH Sewer Operations			[5]
		PAA (g)	Accumulated Amortization (h)	PAA, Net of Amortization (i)		PAA (j)	Accumulated Amortization (k)	PAA, Net of Amortization (l)	
1	PAA and accumulated amortization per application	<u>\$607,436</u>	<u>(\$586,178)</u>	<u>\$21,258</u>		<u>\$1,680,077</u>	<u>(\$715,643)</u>	<u>\$964,434</u>	
2	Adjustment to include company updates 10.04.2019								
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	\$607,436	(\$586,178)	\$21,258		\$1,680,077	(\$715,643)	\$964,434	
4	Adjustment to include actual general ledger additions through 9/30/2019	0	(5,797) [1]	(5,797)		0	(14,953) [1]	(14,953)	
5	Adjustment to reflect annual level of amortization	<u>0</u>	<u>(2,265) [1]</u>	<u>(2,265)</u>		<u>0</u>	<u>(12,513) [1]</u>	<u>(12,513)</u>	
6	Total adjustment to PAA (L2 + L4 + L5)	<u>0</u>	<u>(8,062)</u>	<u>(8,062)</u>		<u>0</u>	<u>(27,467)</u>	<u>(27,467)</u>	
7	PAA per Public Staff (L1 + L6)	<u>\$607,436</u>	<u>(\$594,240)</u>	<u>\$13,196</u>		<u>\$1,680,077</u>	<u>(\$743,110)</u>	<u>\$936,967</u>	

- [1] Per examination of Company's financial records.
[2] Column (a) plus Column (b).
[3] Column (d) plus Column (e).
[4] Column (g) plus Column (h).
[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF EXCESS BOOK VALUE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2-9

Line No.	Item	Unamortized Balance 12/31/18 (a)	[1]	Annual Amortization (b)	[1]	Accumulated Amortization To 12/31/19 (c)	[2]	Unamortized Balance At 12/31/19 (d)	[3]
<u>CWSNC Uniform Water:</u>									
1	Sugar Mountain	\$0		\$0		\$0		\$0	
2	Carolina Forest, Woodrun	0		0		0		0	
3	Brandywine Bay	0		3,139		0		0	
4	Queens Harbor	0		2,679		0		0	
5	Riverpointe	0		6,052		0		0	
6	Watauga Vista	456		100		456		0	
7	Total excess book value (Sum of L1 thru L6)	\$456		\$11,970		\$456		\$0	
<u>CWSNC Uniform Sewer:</u>									
8	Sugar Mountain	\$0		\$0		\$0		\$0	
9	Brandywine Bay	0		4,748		0		0	
10	Queens Harbor	0		4,052		0		0	
11	Riverpointe	0		9,154		0		0	
12	Total excess book value (Sum of L8 thru L11)	\$0		\$17,954		\$0		\$0	

[1] Based on prior rate cases, unless otherwise footnoted.

[2] Column (b) multiplied by 12.0 years, unless fully amortized.

[3] Column (a) minus Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF DEFERRED CHARGES

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 2-10

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Unamortized deferred maintenance - water	\$1,105,284 [1]	\$0	\$79,988 [5]	\$0
2	Unamortized deferred maintenance - sewer	0	1,882 [3]	0	176 [7]
3	Unamortized rate case expense per Public Staff	390,971 [2]	236,244 [4]	46,685 [6]	48,781 [8]
4	Unamortized deferred charges per Public Staff (L1 + L2 + L3)	<u>\$1,496,255</u>	<u>\$238,126</u>	<u>\$126,673</u>	<u>\$48,957</u>

[1] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 4.

[2] Feasel Exhibit I, Schedule 3-9, Column (d), Line 10.

[3] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 6.

[4] Feasel Exhibit I, Schedule 3-9, Column (e), Line 10.

[5] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 11.

[6] Feasel Exhibit I, Schedule 3-9, Column (f), Line 10.

[7] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 13.

[8] Feasel Exhibit I, Schedule 3-9, Column (g), Line 10.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DEFERRED MAINTENANCE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 2-10(a)

Line No.	Item	Total Cost Per Public Staff [1] (a)	Amortization Period In Years [1] (b)	Date Amortization Began [1] (c)	Annual Amortization [2] (d)	Accumulated Amortization [3] (e)	Unamortized Balance [4] (f)
<u>Deferred maintenance - CWSNC Uniform Water</u>							
1	Deferred elevated storage tank painting	\$779,037	10	Various	\$77,904	\$338,220	\$440,817
2	Deferred hydro storage tank painting	852,732	5	Various	170,546	478,339	374,393
3	Deferred hydro storage tank inspection	837,563	5	Various	167,513	547,489	290,074
4	Total deferred maintenance - water (Sum of L1 thru L3)	<u>2,469,332</u>			<u>415,963</u>	<u>1,364,048</u>	<u>1,105,284</u>
<u>Deferred maintenance - CWSNC Uniform Sewer</u>							
5	Belvedere pump and haul	3,424,839	10	Various	342,484	2,618,556	806,283
6	WWTP	200,327	5	Various	40,065	198,445	1,882
7	Total deferred maintenance - sewer (L5 + L6)	<u>3,625,166</u>			<u>382,549</u>	<u>2,817,001</u>	<u>808,165</u>
<u>Deferred maintenance - BF/FH/TC Water</u>							
8	Deferred elevated storage tank painting	66,028	10	Various	6,603	17,607	48,420
9	Deferred hydro storage tank painting	36,500	5	Various	7,300	36,500	0
10	Deferred hydro storage tank inspection	60,189	5	Various	12,038	28,622	31,568
11	Total deferred maintenance - water (Sum of L8 thru L10)	<u>162,717</u>			<u>25,941</u>	<u>82,729</u>	<u>79,988</u>
<u>Deferred maintenance - BF/FH Sewer</u>							
12	WWTP	110,492	5	Various	22,098	110,316	176
13	Total deferred maintenance - sewer (L12)	<u>110,492</u>			<u>22,098</u>	<u>110,316</u>	<u>176</u>
14	Total deferred maintenance (L4 + L7 +L11 +L13)	<u>\$6,367,707</u>			<u>\$846,551</u>	<u>\$4,374,094</u>	<u>\$1,993,613</u>

- [1] Per examination of Company's financial records.
[2] Column (a) divided by Column (b).
[3] Total monthly amortization through March 31, 2020.
[4] Column (a) minus Column (e).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

NET OPERATING INCOME FOR A RETURN

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(a)

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CWSNC WATER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [29]	Operations After Rate Increase [30]	Net Public Staff Increase [36]	Operations After Rate Increase [37]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Operating Revenues:</u>								
1	Service revenues	\$17,373,667	\$112,245	\$17,485,912 [3]	\$2,700,751	\$20,186,663 [3]	\$1,586,614	\$19,072,526 [38]
2	Miscellaneous revenues	172,036	17,782	189,818 [4]	8,102	197,920 [31]	4,760	194,578 [39]
3	Uncollectible accounts	(120,323)	(9,073)	(129,396) [5]	(19,985)	(149,381) [32]	(11,741)	(141,137) [40]
4	Total operating revenues (Sum of L1 thru L3)	17,425,381	120,953	17,546,334	2,688,868	20,235,202	1,579,633	19,125,967
<u>Maintenance Expenses:</u>								
5	Salaries and wages	2,804,385	(120,158)	2,684,228 [6]	0	2,684,228	0	2,684,228
6	Purchased power	1,048,858	0	1,048,858	0	1,048,858	0	1,048,858
7	Purchased water	1,465,601	12,900	1,478,502 [7]	0	1,478,502	0	1,478,502
8	Maintenance and repair	965,129	(55,985)	909,143 [8]	0	909,143	0	909,143
9	Maintenance testing	203,811	(1,583)	202,228 [7]	0	202,228	0	202,228
10	Meter reading	175,422	0	175,422	0	175,422	0	175,422
11	Chemicals	311,580	(0)	311,580	0	311,580	0	311,580
12	Transportation	286,275	(2,660)	283,615 [9]	0	283,615	0	283,615
13	Operating expenses charged to plant	(358,604)	(2,099)	(360,703) [10]	0	(360,703)	0	(360,703)
14	Outside services - other	671,950	(17,443)	654,506 [11]	0	654,506	0	654,506
15	Total maintenance expenses (Sum of L5 thru L14)	7,574,408	(187,028)	7,387,380	0	7,387,380	0	7,387,380
<u>General Expenses:</u>								
16	Salaries and wages	1,310,325	(223,334)	1,086,991 [12]	0	1,086,991	0	1,086,991
17	Office supplies and other office expense	309,101	(314)	308,786 [13]	0	308,786	0	308,786
18	Regulatory commission expense	168,502	(27,914)	140,588 [14]	0	140,588	0	140,588
19	Pension and other benefits	811,750	56,015	867,766 [15]	0	867,766	0	867,766
20	Rent	212,380	(33,674)	178,706 [16]	0	178,706	0	178,706
21	Insurance	359,263	64,126	423,389 [17]	0	423,389	0	423,389
22	Office utilities	413,091	(1,745)	411,346 [18]	0	411,346	0	411,346
23	Miscellaneous	168,996	(48,723)	120,273 [19]	0	120,273	0	120,273
24	Total general expenses (Sum of L16 thru L23)	3,753,408	(215,563)	3,537,845	0	3,537,845	0	3,537,845
<u>Depreciation and Taxes:</u>								
25	Depreciation expense	3,071,186	127,804	3,198,990 [20]	0	3,198,990	0	3,198,990
26	Amortization of CIAC	(684,695)	(19,606)	(704,302) [21]	0	(704,302)	0	(704,302)
27	Amortization of PAA	(102,638)	(13,031)	(115,669) [22]	0	(115,669)	0	(115,669)
28	Amortization of ITC	(328)	0	(328)	0	(328)	0	(328)
29	Franchise and other taxes	(3,545)	72	(3,473) [23]	0	(3,473)	0	(3,473)
30	Property taxes	154,066	0	154,066	0	154,066	0	154,066
31	Payroll taxes	322,504	(36,480)	286,024 [24]	0	286,024	0	286,024
32	Regulatory fee	28,140	(5,330)	22,810 [25]	3,496	26,306 [33]	2,054	24,864 [41]
33	Deferred Income Tax	0	(26,433)	(26,433) [26]	0	(26,433)	0	(26,433)
34	State income tax	104,355	(52,922)	51,433 [27]	67,134	118,567 [34]	39,439	90,872 [42]
35	Federal income tax	854,671	(433,438)	421,233 [28]	549,830	971,063 [35]	323,009	744,242 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,743,716	(459,365)	3,284,352	620,460	3,904,812	364,502	3,648,854
37	Total operating revenue deductions (L15 + L24 + L36)	15,071,532	(861,956)	14,209,577	620,460	14,830,037	364,502	14,574,079
38	Net operating income for a return (L4 - L37)	\$2,353,848	\$982,909	\$3,336,757	\$2,068,408	\$5,405,165	\$1,215,131	\$4,551,888

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

NET OPERATING INCOME FOR A RETURN

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(b)

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CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [29]	Operations After Rate Increase [30]	Net Public Staff Increase [36]	Operations After Rate Increase [37]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Operating Revenues:</u>								
1	Service revenues	\$12,496,671	\$465,258	\$12,961,929 [3]	\$3,982,972	\$16,944,901 [3]	\$2,769,729	\$15,731,658 [38]
2	Miscellaneous revenues	114,164	10,336	124,500 [4]	11,949	136,449 [31]	8,309	132,809 [39]
3	Uncollectible accounts	(91,965)	(6,546)	(98,511) [5]	(30,270)	(128,781) [32]	(21,050)	(119,561) [40]
4	Total operating revenues (Sum of L1 thru L3)	12,518,870	469,048	12,987,918	3,964,651	16,952,569	2,756,988	15,744,906
<u>Maintenance Expenses:</u>								
5	Salaries and wages	1,694,510	(72,490)	1,622,020 [6]	0	1,622,020	0	1,622,020
6	Purchased power	845,987	(7,679)	838,308 [7]	0	838,308	0	838,308
7	Purchased sewer	738,618	2,123	740,741 [7]	0	740,741	0	740,741
8	Maintenance and repair	1,709,807	231,125	1,940,932 [8]	0	1,940,932	0	1,940,932
9	Maintenance testing	308,876	(205)	308,671 [7]	0	308,671	0	308,671
10	Meter reading	0	0	0	0	0	0	0
11	Chemicals	351,137	(32,520)	318,617 [7]	0	318,617	0	318,617
12	Transportation	172,978	(1,607)	171,371 [9]	0	171,371	0	171,371
13	Operating expenses charged to plant	(208,717)	(9,249)	(217,966) [10]	0	(217,966)	0	(217,966)
14	Outside services - other	406,016	(10,540)	395,475 [11]	0	395,475	0	395,475
15	Total maintenance expenses (Sum of L5 thru L14)	6,019,211	98,957	6,118,168	0	6,118,168	0	6,118,168
<u>General Expenses:</u>								
16	Salaries and wages	791,745	(134,900)	656,845 [12]	0	656,845	0	656,845
17	Office supplies and other office expense	186,770	(190)	186,580 [13]	0	186,580	0	186,580
18	Regulatory commission expense	99,622	(14,673)	84,949 [14]	0	84,949	0	84,949
19	Pension and other benefits	490,489	33,883	524,372 [15]	0	524,372	0	524,372
20	Rent	128,327	(20,348)	107,979 [16]	0	107,979	0	107,979
21	Insurance	217,079	38,751	255,830 [17]	0	255,830	0	255,830
22	Office utilities	249,604	(1,055)	248,550 [18]	0	248,550	0	248,550
23	Miscellaneous	116,738	(42,484)	74,254 [19]	0	74,254	0	74,254
24	Total general expenses (Sum of L16 thru L23)	2,280,375	(141,016)	2,139,358	0	2,139,358	0	2,139,358
<u>Depreciation and Taxes:</u>								
25	Depreciation expense	2,787,947	33,204	2,821,151 [20]	0	2,821,151	0	2,821,151
26	Amortization of CIAC	(616,725)	46,671	(570,054) [21]	0	(570,054)	0	(570,054)
27	Amortization of PAA	(24,983)	8,052	(16,931) [22]	0	(16,931)	0	(16,931)
28	Amortization of ITC	(251)	0	(251)	0	(251)	0	(251)
29	Franchise and other taxes	(2,639)	44	(2,595) [23]	0	(2,595)	0	(2,595)
30	Property taxes	93,092	0	93,092	0	93,092	0	93,092
31	Payroll taxes	194,868	(22,030)	172,838 [24]	0	172,838	0	172,838
32	Regulatory fee	22,858	(5,974)	16,884 [25]	5,154	22,038 [33]	3,584	20,468 [41]
33	Deferred Income Tax	0	(33,486)	(33,486) [26]	0	(33,486)	0	(33,486)
34	State income tax	97,134	(81,817)	15,317 [27]	98,987	114,304 [34]	68,835	84,152 [42]
35	Federal income tax	795,525	(670,078)	125,447 [28]	810,707	936,154 [35]	563,759	689,206 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,346,826	(725,413)	2,621,413	914,848	3,536,261	636,178	3,257,591
37	Total operating revenue deductions (L15 + L24 + L36)	11,646,412	(767,473)	10,878,940	914,848	11,793,788	636,178	11,515,118
38	Net operating income for a return (L4 - L37)	\$872,457	\$1,236,521	\$2,108,978	\$3,049,803	\$5,158,781	\$2,120,810	\$4,229,788

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

NET OPERATING INCOME FOR A RETURN

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(c)

Page 1 of 2

BF/FH/TC WATER OPERATIONS

Line No.	Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
	Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Company Increase [29]	Operations After Rate Increase [30]	Public Staff Increase [36]	Operations After Rate Increase [37]		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:									
1	Service revenues	\$290	\$1,304,521 [3]	\$189,171	\$1,493,692 [3]	\$85,268	\$1,389,789 [38]		
2	Miscellaneous revenues	2,783	51,060 [4]	606	51,666 [31]	273	51,333 [39]		
3	Uncollectible accounts	(3,793)	(16,567) [5]	(2,403)	(18,970) [32]	(1,083)	(17,650) [40]		
4	Total operating revenues (Sum of L1 thru L3)	(721)	1,339,014	187,374	1,526,388	84,458	1,423,472		
Maintenance Expenses:									
5	Salaries and wages	(25,990)	308,862 [6]	0	308,862	0	308,862		
6	Purchased power	0	69,724	0	69,724	0	69,724		
7	Purchased water	32,254	0 [7]	0	0	0	0		
8	Maintenance and repair	714	63,151 [8]	0	63,151	0	63,151		
9	Maintenance testing	(43)	8,314 [7]	0	8,314	0	8,314		
10	Meter reading	0	30,753	0	30,753	0	30,753		
11	Chemicals	(0)	44,189	0	44,189	0	44,189		
12	Transportation	(317)	38,746 [9]	0	38,746	0	38,746		
13	Operating expenses charged to plant	(5,856)	(41,503) [10]	0	(41,503)	0	(41,503)		
14	Outside services - other	(199)	69,135 [11]	0	69,135	0	69,135		
15	Total maintenance expenses (Sum of L5 thru L14)	564	591,372	0	591,372	0	591,372		
General Expenses:									
16	Salaries and wages	(31,381)	125,075 [12]	0	125,075	0	125,075		
17	Office supplies and other office expense	7	35,984 [13]	0	35,984	0	35,984		
18	Regulatory commission expense	(3,085)	14,204 [14]	0	14,204	0	14,204		
19	Pension and other benefits	(12,090)	99,850 [15]	0	99,850	0	99,850		
20	Rent	(4,022)	21,337 [16]	0	21,337	0	21,337		
21	Insurance	7,653	50,550 [17]	0	50,550	0	50,550		
22	Office utilities	(603)	43,252 [18]	0	43,252	0	43,252		
23	Miscellaneous	(15,701)	11,671 [19]	0	11,671	0	11,671		
24	Total general expenses (Sum of L16 thru L23)	(59,223)	401,922	0	401,922	0	401,922		
Depreciation and Taxes:									
25	Depreciation expense	7,473	169,164 [20]	0	169,164	0	169,164		
26	Amortization of CIAC	(16,817)	(56,417) [21]	0	(56,417)	0	(56,417)		
27	Amortization of PAA	1,624	13,303 [22]	0	13,303	0	13,303		
28	Amortization of ITC	0	0	0	0	0	0		
29	Franchise and other taxes	10	2,583 [23]	0	2,583	0	2,583		
30	Property taxes	0	10,553	0	10,553	0	10,553		
31	Payroll taxes	(13,180)	32,912 [24]	0	32,912	0	32,912		
32	Regulatory fee	(397)	1,741 [25]	243	1,984 [33]	110	1,851 [41]		
33	Deferred Income Tax	(896)	(896) [26]	0	(896)	0	(896)		
34	State income tax	(2,645)	2,239 [27]	4,678	6,917 [34]	2,108	4,347 [42]		
35	Federal income tax	(21,663)	18,335 [28]	38,315	56,650 [35]	17,270	35,605 [43]		
36	Total depreciation and taxes (Sum of L25 thru L35)	(46,491)	193,516	43,236	236,752	19,488	213,004		
37	Total operating revenue deductions (L15 + L24 + L36)	(105,149)	1,186,810	43,236	1,230,046	19,488	1,206,298		
38	Net operating income for a return (L4 - L37)	\$104,429	\$152,204	\$144,138	\$296,342	\$64,970	\$217,174		

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

NET OPERATING INCOME FOR A RETURN

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(d)

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BF/FH SEWER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [29]	Operations After Rate Increase [30]	Net Public Staff Increase [36]	Operations After Rate Increase [37]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Operating Revenues:</u>								
1	Service revenues	\$2,094,948	\$4,922	\$2,099,870 [3]	\$213,448	\$2,313,318 [3]	\$118,704	\$2,218,574 [38]
2	Miscellaneous revenues	18,802	3,312	22,114 [4]	683	22,797 [31]	379	22,493 [39]
3	Uncollectible accounts	(21,286)	(5,382)	(26,668) [5]	(2,711)	(29,379) [32]	(1,508)	(28,176) [40]
4	Total operating revenues (Sum of L1 thru L3)	2,092,464	2,852	2,095,316	211,420	2,306,736	117,575	2,212,891
<u>Maintenance Expenses:</u>								
5	Salaries and wages	309,683	24,918	334,600 [6]	0	334,600	0	334,600
6	Purchased power	146,154	0	146,154	0	146,154	0	146,154
7	Purchased sewer	0	0	0	0	0	0	0
8	Maintenance and repair	217,942	(10,233)	207,709 [8]	0	207,709	0	207,709
9	Maintenance testing	25,219	(0)	25,219	0	25,219	0	25,219
10	Meter reading	0	0	0	0	0	0	0
11	Chemicals	6,545	12,665	19,210 [7]	0	19,210	0	19,210
12	Transportation	40,800	(332)	40,468 [9]	0	40,468	0	40,468
13	Operating expenses charged to plant	(12,695)	(32,266)	(44,961) [10]	0	(44,961)	0	(44,961)
14	Outside services - other	72,416	(234)	72,182 [11]	0	72,182	0	72,182
15	Total maintenance expenses (Sum of L5 thru L14)	806,064	(5,483)	800,581	0	800,581	0	800,581
<u>General Expenses:</u>								
16	Salaries and wages	128,373	7,125	135,498 [12]	0	135,498	0	135,498
17	Office supplies and other office expense	37,553	(39)	37,514 [13]	0	37,514	0	37,514
18	Regulatory commission expense	18,071	(3,231)	14,840 [14]	0	14,840	0	14,840
19	Pension and other benefits	116,917	(8,747)	108,171 [15]	0	108,171	0	108,171
20	Rent	26,486	(4,200)	22,286 [16]	0	22,286	0	22,286
21	Insurance	44,804	7,989	52,793 [17]	0	52,793	0	52,793
22	Office utilities	45,178	(655)	44,523 [18]	0	44,523	0	44,523
23	Miscellaneous	42,825	(30,605)	12,219 [19]	0	12,219	0	12,219
24	Total general expenses (Sum of L16 thru L23)	460,208	(32,364)	427,844	0	427,844	0	427,844
<u>Depreciation and Taxes:</u>								
25	Depreciation expense	378,417	12,989	391,406 [20]	0	391,406	0	391,406
26	Amortization of CIAC	(144,644)	(1,538)	(146,182) [21]	0	(146,182)	0	(146,182)
27	Amortization of PAA	30,601	12,073	42,674 [22]	0	42,674	0	42,674
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	2,822	9	2,830 [23]	0	2,830	0	2,830
30	Property taxes	11,022	0	11,022	0	11,022	0	11,022
31	Payroll taxes	32,637	3,018	35,654 [24]	0	35,654	0	35,654
32	Regulatory fee	3,225	(501)	2,724 [25]	275	2,999 [33]	153	2,877 [41]
33	Deferred Income Tax	0	(8,313)	(8,313) [26]	0	(8,313)	0	(8,313)
34	State income tax	12,609	(4,678)	7,931 [27]	5,279	13,210 [34]	2,936	10,867 [42]
35	Federal income tax	103,268	(38,311)	64,957 [28]	43,232	108,189 [35]	24,042	88,999 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	429,956	(25,252)	404,704	48,786	453,490	27,131	431,835
37	Total operating revenue deductions (L15 + L24 + L36)	1,696,228	(63,100)	1,633,128	48,786	1,681,914	27,131	1,660,259
38	Net operating income for a return (L4 - L37)	\$396,236	\$65,952	\$462,188	\$162,634	\$624,822	\$90,444	\$552,632

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(a)

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(a)

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CWSNC WATER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Casselberry
- [4] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 5.
- [5] Feasel Exhibit I, Schedule 3-2, Column (a), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (a), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (a), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (a), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (a), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (a), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (a), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (a), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (d), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (a), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (a), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (a), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (a), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (a), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (a), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (a), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (a), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (a), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (a), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(a), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(a), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 10.
- [32] Feasel Exhibit I, Schedule 3-2, Column (a), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(a), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(a), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 15.
- [40] Feasel Exhibit I, Schedule 3-2, Column (a), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(a), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(a), Column (c), Line 18.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(b)

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(b)

Page 2 of 2

CWSNC SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 5.
- [5] Feasel Exhibit I, Schedule 3-2, Column (b), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (b), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (b), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (b), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (b), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (b), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (b), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (b), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (e), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (b), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (b), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (b), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (b), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (b), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (b), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (b), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (b), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (b), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (b), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(b), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(b), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 10.
- [32] Feasel Exhibit I, Schedule 3-2, Column (b), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(b), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(b), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 15.
- [40] Feasel Exhibit I, Schedule 3-2, Column (b), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(b), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(b), Column (c), Line 18.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(c)

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(c)

Page 2 of 2

BF/FH/TC WATER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 6.
- [5] Feasel Exhibit I, Schedule 3-2, Column (c), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (c), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (c), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (c), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (c), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (c), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (c), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (c), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (f), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (c), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (c), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (c), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (c), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (c), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (c), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (c), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (c), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (c), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (c), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(c), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(c), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 12.
- [32] Feasel Exhibit I, Schedule 3-2, Column (c), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(c), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(c), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 18.
- [40] Feasel Exhibit I, Schedule 3-2, Column (c), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(c), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(c), Column (c), Line 18.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(d)

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3(d)

Page 2 of 2

BF/FH SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (d), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (d), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (d), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (d), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (d), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (d), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (d), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (d), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (g), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (d), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (d), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (d), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (d), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (d), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (d), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (d), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (d), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (d), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (d), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(d), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(d), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 8.
- [32] Feasel Exhibit I, Schedule 3-2, Column (d), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(d), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(d), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 12.
- [40] Feasel Exhibit I, Schedule 3-2, Column (d), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(d), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(d), Column (c), Line 18.

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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments [3] (b)		Amount Per Public Staff [4] (c)
<u>Present Rates:</u>						
1	Forfeited discounts	\$47,457 [1]		\$5,001		\$52,458 [5]
2	Other water/sewer revenues	96,140 [1]		0		96,140
3	Reconnection fee	28,440 [1]		0		28,440
4	Sale of utility property	0 [1]		12,780		12,780 [6]
5	Total miscellaneous revenues (Sum of L1 thru L4)	<u>\$172,037</u>		<u>\$17,781</u>		<u>\$189,818</u>
<u>Company Proposed Rates:</u>						
6	Forfeited discounts	\$52,458 [2]		\$8,102		\$60,560 [7]
7	Other water/sewer revenues	96,140 [2]		0		96,140
8	Reconnection fee	28,440 [2]		0		28,440
9	Sale of utility property	12,780 [2]		0		12,780
10	Total miscellaneous revenues (Sum of L6 thru L9)	<u>\$189,818</u>		<u>\$8,102</u>		<u>\$197,920</u>
<u>Public Staff Recommended Rates:</u>						
11	Forfeited discounts	\$52,458 [2]		\$4,760		\$57,218 [8]
12	Other water/sewer revenues	96,140 [2]		0		96,140
13	Reconnection fee	28,440 [2]		0		28,440
14	Sale of utility property	12,780 [2]		0		12,780
15	Total miscellaneous revenues (Sum of L11 thru L14)	<u>\$189,818</u>		<u>\$4,760</u>		<u>\$194,578</u>

[1] Per examination of Company's financial records.

[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 4.

[3] Column (c) minus Column (a), unless otherwise footnoted.

[4] Column (a) plus Column (b), unless otherwise footnoted.

[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 6.

[6] Added missing other revenue per examination of Company's records

[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 9.

[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
	<u>Present Rates:</u>			
1	Forfeited discounts	\$36,272 [1]	\$2,614	\$38,886 [5]
2	Other water/sewer revenues	73,482 [1]	0	73,482
3	Reconnection fee	4,410 [1]	0	4,410
4	Sale of utility property	0 [1]	7,722	7,722 [6]
5	Total miscellaneous revenues (Sum of L1 thru L4)	<u>\$114,164</u>	<u>\$10,336</u>	<u>\$124,500</u>
	<u>Company Proposed Rates:</u>			
6	Forfeited discounts	\$38,886 [2]	\$11,949	\$50,835 [7]
7	Other water/sewer revenues	73,482 [2]	0	73,482
8	Reconnection fee	4,410 [2]	0	4,410
9	Sale of utility property	7,722 [2]	0	7,722
10	Total miscellaneous revenues (Sum of L6 thru L9)	<u>\$124,500</u>	<u>\$11,949</u>	<u>\$136,449</u>
	<u>Public Staff Recommended Rates:</u>			
11	Forfeited discounts	\$38,886 [2]	\$8,309	\$47,195 [8]
12	Other water/sewer revenues	73,482 [2]	0	73,482
13	Reconnection fee	4,410 [2]	0	4,410
14	Sale of utility property	7,722 [2]	0	7,722
15	Total miscellaneous revenues (Sum of L11 thru L14)	<u>\$124,500</u>	<u>\$8,309</u>	<u>\$132,809</u>

[1] Per examination of Company's financial records.

[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 4.

[3] Column (c) minus Column (a), unless otherwise footnoted.

[4] Column (a) plus Column (b), unless otherwise footnoted.

[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 6.

[6] Added missing other revenue per examination of Company's records

[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 9.

[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments (b)		Amount Per Public Staff (c) [4]
					[3]	
	<u>Present Rates:</u>					
1	Forfeited discounts	\$3,144	[1]	\$1,030		\$4,174 [5]
2	Other water/sewer revenues	8,140	[1]	0		8,140
3	Antenna leases	32,254	[1]	0		32,254
4	Reconnection fee	4,740	[1]	0		4,740
5	Sale of utility property	0	[1]	1,752		1,752 [6]
6	Total miscellaneous revenues (Sum of L1 thru L5)	<u>\$48,278</u>		<u>\$2,782</u>		<u>\$51,060</u>
	<u>Company Proposed Rates:</u>					
7	Forfeited discounts	\$4,174	[2]	\$606		\$4,780 [7]
8	Other water/sewer revenues	8,140	[2]	0		8,140
9	Antenna leases	32,254	[2]	0		32,254
10	Reconnection fee	4,740	[2]	0		4,740
11	Sale of utility property	1,752	[2]	0		1,752
12	Total miscellaneous revenues (Sum of L7 thru L11)	<u>\$51,060</u>		<u>\$606</u>		<u>\$51,666</u>
	<u>Public Staff Recommended Rates:</u>					
13	Forfeited discounts	\$4,174	[2]	\$273		\$4,447 [8]
14	Other water/sewer revenues	8,140	[2]	0		8,140
15	Antenna leases	32,254	[2]	0		32,254
16	Reconnection fee	4,740	[2]	0		4,740
17	Sale of utility property	1,752	[2]	0		1,752
18	Total miscellaneous revenues (Sum of L13 thru L17)	<u>\$51,060</u>		<u>\$273</u>		<u>\$51,333</u>

[1] Per examination of Company's financial records.

[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 5.

[3] Column (c) minus Column (a), unless otherwise footnoted.

[4] Column (a) plus Column (b), unless otherwise footnoted.

[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 6.

[6] Added missing other revenue per examination of Company's records

[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 9.

[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments (b)		Amount Per Public Staff (c)	
					[3]		[4]
	<u>Present Rates:</u>						
1	Forfeited discounts	\$5,239	[1]	\$1,481		\$6,720	[5]
2	Other water/sewer revenues	13,564	[1]	0		13,564	
3	Sale of utility property	0	[1]	1,830		1,830	[6]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$18,803</u>		<u>\$3,311</u>		<u>\$22,114</u>	
	<u>Company Proposed Rates:</u>						
5	Forfeited discounts	\$6,720	[2]	\$683		\$7,403	[7]
6	Other water/sewer revenues	13,564	[2]	0		13,564	
7	Sale of utility property	1,830	[2]	0		1,830	
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$22,114</u>		<u>\$683</u>		<u>\$22,797</u>	
	<u>Public Staff Recommended Rates:</u>						
9	Forfeited discounts	\$6,720	[2]	\$379		\$7,099	[8]
10	Other water/sewer revenues	13,564	[2]	0		13,564	
11	Sale of utility property	1,830	[2]	0		1,830	
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$22,114</u>		<u>\$379</u>		<u>\$22,493</u>	

[1] Per examination of Company's financial records.

[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.

[3] Column (c) minus Column (a), unless otherwise footnoted.

[4] Column (a) plus Column (b), unless otherwise footnoted.

[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 6.

[6] Added missing other revenue per examination of Company's records

[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 9.

[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF FORFEITED DISCOUNTS
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-1(a)(1)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
<u>Test Year:</u>					
1	Service revenues	\$16,048,487 [1]	\$12,025,466 [1]	\$997,201 [1]	\$1,661,694 [1]
2	Forfeited discounts	47,457 [1]	36,272 [1]	3,144 [1]	5,239 [1]
3	Forfeited discounts percentage (L2 / L1)	0.30%	0.30%	0.32%	0.32%
<u>Present Rates:</u>					
4	Service revenues	\$17,485,912 [2]	\$12,961,929 [5]	\$1,304,521 [8]	\$2,099,870 [11]
5	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
6	Forfeited discounts (L4 x L5)	\$52,458	\$38,886	\$4,174	\$6,720
<u>Company Proposed Rates:</u>					
7	Service revenues	\$20,186,663 [3]	\$16,944,901 [6]	\$1,493,692 [9]	\$2,313,318 [12]
8	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
9	Forfeited discounts (L7 x L8)	\$60,560	\$50,835	\$4,780	\$7,403
<u>Public Staff Recommended Rates:</u>					
10	Service revenues	\$19,072,526 [4]	\$15,731,658 [7]	\$1,389,789 [10]	\$2,218,574 [13]
11	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
12	Forfeited discounts (L10 x L11)	\$57,218	\$47,195	\$4,447	\$7,099

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

- [8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF UNCOLLECTIBLE ACCOUNTS
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
<u>Test Year:</u>					
1	Service revenues	\$16,048,487 [1]	\$12,025,466 [1]	\$997,201 [1]	\$1,661,694 [1]
2	Uncollectible accounts	<u>119,212 [1]</u>	<u>91,117 [1]</u>	<u>12,646 [1]</u>	<u>21,072 [1]</u>
3	Uncollectible accounts percentage (L2 / L1)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
<u>Present Rates:</u>					
4	Service revenues	\$17,485,912 [2]	\$12,961,929 [5]	\$1,304,521 [8]	\$2,099,870 [11]
5	Uncollectible accounts percentage (L3)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
6	Uncollectible accounts (L4 x L5)	<u>\$129,396</u>	<u>\$98,511</u>	<u>\$16,567</u>	<u>\$26,668</u>
<u>Company Proposed Rates:</u>					
7	Service revenues	\$20,186,663 [3]	\$16,944,901 [6]	\$1,493,692 [9]	\$2,313,318 [12]
8	Uncollectible accounts percentage (L3)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
9	Uncollectible accounts (L7 x L8)	<u>\$149,381</u>	<u>\$128,781</u>	<u>\$18,970</u>	<u>\$29,379</u>
<u>Public Staff Recommended Rates:</u>					
10	Service revenues	\$19,072,526 [4]	\$15,731,658 [7]	\$1,389,789 [10]	\$2,218,574 [13]
11	Uncollectible accounts percentage (L3)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
12	Uncollectible accounts (L10 x L11)	<u>\$141,137</u>	<u>\$119,561</u>	<u>\$17,650</u>	<u>\$28,176</u>

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

- [8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO SALARY AND WAGES MIANTENANCE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-3 (a)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)	
1	Salaries & Wages maintenance per application	<u>\$ 2,804,385</u>	<u>\$1,694,510</u>	<u>\$334,852</u>	<u>\$309,683</u>	[1]
2	Adjustment to include company 10.04.2019 updates	(31,851) [1]	(19,573) [1]	(3,868) [1]	(4,040) [1]	
3	Salaries & Wages maintenance adjusted for company updates (L1 + L2)	2,772,534	1,674,937	330,984	305,643	
4	Public Staff adjustments	(88,306) [1]	(52,917) [1]	(22,122) [1]	28,957 [1]	
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(120,158)</u>	<u>(72,490)</u>	<u>(25,990)</u>	<u>24,917</u>	
6	Salaries & Wages maintenance per Public Staff (L3 + L4)	<u>\$ 2,684,228</u>	<u>\$ 1,622,020</u>	<u>\$ 308,862</u>	<u>\$ 334,600</u>	

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO SALARY AND WAGES GENERAL
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-3 (b)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)	
1	Salaries & Wages general per application	<u>\$ 1,310,325</u> [1]	<u>\$791,745</u> [1]	<u>\$156,457</u> [1]	<u>\$128,373</u>	[1]
2		(137,809) [1]	(83,269) [1]	(16,455) [1]	(17,186)	[1]
3		1,172,516	708,476	140,002	111,187	
4	Public Staff adjustments	(85,525) [1]	(51,631) [1]	(14,927) [1]	24,311	[1]
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(223,334)</u>	<u>(134,900)</u>	<u>(31,382)</u>	<u>7,125</u>	
6	Salaries & Wages general per Public Staff (L3 + L4)	<u>\$ 1,086,991</u>	<u>\$ 656,845</u>	<u>\$ 125,075</u>	<u>\$ 135,498</u>	

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-4

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Maintenance and repair per application	\$965,129 [1]	\$1,709,807 [1]	\$62,438 [1]	\$217,942 [1]
2	Adjustment to include company 10.04.2019 updates	(\$14,816) [1]	\$0 [1]	\$7,150 [1]	\$0 [1]
3	Maintenance and repair after adjusted for updated (L1 + L2)	\$950,313	\$1,709,807	\$69,588	\$217,942
4	Remove Company adjustment (-L2)	\$14,816	\$0	(\$7,150)	\$0
5	Adjustment to deferred maintenance and repair per update	(35,211) [2]	227,626 [5]	6,613 [6]	(8,229) [7]
6	Adjustments to correct UA adjustments	(7) [3]	(4) [3]	(1) [3]	(1) [3]
7	Adjustment to maintenance and repair expense	(13,719) [4]			
8	Adjustment to sludge hauling		11,758 [4]		(959) [4]
9	Adjustment to remove deferred accounting O&M adjsutment		(3,997) [1]		
10	Adjustment to remove Pace Utility maintenance expense			(5,058) [1]	(165) [1]
11	Adjustment to correct years used to calculate average storm cost	(7,048) [1]	(4,258) [1]	(841) [1]	(879) [1]
12	Total adjustment to maintenance and repair (L2 + Sum of L4 thru L11)	(55,985)	231,125	714	(10,233)
13	Maintenance and repair per Public Staff (L1 + L12)	\$909,143	\$1,940,932	\$63,151	\$207,709

[1] Per examination of Company's financial records.

[2] Feasel Exhibit I, Schedule 3-4(a), Column (a), Line 3.

[3] Correct UA adjustments per exmination of the Company's financial records

[4] Provided by Public Staff Engineer Darden.

[5] Feasel Exhibit I, Schedule 3-4(a), Column (b), Line 3.

[6] Feasel Exhibit I, Schedule 3-4(a), Column (c), Line 3.

[7] Feasel Exhibit I, Schedule 3-4(a), Column (d), Line 3.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DEFERRED MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-4(a)

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Annual deferred maintenance and repair per Public Staff	273,502 [1]	505,808 [1]	15,876 [1]	11,179 [1]
2	Deferred maintenance and repair per application	<u>308,713 [2]</u>	<u>278,182 [2]</u>	<u>9,263 [2]</u>	<u>19,408 [2]</u>
3	Adjustment to deferred maintenance and repair (L1 - L2)	<u>(\$35,211)</u>	<u>\$227,626</u>	<u>\$6,613</u>	<u>(\$8,229)</u>

[1] Annual depreciation expense of systems that have not been fully retired per reviewing the Company's records

[2] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO TRANSPORTATION

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-5

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Transportation per application	\$286,275	\$172,978	\$39,063	\$40,800
2	Adjustment to remove out of test period transportation fee	(2,571) [1]	(1,553) [1]	(307) [1]	(321) [1]
3	Adjustments to correct UA adjustments	(89) [1]	(54) [1]	(10) [1]	(11) [1]
4	Total adjustments to transportation (L2+L3)	(2,660)	(1,607)	(317)	(332)
5	Transportation per Public Staff (L1 + L4)	\$283,615	\$171,371	\$38,746	\$40,468

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO CAPITALIZED TIME ADJUSTMENT
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-6

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Operating expenses charged to plant per application	(\$358,604)	(\$208,717)	(\$35,647)	(\$12,695)
2	Adjustments to include company updates 10.04.2019	(8,682) [1]	(13,210) [1]	0 [1]	(24,537) [1]
3	Operating expenses charged to plant after adjusted per updates (L1 + L2)	(367,286)	(221,927)	(35,647)	(37,232)
4	Adjustment to update salary cap time through 09/30/2019	(29,327) [1]	(17,737) [1]	(9,989) [1]	(12,207) [1]
5	Adjustments to correct UA adjustments	35,910 [1]	21,698 [1]	4,134 [1]	4,478 [1]
6	Total adjustments to capitalized time (L2 + L4 + L5)	(2,099)	(9,249)	(5,856)	(32,266)
7	Operating expenses charged to plant per Public Staff (L3 + L4 + L5)	(\$360,703)	(\$217,966)	(\$41,503)	(\$44,961)

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO OUTSIDE SERVICE OTHER
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-7

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Outside service other per application	\$671,950	\$406,016	\$69,333	\$72,416
2	Adjustment to remove unqualified legal fees	(11,487) [1]	(6,941) [1]	(122) [1]	(132) [1]
3	Adjustments to correct UA adjustments	634 [1]	383 [1]	97 [1]	79 [1]
4	Adjustment to remove out of test period other outside service fee	(6,590) [1]	(3,983) [1]	(174) [1]	(182) [1]
5	Total adjustments to outside service other (Sum of L2 thru L4)	(17,443)	(10,540)	(199)	(234)
6	Outside service other per Public Staff (L1 + L5)	\$654,506	\$395,475	\$69,135	\$72,182

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO OFFICE SUPPLIES AND OTHER OFFICE EXPENSE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-8

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Office supplies & other office expense per application	\$309,101	\$186,770	\$35,977	\$37,553
2	Adjustments to correct UA adjustments	(314) [1]	(190) [1]	7 [1]	(39) [1]
3	Total adjustments to office supplies & other (L2)	(314)	(190)	7	(39)
4	Office supplies & other office expense per Public Staff (L1 + L3)	\$308,786	\$186,580	\$35,984	\$37,514

[1] Calculated per the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-9

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	CWSNC Water (d)	CWSNC Sewer (e)	BF/FH/TC Water (f)	BF/FH Sewer (g)
1	Rate case expenses for current proceeding	<u>\$485,309</u>	<u>(\$231,763)</u>	\$253,546 [2]				
2	Amortization period in years			<u>5</u>				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>50,709</u>	<u>\$27,434</u> [4]	<u>\$16,577</u> [5]	<u>\$3,276</u> [6]	<u>\$3,423</u> [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>202,836.56</u>	<u>109,735</u> [4]	<u>66,307</u> [5]	<u>13,103</u> [6]	<u>13,691</u> [7]
5	Sub 360 and prior rate cases unamortized rate case expense	<u>\$649,806</u>	<u>(\$0)</u>	649,806 [3]				
6	Amortization period in years			<u>5</u>				
7	Sub 360 and prior rate cases unamortized annual rate case expense (L5 / L6)			<u>129,961</u>	<u>70,309</u> [4]	<u>42,484</u> [5]	<u>8,395</u> [6]	<u>8,772</u> [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>519,845</u>	<u>281,236</u> [4]	<u>169,937</u> [5]	<u>33,582</u> [6]	<u>35,090</u> [7]
9	Total annual rate case expense (L3 + L7)			<u>\$180,670</u>	<u>\$97,743</u>	<u>\$59,061</u>	<u>\$11,671</u>	<u>\$12,195</u>
10	Miscellaneous regulatory matters per application			<u>\$73,911</u> [2]	<u>\$42,845</u> [2]	<u>\$25,888</u> [2]	<u>\$2,533</u> [2]	<u>\$2,645</u> [2]
11	Total regulatory commission expense per Public Staff (L9 + L10)			<u>\$254,581</u>	<u>\$140,588</u>	<u>\$84,949</u>	<u>\$14,204</u>	<u>\$14,840</u>
12	Total unamortized balance of rate case expense (L4 + L8)			<u>\$722,681</u>	<u>\$390,971</u>	<u>\$236,244</u>	<u>\$46,685</u>	<u>\$48,781</u>

[1] Column (c) minus Column (a).

[2] Per examination of the company's response to accounting data requests

[3] Calculated base on amount approved in prior rate cases.

[4] Column (c) multiplied by CWSNC Uniform water allocation factor of 54.10%.

[5] Column (c) multiplied by CWSNC Uniform sewer allocation factor of 32.69%.

[6] Column (c) multiplied by BF/FH water allocation factor of 6.46%.

[7] Column (c) multiplied by BF/FH sewer allocation factor of 6.75%.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO PENSION AND BENEFITS

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-10

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Pension and benefits per application	<u>\$811,750</u>	<u>\$490,489</u>	<u>\$111,940</u>	<u>\$116,917</u>
2	Adjustments to correct UA adjustments	56,015 [1]	33,883 [1]	(12,090) [1]	(8,747) [1]
3	Pension and benefits per Public Staff (L1 + L2)	<u>867,766</u>	<u>524,372</u>	<u>99,850</u>	<u>108,171</u>

[1] Calculated per the company's response for accounting data request

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO RENT

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-11

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Rent per application	\$212,380	\$128,327	\$25,359	\$26,486
2	Adjustment to correct Piedmont Realty Trust WSC Office	(29,159) [1]	(17,619) [1]	(3,482) [1]	(3,636) [1]
3	Adjustment to remove non-regulated rent from NC Owner LLC	(4,274) [1]	(2,583) [1]	(511) [1]	(533) [1]
4	Adjustment to update garner commercial center association rent--company updates 10.04.2019	162 [1]	98 [1]	19 [1]	20 [1]
5	Adjustment to correct Charlotte Warehouse O&M expense	(403) [1]	(244) [1]	(48) [1]	(51) [1]
6	Total adjustments to rent (Sum of L2 thru L5)	(33,674)	(20,348)	(4,022)	(4,200)
7	Rent per Public Staff (L1 + L6)	\$178,706	\$107,979	\$21,337	\$22,286

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ALLOCATION OF INSURANCE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-12

No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)	Total (f) [3]
1	Auto	\$53,557 [1]	\$32,362 [1]	\$6,394 [1]	\$6,678 [1]	\$98,992
2	Workers compensation	55,473 [1]	33,519 [1]	6,623 [1]	6,917 [1]	102,532
3	Property insurance	151,440 [1]	91,506 [1]	18,081 [1]	18,884 [1]	279,912
4	General Liability	10,508 [1]	6,349 [1]	1,255 [1]	1,310 [1]	19,422
5	Excess Liability	34,795 [1]	21,025 [1]	4,154 [1]	4,339 [1]	64,313
6	Umbrella insurance	8,928 [1]	5,395 [1]	1,066 [1]	1,113 [1]	16,502
7	Insurance deductibles	62,034 [1]	37,483 [1]	7,406 [1]	7,735 [1]	114,659
8	Cyber security insurance	2,736 [1]	1,653 [1]	327 [1]	341 [1]	5,057
9	Pollution liability	20,074 [1]	12,130 [1]	2,397 [1]	2,503 [1]	37,104
10	Broker fee	23,844 [1]	14,408 [1]	2,847 [1]	2,973 [1]	44,072
11	Total insurance per Public Staff (Sum of L1 thru L10)	423,389	255,830	50,550	52,793	782,565
12	Less: Company updates on 10.04.2019	99,431 [2]	60,080 [2]	11,872 [2]	12,400 [2]	183,783
13	Less: Amount per Company in original filing	359,263 [2]	217,079 [2]	42,897 [2]	44,804 [2]	664,043
14	Total adjustment to insurance expense (L11 - L12 - L13)	(\$35,305)	(\$21,329)	(\$4,219)	(\$4,411)	(\$65,264)

[1] Column (f) times customer ratios for each rate division.

[2] Based on information provided by the Company.

[3] Feasel Exhibit I, Schedule 3-12(a), Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INSURANCE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-12 (a)

Line No.	Item	Annual Premium (a)	CWSNC Percentage (b)	CWSNC Insurance Expense (c)	[6]
1	Auto	\$527,956	18.75% [2]	\$98,992	
2	Workers compensation	492,816	20.81% [3]	102,532	
3	Property insurance	1,595,572	17.54% [4]	279,912	
4	General Liability	107,385	18.09% [5]	19,422	
5	Excess Liability	355,585	18.09% [5]	64,313	
6	Umbrella insurance	91,238	18.09% [5]	16,502	
7	Insurance deductibles	633,946	18.09% [5]	114,659	
8	Cyber security insurance	27,960	18.09% [5]	5,057	
9	Pollution liability	205,148	18.09% [5]	37,104	
10	Broker fee	243,675	18.09% [5]	44,072	
11	Total insurance per Public Staff (Sum of L1 thru L10)			\$782,565	

[1] Based on current insurance policies and information provided by Company.

[2] Percentage of CWSNC automobiles covered under current policy.

[3] Percentage of CWSNC workers compensation insurance based on CSWNC payroll.

[4] Percentage of CWSNC property insurance based on CSWNC value of property covered.

[5] Percentage of CWSNC insurance based on CSWNC customer count.

[6] Column (a) X Column (b).

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO OFFICE UTILITY

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-13

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Office utility per application	\$413,091	\$249,604	\$43,855	\$45,178
2	Adjustment to remove out of test period office utility expense	(2,190) [1]	(1,323) [1]	(680) [1]	(711) [1]
3	Adjustments to correct UA adjustments	445 [1]	269 [1]	78 [1]	55 [1]
4	Total adjustments to office utility (L2 + L3)	(1,745)	(1,055)	(603)	(655)
5	Office utility per Public Staff (L1 + L4)	\$411,346	\$248,550	\$43,252	\$44,523

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO MISCELLANEOUS EXPENSE

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-14

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Miscellaneous expense per application	\$168,996	\$116,738	\$27,372	\$42,825
2	Adjustment to reflect company's updates 10.04.2019	(\$1,234) [1]	(\$3,949) [1]	(\$116) [1]	(\$7,170) [1]
3	Miscellaneous expense after adjusted for company's updates (L1 + L2)	\$167,762	\$112,789	\$27,256	\$35,654
4	Adjustment to remove company's updates 10.04.2019 (-L2)	\$1,234	\$3,949	\$116	\$7,170
5	Adjustments to remove unqualified miscellaneous expense	(17,485) [1]	(9,563) [1]	(1,855) [1]	(1,939) [1]
6	Adjustments to deferred other charges for riverbend and pace utility	(15,994) [1]	0 [1]	(3,586) [1]	(3,586) [1]
7	Adjustments to reclassify hurricane florence expense	(13,051) [1]	(31,597) [1]	(10,015) [1]	(24,807) [1]
8	Adjustments to correct UA adjustments	(2193) [1]	(1325) [1]	(245) [1]	(273) [1]
9	Total miscellaneous adjustments (L2 + Sum of L4 thru L8)	(48,723)	(42,484)	(15,701)	(30,605)
10	Miscellaneous expense per Public Staff (L1 + L9)	\$120,273	\$74,254	\$11,671	\$12,219

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DEPRECIATION AND
AMORTIZATION EXPENSE**

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-15

Line No.		CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Depreciation on direct plant	\$2,954,538 [1]	\$2,693,922 [8]	\$121,409 [13]	\$345,788 [17]
2	Depreciation on allocated plant	341,343 [2]	188,445 [2]	47,755 [2]	45,618 [2]
3	Gain on sale	(84,921) [2]	(43,262) [2]	0 [4]	0 [4]
4	Excess book value	(11,970) [3]	(17,954) [9]	0 [4]	0 [4]
5	Total depreciation expense (Sum of L1 thru L4)	<u>\$3,198,990</u>	<u>\$2,821,151</u>	<u>\$169,164</u>	<u>\$391,406</u>
6	Depreciable AIA	(23,760) [4]	(9,180) [4]	0 [4]	0 [4]
7	Amortization rate	2.74% [5]	2.70% [10]	2.19% [14]	2.54% [18]
8	AIA amortization expense (L6 x L7)	<u>(\$651)</u>	<u>(\$248)</u>	<u>\$0</u>	<u>\$0</u>
9	CIAC amortization expense	<u>(703,651) [6]</u>	<u>(569,806) [11]</u>	<u>(56,417) [15]</u>	<u>(146,182) [19]</u>
10	CIAC and AIA amortization expense (L8 + L9)	<u>(704,302)</u>	<u>(570,054)</u>	<u>(56,417)</u>	<u>(146,182)</u>
11	Purchase acquisition adjustment	(\$4,221,513) [7]	(\$627,070) [12]	\$607,436 [16]	\$1,680,077 [20]
12	Amortization rate	2.74% [5]	2.70% [10]	2.19% [14]	2.54% [18]
13	PAA amortization expense (L11 x L12)	<u>(\$115,669)</u>	<u>(\$16,931)</u>	<u>\$13,303</u>	<u>\$42,674</u>

[1] Feasel Exhibit I, Schedule 3-15-1(a), Column (c), Line 46.

[2] Calculated by the Public Staff based on information provided by the Company.

[3] Feasel Exhibit I, Schedule 2-9, Column (b), Line 7.

[4] Per examination of Company's financial records.

[5] Feasel Exhibit I, Schedule 3-15-1(a), Column (d), Line 46.

[6] Feasel Exhibit I, Schedule 3-15-2(a), Column (g), Line 21.

[7] Feasel Exhibit I, Schedule 2-8, Column (a), Line 9.

[8] Feasel Exhibit I, Schedule 3-15-1(b), Column (c), Line 58.

[9] Feasel Exhibit I, Schedule 2-9, Column (b), Line 12.

[10] Feasel Exhibit I, Schedule 3-15-1(b), Column (d), Line 58.

[11] Feasel Exhibit I, Schedule 3-15-2(b), Column (g), Line 15.

[12] Feasel Exhibit I, Schedule 2-8, Column (d), Line 9.

[13] Feasel Exhibit I, Schedule 3-15-1(c), Column (c), Line 46.

[14] Feasel Exhibit I, Schedule 3-15-1(c), Column (d), Line 46.

[15] Feasel Exhibit I, Schedule 3-15-2(c), Column (g), Line 21.

[16] Feasel Exhibit I, Schedule 2-8, Column (g), Line 9.

[17] Feasel Exhibit I, Schedule 3-15-1(d), Column (c), Line 58.

[18] Feasel Exhibit I, Schedule 3-15-1(d), Column (d), Line 58.

[19] Feasel Exhibit I, Schedule 3-15-2(d), Column (g), Line 14.

[20] Feasel Exhibit I, Schedule 2-8, Column (j), Line 9.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-15-1(a)**CWSNC WATER OPERATIONS**

Line No.	Account	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1020	Organization	\$458,604	2.50%	\$11,465	
2	1025	Franchises	229,516	2.50%	5,738	
3	1030	Land & land rights pump	71,437	0.00%	0	
4	1035	Land & land rights water tr.	357,109	0.00%	0	
5	1040	Land & land rights trans.	20,173	0.00%	0	
6	1045	Land & land rights gen. plt.	515,014	0.00%	0	
7	1050	Struct & improv. src. supply	4,324,704	2.00%	86,494	
8	1055	Struct & improv. wtr. trt. plt.	1,393,647	2.00%	27,873	
9	1060	Struct & improv. trans. dist.	266,217	2.00%	5,324	
10	1065	Struct & improv. gen. plt.	335,152	2.00%	6,703	
11	1070	Collecting reservoirs	13,139	2.00%	263	
12	1080	Wells & springs	14,059,822	2.00%	281,196	
13	1085	Infiltration gallery	45,185	2.50%	1,130	
14	1090	Supply mains	481,739	1.00%	4,817	
15	1095	Power generation equip.	158,288	10.00%	15,829	
16	1100	Electric pump equip. src. plt.	2,634,674	14.29%	376,495	
17	1105	Electric pump equip. wtp.	8,387,267	3.33%	279,296	
18	1110	Electric pump equip. trans.	3,355,490	14.29%	479,500	
19	1115	Water treatment equip.	4,601,608	2.50%	115,040	
20	1120	Dist. resv. & standpipes	8,142,035	2.00%	162,841	
21	1125	Trans. & distr. mains	33,554,839	1.00%	335,548	
22	1130	Service lines	12,693,634	2.00%	253,873	
23	1135	Meters	6,285,338	3.33%	209,302	
24	1140	Meter installations	1,228,643	3.33%	40,914	
25	1145	Hydrants	1,225,062	2.50%	30,627	
26	1150	Backflow prevention devic.	28,142	10.00%	2,814	
27	1160	Other plt. & misc. equip. src. su.	260	2.50%	7	
28	1165	Other plt. & misc. equip. wtp.	6,262	2.50%	157	
29	1175	Office struct & improv.	118,562	10.00%	11,856	
30	1180	Office furn. & equip.	378,575	10.00%	37,857	
31		Stores equipment	4,498	3.33%	150	
32	1190	Tool shop & misc. equip.	1,390,499	5.00%	69,525	
33		Laboratory equipment	158,660	10.00%	15,866	
34	1200	Power operated equip.	329,456	10.00%	32,946	
35	1205	Communication equip.	322,016	10.00%	32,202	
36	1210	Misc. equipment	183,572	3.33%	6,113	
37	1215	Water plant allocated	207,809	6.67%	13,861	
38	1220	Other tangible plt. water	36,650	2.50%	916	
39	1555	Transportation equip.	0	0.00%	0	
40	1580	Mainframe computer - wtr	0	2.50%	0	
41	1585	Mini computer - wtr	(11,871)	0.00%	0	
42	1590	Comp. system cost - wtr	59,359	0.00%	0	
43	1595	Micro system cost - wtr	0	0.00%	0	
44	1805	Plt. held for future use	(95,528)	0.00%	0	
45		Pro forma plant additions	0	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	<u>\$107,955,257</u>		<u>\$2,954,538</u>	<u>2.74%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 46.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-15-1(b)

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1245	Organization	\$907,628	2.50%	\$22,691	
2	1250	Franchises intang. plt.	127,476	2.50%	3,187	
3	1270	Land & land rights trmnt plt	39,167	0.00%	0	
4	1275	Land & land rights reclaim.	1,150	0.00%	0	
5	1285	Land & land rights gen. plt.	213,811	0.00%	0	
6	1290	Struct/improv. coll. plt.	87,344	2.00%	1,747	
7	1295	Struct/improv. pump plt. ls.	8,473,993	2.00%	169,480	
8	1300	Struct/improv. treat. plt.	19,916,776	2.50%	497,919	
9	1305	Struct/improv. reclaim. wtp.	3,271	2.50%	82	
10	1310	Struct/improv. reclaim. wtr.	179,922	2.50%	4,498	
11	1315	Struct/improv. gen. plt.	1,678,158	2.00%	33,563	
12	1320	Power gen. equip. coll. plt.	107,623	10.00%	10,762	
13	1325	Power gen. equip. pump plt.	53,009	10.00%	5,301	
14	1330	Power gen. equip. treat. plt.	211,580	10.00%	21,158	
15	1345	Sewer force main/serv. lin.	3,627,069	1.33%	48,240	
16	1350	Sewer gravity main	17,790,880	1.00%	177,909	
17	1353	Manholes	1,030,697	1.00%	10,307	
18	1355	Special coll. structures	6,939	2.00%	139	
19	1360	Services to customers	1,703,167	1.33%	22,652	
20	1365	Flow measure devices	133,611	4.00%	5,344	
21	1370	Flow measure install	1,106	4.00%	44	
22	1375	Receiving wells	89,444	2.00%	1,789	
23	1380	Pumping equipment pump plt.	4,104,726	14.29%	586,565	
24	1385	Pumping equipment reclaim.	29,342	14.29%	4,193	
25	1390	Pumping equipment rcl. wtr.	44,313	14.29%	6,332	
26	1395	Treat./disp. equip. lagoon	580,369	2.50%	14,509	
27	1400	Treat./disp. equip. trt. plt.	18,969,538	2.50%	474,238	
28	1405	Treat./disp. equip. rct. wtp.	13,823	2.50%	346	
29	1410	Plant sewers treat. plt.	17,967,248	2.50%	449,181	
30	1415	Plant sewers reclaim wtp.	5,155	2.50%	129	
31	1420	Outfall lines	507,277	1.00%	5,073	
32	1425	Other plt. tangible	3,676	2.50%	92	
33	1430	Other plt. collection	21,142	2.50%	529	
34	1435	Other plt. pump	48,419	2.50%	1,210	
35	1440	Other plt. treatment	37,177	2.50%	929	
36	1445	Other plt. reclaim wtr. trt.	650	2.50%	16	
37	1450	Other plt. reclaim wtr. dis.	460	2.50%	11	
38	1455	Office struct & improv.	34,218	10.00%	3,422	
39	1460	Office furn. & equip.	33,133	10.00%	3,313	
40	1465	Stores equipment	6,471	3.33%	215	
41	1470	Tool shop & misc. equip.	205,556	5.00%	10,278	
42	1475	Laboratory equipment	144,480	10.00%	14,448	
43	1480	Power operated equip.	376,400	10.00%	37,640	
44	1485	Communication equip.	73,643	10.00%	7,364	
45	1490	Misc equip. sewer	19,105	3.33%	636	
46	1495	Sewer plant allocated	526,952	6.67%	35,148	
47	1500	Other tangible plt. sewer	1,776	2.50%	44	
48	1535	Reuse dist. reservoirs	3,507	2.00%	70	
49	1540	Reuse transmission & dist.	58,971	2.00%	1,179	
50	1555	Transportation equip.	0	0.00%	0	
51	1575	Desktop computer - wtr	0	0.00%	0	
52	1580	Mainframe computer - wtr	0	0.00%	0	
53	1585	Mini computer - wtr	(7,173)	0.00%	0	
54	1590	Comp. system cost - wtr	35,867	0.00%	0	
55	1595	Micro system cost - wtr	0	0.00%	0	
56	1805	Plt. held for future use	(514,608)	0.00%	0	
57		Pro forma plant additions	0	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$99,715,435</u>		<u>\$2,693,922</u>	<u>2.70%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 58.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-15-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1020	Organization	\$99,771	2.50%	\$2,494	
2	1025	Franchises	51,240	2.50%	1,281	
3	1030	Land & land rights pump	0	0.00%	0	
4	1035	Land & land rights water tr.	0	0.00%	0	
5	1040	Land & land rights trans.	0	0.00%	0	
6	1045	Land & land rights gen. plt.	419	0.00%	0	
7	1050	Struct & improv. src. supply	163,136	2.00%	3,263	
8	1055	Struct & improv. wtr. trt. plt.	203,891	2.00%	4,078	
9	1060	Struct & improv. trans. dist.	461	2.00%	9	
10	1065	Struct & improv. gen. plt.	2,130	2.00%	43	
11	1070	Collecting reservoirs	0	2.00%	0	
12	1080	Wells & springs	512,601	2.00%	10,252	
13	1085	Infiltration gallery	0	2.50%	0	
14	1090	Supply mains	8,953	1.00%	90	
15	1095	Power generation equip.	0	10.00%	0	
16	1100	Electric pump equip. src. plt.	50,246	14.29%	7,180	
17	1105	Electric pump equip. wtp.	354,689	3.33%	11,811	
18	1110	Electric pump equip. trans.	38,135	14.29%	5,449	
19	1115	Water treatment equip.	135,816	2.50%	3,395	
20	1120	Dist. resv. & standpipes	757,915	2.00%	15,158	
21	1125	Trans. & distr. mains	1,849,939	1.00%	18,499	
22	1130	Service lines	714,819	2.00%	14,296	
23	1135	Meters	128,700	3.33%	4,286	
24	1140	Meter installations	146,776	3.33%	4,888	
25	1145	Hydrants	163,087	2.50%	4,077	
26	1150	Backflow prevention devic.	98	10.00%	10	
27	1160	Other plt. & misc. equip. src. su.	0	2.50%	0	
28	1165	Other plt. & misc. equip. wtp.	0	2.50%	0	
29	1175	Office struct & improv.	7,745	10.00%	775	
30	1180	Office furn. & equip.	4,240	10.00%	424	
31	1185	Stores equipment	349	3.33%	12	
32	1190	Tool shop & misc. equip.	97,131	5.00%	4,857	
33	1195	Laboratory equipment	11,419	10.00%	1,142	
34	1200	Power operated equip.	3,815	10.00%	381	
35	1205	Communication equip.	32,582	10.00%	3,258	
36	1210	Misc. equipment	18	3.33%	1	
37	1215	Water plant allocated	0	6.67%	0	
38	1220	Other tangible plt. water	0	2.50%	0	
39	1555	Transportation equip.	0	0.00%	0	
40	1580	Mainframe computer - wtr	0	2.50%	0	
41	1585	Mini computer - wtr	(584)	0.00%	0	
42	1590	Comp. system cost - wtr	0	0.00%	0	
43	1595	Micro system cost - wtr	0	0.00%	0	
44	1805	Plt. held for future use	0	0.00%	0	
45		Pro forma plant additions	0	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	\$5,539,535		\$121,409	2.19% [6]

[1] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), unless otherwise noted

[4] Depreciation rates approved in Docket No. W-354, Sub 344.

[2] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d) plus \$60,000 Pace Utility water plant

[5] Column (a) multiplied by Column (b).

[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d) plus \$4,057 Pace Utility supply main

[6] Column (c) divided by Column (a), Line 46.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-15-1(d)

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1245	Organization	\$16,593	2.50%	\$415	
2	1250	Franchises intang. plt.	41,938	2.50%	1,048	
3	1270	Land & land rights trmnt plt	0	0.00%	0	
4	1275	Land & land rights reclaim.	0	0.00%	0	
5	1285	Land & land rights gen. plt.	0	0.00%	0	
6	1290	Struct/improv. coll. plt.	0	2.00%	0	
7	1295	Struct/improv. pump plt. ls.	1,643,031	2.00%	32,861	
8	1300	Struct/improv. treat. plt.	2,013,607	2.50%	50,340	
9	1305	Struct/improv. reclaim. wtp.	0	2.50%	0	
10	1310	Struct/improv. reclaim. wtr.	2,477	2.50%	62	
11	1315	Struct/improv. gen. plt.	264,025	2.00%	5,280	
12	1320	Power gen. equip. coll. plt.	0	10.00%	0	
13	1325	Power gen. equip. pump plt.	41,826	10.00%	4,183	
14	1330	Power gen. equip. treat. plt.	0	10.00%	0	
15	1345	Sewer force main/serv. lin.	196,485	1.33%	2,613	
16	1350	Sewer gravity main	5,220,340	1.00%	52,203	
17	1353	Manholes	44,379	1.00%	444	
18	1355	Special coll. structures	775	2.00%	16	
19	1360	Services to customers	60,239	1.33%	801	
20	1365	Flow measure devices	17,011	4.00%	680	
21	1370	Flow measure install	0	4.00%	0	
22	1375	Receiving wells	0	2.00%	0	
23	1380	Pumping equipment pump plt.	748,053	14.29%	106,897	
24	1385	Pumping equipment reclaim.	234	14.29%	33	
25	1390	Pumping equipment rcl. wtr.	0	14.29%	0	
26	1395	Treat./disp. equip. lagoon	56	2.50%	1	
27	1400	Treat./disp. equip. trt. plt.	2,792,662	2.50%	69,817	
28	1405	Treat./disp. equip. rct. wtp.	0	2.50%	0	
29	1410	Plant sewers treat. plt.	386,711	2.50%	9,668	
30	1415	Plant sewers reclaim wtp.	0	2.50%	0	
31	1420	Outfall lines	15,379	1.00%	154	
32	1425	Other plt. tangible	0	2.50%	0	
33	1430	Other plt. collection	(224)	2.50%	(6)	
34	1435	Other plt. pump	2,873	2.50%	72	
35	1440	Other plt. treatment	0	2.50%	0	
36	1445	Other plt. reclaim wtr. trt.	5,189	2.50%	130	
37	1450	Other plt. reclaim wtr. dis.	0	2.50%	0	
38	1455	Office struct & improv.	12,031	10.00%	1,203	
39	1460	Office furn. & equip.	1,593	10.00%	159	
40	1465	Stores equipment	2,752	3.33%	92	
41	1470	Tool shop & misc. equip.	14,314	5.00%	716	
42	1475	Laboratory equipment	6,227	10.00%	623	
43	1480	Power operated equip.	47,881	10.00%	4,788	
44	1485	Communication equip.	993	10.00%	99	
45	1490	Misc equip. sewer	9,393	3.33%	313	
46	1495	Sewer plant allocated	0	6.67%	0	
47	1500	Other tangible plt. sewer	0	2.50%	0	
48	1535	Reuse dist. reservoirs	2,763	2.00%	55	
49	1540	Reuse transmission & dist.	1,414	2.00%	28	
50	1555	Transportation equip.	0	0.00%	0	
51	1575	Desktop computer - wtr	0	0.00%	0	
52	1580	Mainframe computer - wtr	0	0.00%	0	
53	1585	Mini computer - wtr	(611)	0.00%	0	
54	1590	Comp. system cost - wtr	0	0.00%	0	
55	1595	Micro system cost - wtr	0	0.00%	0	
56	1805	Plt. held for future use	0	0.00%	0	
57		Pro forma plant additions	0	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$13,612,409</u>		<u>\$345,788</u>	<u>2.54%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 58.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-15-2(a)

CWS - NC Uniform - Water

Line No.	Account	Description	Test Year Per Books AA	[1] April to July Per Books AA	[1] August Per Books AA	[1] September Per Books AA	[1] Total CIAC	[2] Amortization Rates	[1] CIAC Amortization	[3]
			[a]	[b]	[c]	[d]	[e]	[f]	[g]	
1	3265	Ciac-Struct & Imprv Src S	(51,493)	-	-	-	(51,493)	2.00%	(1,030)	
2	3270	Ciac-Struct & Imprv Wtp	(43,000)	-	-	-	(43,000)	2.00%	(860)	
3	3295	Ciac-Wells & Springs	(1,013,273)	-	-	-	(1,013,273)	2.00%	(20,265)	
4	3315	Ciac-Elec Pump Eqp Src Pu	(27,158)	-	-	-	(27,158)	14.29%	(3,880)	
5	3320	Ciac-Elec Pump Eqp Wtp	(86,987)	-	-	-	(86,987)	3.33%	(2,900)	
6	3325	Ciac-Elec Pump Eqp Wtp	(200,932)	-	-	-	(200,932)	14.29%	(28,705)	
7	3330	Ciac-Elec Pump Eqp Wtp	(47,681)	-	-	-	(47,681)	2.50%	(1,192)	
8	3335	Ciac-Dist Resv & Standpip	(183,881)	-	-	-	(183,881)	2.00%	(3,678)	
9	3340	Ciac-Trans & Distr Mains	(2,795,838)	-	-	-	(2,795,838)	1.00%	(27,958)	
10	3345	Ciac-Service Lines	(209,411)	-	-	-	(209,411)	2.00%	(4,188)	
11	3350	Ciac-Meters	(25,400)	-	-	-	(25,400)	3.33%	(847)	
12	3360	Ciac-Hydrants	(317,426)	-	-	-	(317,426)	2.50%	(7,936)	
13	3365	Ciac-Backflow Prevent Dev	(4,000)	-	-	-	(4,000)	10.00%	(400)	
14	3425	Ciac-Misc Equipment	(164,750)	-	-	-	(164,750)	3.33%	(5,486)	
15	3430	Ciac-Other Tangible Plt W	(18,508,745)	-	-	-	(18,508,745)	2.50%	(462,719)	
16	3435	Ciac-Water-Tap	(3,952,082)	(27,670)	(12,150)	(4,188)	(3,996,090)	2.64%	(105,391)	
17	3440	Ciac-Wtr Mgmt Fee	(19,350)	(300)	-	-	(19,650)	2.64%	(518)	
18	3445	Ciac-Wtr Res Cap Fee	(39,250)	-	-	-	(39,250)	2.64%	(1,035)	
19	3450	Ciac-Wtr Plt Mod Fee	(750,758)	(6,250)	(2,000)	(800)	(759,808)	2.64%	(20,039)	
20	3455	Ciac-Wtr Plt Mtr Fee	(167,153)	(4,610)	(850)	(2,723)	(175,336)	2.64%	(4,624)	
21		Total - Water (Sum of L1 thru L20)	<u>(28,608,568)</u>	<u>(38,830)</u>	<u>(15,000)</u>	<u>(7,711)</u>	<u>(28,670,108)</u>		<u>(703,651)</u>	

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-15-2(b)

CWS - NC Uniform - Sewer

Line No.	Account	Description	Test Year Per Books AA [1]	April to July Per Books AA [1]	August Per Books AA [1]	September Per Books AA [1]	Total CIAC [2]	Amortization Rates [1]	CIAC Amortization [3]
			[a]	[b]	[c]	[d]	[e]	[f]	[g]
1	3500	Ciac-Struct/Imprv Pump Pl	(644,068)	-	-	-	(644,068)	2.00%	(12,881)
2	3505	Ciac-Struct/Imprv Treat P	(369,920)	-	-	-	(369,920)	2.50%	(9,248)
3	3520	Ciac-Struct/Imprv Gen Plt	(15,404,489)	-	-	-	(15,404,489)	2.00%	(308,090)
4	3550	Ciac-Sewer Force Main	(167,394)	-	-	-	(167,394)	1.33%	(2,227)
5	3555	Ciac-Sewer Gravity Main	(1,857,909)	-	-	-	(1,857,909)	1.00%	(18,579)
6	3557	Ciac-Manholes	(182,156)	-	-	-	(182,156)	1.00%	(1,822)
7	3565	Ciac-Services To Customer	(198,451)	-	-	-	(198,451)	1.33%	(2,640)
8	3605	Ciac-Treat/Disp Equip Trt	44,800	-	-	-	44,800	2.50%	1,120
9	3700	Ciac-Other Tangible Plt S	372	-	-	-	372	2.50%	9
10	3705	Ciac-Sewer-Tap	(3,168,466)	(11,763)	(3,600)	(5,900)	(3,189,730)	2.34%	(74,614)
11	3710	Ciac-Swr Mgmt Fee	(10,000)	-	-	-	(10,000)	2.34%	(234)
12	3715	Ciac-Swr Res Cap Fee	-	-	-	-	-	2.34%	-
13	3720	Ciac-Swr Plt Mod Fee	(6,008,626)	(1,000)	(1,000)	-	(6,010,626)	2.34%	(140,599)
14	3725	Ciac-Swr Plt Mtr Fee	(50)	-	-	-	(50)	2.34%	(1)
15		Total - Sewer (Sum of L1 thru L14)	<u>(27,966,359)</u>	<u>(12,763)</u>	<u>(4,600)</u>	<u>(5,900)</u>	<u>(27,989,622)</u>		<u>(569,806)</u>

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-15-2(c)

BF/FH/TC - Water

Line No.	Account	Description	Test Year Per Books AA	[1]	April to July Per Books AA	[1]	August Per Books AA	[1]	September Per Books AA	[1]	Total CIAC	[2]	Amortization Rates	[1]	CIAC Amortization	[3]
			[a]		[b]		[c]		[d]		[e]		[f]		[g]	
1	3265	Ciac-Struct & Imprv Src S	-				-		-		-		2.00%		-	
2	3270	Ciac-Struct & Imprv Wtp	-				-		-		-		2.00%		-	
3	3295	Ciac-Wells & Springs	-				-		-		-		2.00%		-	
4	3315	Ciac-Elec Pump Eqp Src Pu	-				-		-		-		14.29%		-	
5	3320	Ciac-Elec Pump Eqp Wtp	-				-		-		-		3.33%		-	
6	3325	Ciac-Elec Pump Eqp Wtp	-				-		-		-		14.29%		-	
7	3330	Ciac-Elec Pump Eqp Wtp	-				-		-		-		2.50%		-	
8	3335	Ciac-Dist Resv & Standpip	-				-		-		-		2.00%		-	
9	3340	Ciac-Trans & Distr Mains	(25,920)				-		-		(25,920)		1.00%		(259)	
10	3345	Ciac-Service Lines	(24,247)				-		-		(24,247)		2.00%		(485)	
11	3350	Ciac-Meters	-				-		-		-		3.33%		-	
12	3360	Ciac-Hydrants	(68,143)				-		-		(68,143)		2.50%		(1,704)	
13	3365	Ciac-Backflow Prevent Dev	-				-		-		-		10.00%		-	
14	3425	Ciac-Misc Equipment	-				-		-		-		3.33%		-	
15	3430	Ciac-Other Tangible Plt W	(1,711,201)				-		-		(1,711,201)		2.50%		(42,780)	
16	3435	Ciac-Water-Tap	(304,015)		(1,850)		-		-		(305,865)		2.64%		(8,067)	
17	3440	Acc Amort Sewer-Tap	-		-		-		-		-		2.64%		-	
18	3445	Ciac-Wtr Res Cap Fee	-		-		-		-		-		2.64%		-	
19	3450	Ciac-Wtr Plt Mod Fee	(110,435)		-		-		-		(110,435)		2.64%		(2,913)	
20	3455	Ciac-Wtr Plt Mtr Fee	(5,325)		(2,550)		(100)		-		(7,975)		2.64%		(210)	
21		Total - Water (Sum of L1 thru L20)	(2,249,286)		(4,400)		(100)		-		(2,253,786)				(56,417)	

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-15-2(d)

BF/FH - Sewer

Line No.	Account	Description	Test Year Per Books AA	[1]	April to July Per Books AA	[1]	August Per Books AA	[1]	September Per Books AA	[1]	Total CIAC	[2]	Amortization Rates	[1]	CIAC Amortization	[3]
			[a]		[b]		[c]		[d]		[e]		[f]		[g]	
1	3500	Ciac-Struct/Imprv Pump Pl	-				-		-		-		2.00%		-	
2	3505	Ciac-Struct/Imprv Treat P	-				-		-		-		2.50%		-	
3	3520	Ciac-Struct/Imprv Gen Plt	(5,554,903)				-		-		(5,554,903)		2.00%		(111,098)	
4	3550	Ciac-Sewer Force Main	-				-		-		-		1.33%		-	
5	3555	Ciac-Sewer Gravity Main	(59,811)				-		-		(59,811)		1.00%		(598)	
6	3557	Ciac-Manholes	-				-		-		-		1.00%		-	
7	3565	Ciac-Services To Customer	-				-		-		-		1.33%		-	
8	3605	Ciac-Treat/Disp Equip Trt	-				-		-		-		2.50%		-	
9	3700	Ciac-Other Tangible Plt S	-				-		-		-		2.50%		-	
10	3705	Ciac-Sewer-Tap	(475,292)		-		-		-		(475,292)		2.34%		(11,118)	
11	3710	Ciac-Swr Mgmt Fee	-				-		-		-		2.34%		-	
12	3715	Ciac-Swr Res Cap Fee	(707,193)				-		-		(707,193)		2.34%		(16,543)	
13	3720	Ciac-Swr Plt Mod Fee	(291,780)		-		-		-		(291,780)		2.34%		(6,825)	
14		Total - Sewer (Sum of L1 thru L13)	(7,088,979)		-		-		-		(7,088,979)				(146,182)	

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO FRANCHISE TAX & OTHER TAX
For The Test Year Ended March 31, 2019

Settlement Exhibit I
Schedule 3-16

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Franchise tax & other tax per application	(\$3,545)	(\$2,639)	\$2,573	\$2,822
2	Adjustments to correct UA adjustments	72 [1]	44 [1]	10 [1]	9 [1]
3	Franchise tax & other tax per Public Staff (L1 + L2)	<u>(\$3,473)</u>	<u>(\$2,595)</u>	<u>\$2,583</u>	<u>\$2,830</u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO PAYROLL TAX

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-17

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Payroll taxes per application	\$ 322,504	\$194,868	\$46,091	\$32,637
2	Adjustment to include company 10.04.2019 updates	(7,980)	(4,822)	(953)	(995)
3	Payroll taxes adjusted for company updates (L1 + L2)	314,524	190,047	45,139	31,641
4	Public Staff adjustments	(28,500) [1]	(17,209) [1]	(12,227) [1]	4,013 [1]
5	Combined adjustments for company and Public Staff (L2 + L4)	(36,480)	(22,030)	(13,180)	3,017
6	Payroll taxes per Public Staff (L1 + L5)	\$ 286,024	\$ 172,838	\$ 32,912	\$ 35,654

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-18(a)

CWSNC WATER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$17,546,334</u>	<u>\$20,235,202</u>	<u>\$19,125,967</u>
	Operating revenue deductions:			
2	Maintenance expenses	7,387,380	7,387,380	7,387,380
3	General expenses	3,537,845	3,537,845	3,537,845
4	Depreciation expense	3,198,990	3,198,990	3,198,990
5	Amortization of CIAC	(704,302)	(704,302)	(704,302)
6	Amortization of PAA	(115,669)	(115,669)	(115,669)
7	Amortization of ITC	(328)	(328)	(328)
8	Franchise and other taxes	(3,473)	(3,473)	(3,473)
9	Property taxes	154,066	154,066	154,066
10	Payroll taxes	286,024	286,024	286,024
11	Regulatory fee	22,810	26,306	24,864
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,725,688</u> [2]	<u>1,725,688</u> [4]	<u>1,725,688</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>15,489,032</u>	<u>15,492,528</u>	<u>15,491,086</u>
15	Taxable income (L1 - L14)	<u>2,057,302</u>	<u>4,742,674</u>	<u>3,634,881</u>
16	State income tax (L15 x 2.5%)	<u>51,433</u>	<u>118,567</u>	<u>90,872</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,005,869</u>	<u>4,624,107</u>	<u>3,544,009</u>
18	Federal income tax (L17 x 21%)	<u>421,233</u>	<u>971,063</u>	<u>744,242</u>
19	Excess deferred income tax amortization	<u>(26,433)</u>	<u>(26,433)</u>	<u>(26,433)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>1,611,069</u>	<u>3,679,477</u>	<u>2,826,200</u>
21	Add: Interest expense	<u>1,725,688</u> [2]	<u>1,725,688</u> [4]	<u>1,725,688</u> [6]
22	Net income for a return (L20 + L21)	<u>\$3,336,757</u>	<u>\$5,405,165</u>	<u>\$4,551,888</u>

[1] Feasel Exhibit I, Schedule 3(a), Column (c).

[2] Feasel Exhibit I, Schedule 1(a), Column (e), Line 1.

[3] Feasel Exhibit I, Schedule 3(a), Column (e).

[4] Feasel Exhibit I, Schedule 1(a), Column (e), Line 4.

[5] Feasel Exhibit I, Schedule 3(a), Column (g).

[6] Feasel Exhibit I, Schedule 1(a), Column (e), Line 7.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-18(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates (a)	Company Proposed Rates (b)	Public Staff Recommended Rates (c)
1	Operating revenue	<u>\$12,987,918</u>	<u>\$16,952,569</u>	<u>\$15,744,906</u>
	Operating revenue deductions:			
2	Maintenance expenses	6,118,168	6,118,168	6,118,168
3	General expenses	2,139,358	2,139,358	2,139,358
4	Depreciation expense	2,821,151	2,821,151	2,821,151
5	Amortization of CIAC	(570,054)	(570,054)	(570,054)
6	Amortization of PAA	(16,931)	(16,931)	(16,931)
7	Amortization of ITC	(251)	(251)	(251)
8	Franchise and other taxes	(2,595)	(2,595)	(2,595)
9	Property taxes	93,092	93,092	93,092
10	Payroll taxes	172,838	172,838	172,838
11	Regulatory fee	16,884	22,038	20,468
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,603,575</u> [2]	<u>1,603,575</u> [4]	<u>1,603,575</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>12,375,237</u>	<u>12,380,391</u>	<u>12,378,821</u>
15	Taxable income (L1 - L14)	<u>612,681</u>	<u>4,572,178</u>	<u>3,366,085</u>
16	State income tax (L15 x 2.5%)	<u>15,317</u>	<u>114,304</u>	<u>84,152</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>597,364</u>	<u>4,457,874</u>	<u>3,281,933</u>
18	Federal income tax (L17 x 21%)	<u>125,447</u>	<u>936,154</u>	<u>689,206</u>
19	Excess deferred income tax amortization	<u>(33,486)</u>	<u>(33,486)</u>	<u>(33,486)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>505,403</u>	<u>3,555,206</u>	<u>2,626,213</u>
21	Add: Interest expense	<u>1,603,575</u> [2]	<u>1,603,575</u> [4]	<u>1,603,575</u> [6]
22	Net income for a return (L20 + L21)	<u>\$2,108,978</u>	<u>\$5,158,781</u>	<u>\$4,229,788</u>

[1] Feasel Exhibit I, Schedule 3(b), Column (c).

[2] Feasel Exhibit I, Schedule 1(b), Column (e), Line 1.

[3] Feasel Exhibit I, Schedule 3(b), Column (e).

[4] Feasel Exhibit I, Schedule 1(b), Column (e), Line 4.

[5] Feasel Exhibit I, Schedule 3(b), Column (g).

[6] Feasel Exhibit I, Schedule 1(b), Column (e), Line 7.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-18(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	\$1,339,014	\$1,526,388	\$1,423,472
	Operating revenue deductions:			
2	Maintenance expenses	591,372	591,372	591,372
3	General expenses	401,922	401,922	401,922
4	Depreciation expense	169,164	169,164	169,164
5	Amortization of CIAC	(56,417)	(56,417)	(56,417)
6	Amortization of PAA	13,303	13,303	13,303
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	2,583	2,583	2,583
9	Property taxes	10,553	10,553	10,553
10	Payroll taxes	32,912	32,912	32,912
11	Regulatory fee	1,741	1,984	1,851
12	Gross receipts tax	0	0	0
13	Interest expense	82,334 [2]	82,334 [4]	82,334 [6]
14	Total deductions (Sum of L2 thru L13)	1,249,466	1,249,709	1,249,576
15	Taxable income (L1 - L14)	89,548	276,679	173,896
16	State income tax (L15 x 2.5%)	2,239	6,917	4,347
17	Federal taxable income after state income tax (L15 - L16)	87,309	269,762	169,549
18	Federal income tax (L17 x 21%)	18,335	56,650	35,605
19	Excess deferred income tax amortization	(896)	(896)	(896)
20	Net amount (L15 - L16 - L18 - L19)	69,870	214,008	134,840
21	Add: Interest expense	82,334 [2]	82,334 [4]	82,334 [6]
22	Net income for a return (L20 + L21)	\$152,204	\$296,342	\$217,174

[1] Feasel Exhibit I, Schedule 3(c), Column (c).

[2] Feasel Exhibit I, Schedule 1(c), Column (e), Line 1.

[3] Feasel Exhibit I, Schedule 3(c), Column (e).

[4] Feasel Exhibit I, Schedule 1(c), Column (e), Line 4.

[5] Feasel Exhibit I, Schedule 3(c), Column (g).

[6] Feasel Exhibit I, Schedule 1(c), Column (e), Line 7.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-18(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	\$2,095,316	\$2,306,736	\$2,212,891
	Operating revenue deductions:			
2	Maintenance expenses	800,581	800,581	800,581
3	General expenses	427,844	427,844	427,844
4	Depreciation expense	391,406	391,406	391,406
5	Amortization of CIAC	(146,182)	(146,182)	(146,182)
6	Amortization of PAA	42,674	42,674	42,674
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	2,830	2,830	2,830
9	Property taxes	11,022	11,022	11,022
10	Payroll taxes	35,654	35,654	35,654
11	Regulatory fee	2,724	2,999	2,877
12	Gross receipts tax	0	0	0
13	Interest expense	209,511 [2]	209,511 [4]	209,511 [6]
14	Total deductions (Sum of L2 thru L13)	1,778,064	1,778,339	1,778,217
15	Taxable income (L1 - L14)	317,252	528,397	434,674
16	State income tax (L15 x 2.5%)	7,931	13,210	10,867
17	Federal taxable income after state income tax (L15 - L16)	309,321	515,187	423,807
18	Federal income tax (L17 x 21%)	64,957	108,189	88,999
19	Excess deferred income tax amortization	(8,313)	(8,313)	(8,313)
20	Net amount (L15 - L16 - L18 - L19)	252,677	415,311	343,121
21	Add: Interest expense	209,511 [2]	209,511 [4]	209,511 [6]
22	Net income for a return (L20 + L21)	\$462,188	\$624,822	\$552,632

[1] Feasel Exhibit I, Schedule 3(d), Column (c).

[2] Feasel Exhibit I, Schedule 1(d), Column (e), Line 1.

[3] Feasel Exhibit I, Schedule 3(d), Column (e).

[4] Feasel Exhibit I, Schedule 1(d), Column (e), Line 4.

[5] Feasel Exhibit I, Schedule 3(d), Column (g).

[6] Feasel Exhibit I, Schedule 1(d), Column (e), Line 7.

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CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 364
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended March 31, 2019

Settlement Exhibit II

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Settlement Total
1	Increase/(decrease) in total revenue per Company	\$ 2,674,305	\$ 3,808,085	\$ 187,541	\$ 211,302	\$ 6,881,233
	Uncontested items:					
2	Difference in calculation of revenue requirement based on Company amounts	0	0	0	0	0
3	Adjust capital structure to 50.9% debt and 49.1% equity	59,702	55,575	2,794	7,213	125,284
4	Adjust debt cost rate to 5.36%	(71,805)	(66,841)	(3,360)	(8,675)	(150,681)
8	Adjustment to uncollectibles	9,073	6,546	3,793	5,382	24,794
9	Adjustment to forfeited discounts	(5,001)	(2,614)	(1,030)	(1,481)	(10,126)
10	Adjustment to miscellaneous revenues	(12,780)	(7,722)	(1,752)	(1,830)	(24,084)
11	Update revenues to 9/30/2019	(112,245)	(465,258)	(290)	(4,922)	(582,715)
12	Adjustment to include plant held for future use	(8,158)	(43,949)	0	0	(52,107)
13	Adjustment to remove pro forma estimates	(141,063)	(1,258,468)	0	(68,976)	(1,468,507)
20	Adjustment to remove AA Pace Utilities	9,836	0	1,805	1,805	13,446
23	Adjustment to customer deposits	(593)	(358)	(8)	(9)	(968)
25	Adjustment to excess book value	28	0	0	0	28
26	Adjustment to average tax accruals	(13,116)	(8,026)	(846)	(917)	(22,905)
29	Adjustment to maintenance salaries	(120,314)	(72,584)	(26,023)	24,950	(193,971)
30	Adjustment to purchased power	0	(7,689)	0	0	(7,689)
33	Adjustment to maintenance testing	(1,585)	(206)	(43)	0	(1,834)
35	Adjustment to chemicals	0	(32,563)	0	12,681	(19,882)
36	Adjustment to transportation	(2,663)	(1,609)	(317)	(332)	(4,921)
45	Adjustment to office utility	(1,747)	(1,056)	(604)	(656)	(4,063)
48	Adjustment to amortization expense - CIAC	(19,632)	46,732	(16,839)	(1,540)	8,721
50	Adjustment to franchise tax	72	44	10	9	135
42	Adjustment to pension and benefits	56,088	33,927	(12,106)	(8,758)	69,151
49	Adjustment to amortization expense - PAA	(13,048)	8,063	1,626	12,089	8,730
14	Adjustment to cost center rate base	0	0	0	0	0
19	Adjustment to reclass Into collect LLC	(418)	(253)	(50)	(52)	(773)
34	Adjustment to meter reading	0	0	0	0	0
51	Adjustment to property tax	0	0	0	0	0
53	Rounding	(1)	(1)	(2)	(4)	(8)
39	Adjustment to general salaries and wages	(223,625)	(135,076)	(31,422)	7,134	(382,989)
52	Adjustment to payroll tax	(36,527)	(22,059)	(13,197)	3,021	(68,762)
47	Adjustment to depreciation expense	127,970	33,247	7,483	13,006	181,706
38	Adjustment to outside services - other	(17,466)	(10,554)	(199)	(235)	(28,454)
40	Adjustment to office supplies and other office exp.	(315)	(190)	7	(39)	(537)
37	Adjustment to capitalized time	(2,102)	(9,261)	(5,863)	(32,308)	(49,534)
24	Adjustment to gain on sale	(16,621)	(7,814)	0	0	(24,435)

CAROLINA WATER SERVICE, INC. OF NC

Docket No. W-354, Sub 364

**CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS**

For The Test Year Ended March 31, 2019

Settlement Exhibit II

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Settlement Total
27	Adjustment for excess deferred taxes	(34,362)	(43,531)	(1,165)	(10,807)	(89,865)
17	Adjustment to include actual GL additions	205,239	1,444,530	6,601	85,718	1,742,088
15	Adjustment to correct cost centers adjustments	(955)	(577)	(33)	(119)	(1,684)
16	Adjustment to update rate base for depreciation and amortization	(1,785)	(40,232)	(197)	(8,211)	(50,425)
18	Adjustments to include deferred accounting accumulated depreciation	0	(4,425)	0	0	(4,425)
43	Adjustment to rent	(33,718)	(20,374)	(4,027)	(4,205)	(62,324)
44	Adjustment to insurance	64,210	38,801	7,663	7,999	118,673
46	Adjustment to miscellaneous	(48,786)	(42,539)	(15,722)	(30,645)	(137,692)
31	Adjustment to purchased water/sewer	12,917	2,126	32,296	0	47,339
Accounting Changes Tentatively Confirmed:						
6	Adjustment to reflect regulatory rate change impact on operating deduction	(1,412)	(1,076)	(125)	(159)	(2,772)
7	Adjustment to reflect regulatory rate change impact on rate base	(595)	(554)	(29)	(71)	(1,249)
21	Adjustment to cash working capital	(4,436)	(472)	(626)	(404)	(5,938)
22	Adjustment to ADIT	68,963	(13,042)	1,770	6,648	64,339
28	Adjustment to deferred charges	(21,079)	(5,054)	56	(3,185)	(29,262)
41	Adjustment to regulatory commission expense	(27,951)	(14,692)	(3,090)	(3,235)	(48,968)
Contested items:						
5	Adjust return on equity to 9.1%	(656,807)	(611,393)	(30,737)	(79,361)	(1,378,298)
32	Adjustment to maintenance and repair	(56,058)	231,426	714	(10,246)	165,836
54	Revenue impact of Public Staff adjustments (Sum of L2 thru L53)	<u>(1,094,671)</u>	<u>(1,051,095)</u>	<u>(103,084)</u>	<u>(93,727)</u>	<u>(2,342,577)</u>
55	Increase/(decrease) per Public Staff (L1 + L54)	<u>\$ 1,579,634</u>	<u>\$ 2,756,990</u>	<u>\$ 84,457</u>	<u>\$ 117,575</u>	<u>\$ 4,538,656</u>
56	Public Staff recommended increase(decrease) (L55)	1,579,634	2,756,990	84,457	117,575	4,538,656
57	Federal Unprotected EDIT Rider	(141,204)	(178,875)	(4,788)	(44,409)	(369,276)
58	Public Staff Recommended change in revenue requirement (L56 + L57)	<u>\$ 1,438,430</u>	<u>\$ 2,578,115</u>	<u>\$ 79,669</u>	<u>\$ 73,166</u>	<u>\$ 4,169,380</u>