

INDEX TO SETTLEMENT EXHIBIT I		Revised
LINE NO.	TITLE	SCHEDULE NO.
1	RETURN ON ORIGINAL COST RATE BASE - CWSNC WATER OPERATIONS	1(a)
2	RETURN ON ORIGINAL COST RATE BASE - CWSNC SEWER OPERATIONS	1(b)
3	RETURN ON ORIGINAL COST RATE BASE - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	1(c)
4	RETURN ON ORIGINAL COST RATE BASE - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	1(d)
5	ORIGINAL COST RATE BASE - CWSNC WATER OPERATIONS	2(a)
6	ORIGINAL COST RATE BASE - CWSNC SEWER OPERATIONS	2(b)
7	ORIGINAL COST RATE BASE - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	2(c)
8	ORIGINAL COST RATE BASE - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	2(d)
9	CALCULATION OF PLANT IN SERVICE AND ACCUMULATED DEPRECIATION - CWSNC	2-1(a)
10	WATER OPERATIONS	
11	CALCULATION OF PLANT IN SERVICE AND ACCUMULATED DEPRECIATION - CWSNC	2-1(b)
12	SEWER OPERATIONS	
13	CALCULATION OF PLANT IN SERVICE AND ACCUMULATED DEPRECIATION - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE	2-1(c)
14	WATER OPERATIONS	
15	CALCULATION OF PLANT IN SERVICE AND ACCUMULATED DEPRECIATION - BRADFIELD FARMS/FAIRFIELD HARBOUR	2-1(d)
16	SEWER OPERATIONS	
17	CALCULATION OF DIRECT PLANT IN SERVICE - CWSNC WATER OPERATIONS	2-1(a)(1)
18	CALCULATION OF DIRECT PLANT IN SERVICE - CWSNC SEWER OPERATIONS	2-1(b)(1)
19	CALCULATION OF DIRECT PLANT IN SERVICE - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	2-1(c)(1)
20	CALCULATION OF DIRECT PLANT IN SERVICE - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	2-1(d)(1)
21	ADJUSTMENT TO DIRECT PLANT IN SERVICE - CWSNC WATER OPERATIONS	2-1(a)(2)
22	ADJUSTMENT TO DIRECT PLANT IN SERVICE - CWSNC SEWER OPERATIONS	2-1(b)(2)
23	ADJUSTMENT TO DIRECT PLANT IN SERVICE - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	2-1(c)(2)
24	ADJUSTMENT TO DIRECT PLANT IN SERVICE - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	2-1(d)(2)
25	ADJUSTMENT TO DIRECT ACCUMULATED DEPRECIATION	2-2
26	CALCULATION OF CASH WORKING CAPITAL	2-3
27	ADJUSTMENT TO CONTRIBUTIONS IN AID OF CONSTRUCTION, NET OF AMORTIZATION	2-4
28	CALCULATION OF ACCUMULATED DEFERRED INCOME TAXES--CWSNC UNIFORM OPERATIONS	2-5 (a)
29	CALCULATION OF ACCUMULATED DEFERRED INCOME TAXES--BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE OPERATIONS	2-5 (b)
30	ADJUSTMENT TO CUSTOMER DEPOSITS	2-6
31	ADJUSTMENT TO GAIN ON SALE	2-7
32	ADJUSTMENT TO PURCHASE ACQUISITION ADJUSTMENT, NET OF AMORTIZATION	2-8
33	CALCULATION OF EXCESS BOOK VALUE	2-9
34	CALCULATION OF DEFERRED CHARGES	2-10
35	CALCULATION OF DEFERRED MAINTENANCE	2-10(a)
36	NET OPERATING INCOME FOR A RETURN - CWSNC WATER OPERATIONS	3(a) Page 1 of 2
37	FOOTNOTES TO SCHEDULE 3(a) - CWSNC WATER OPERATIONS	3(a) Page 2 of 2
38	NET OPERATING INCOME FOR A RETURN - CWSNC SEWER OPERATIONS	3(b) Page 1 of 2
39	FOOTNOTES TO SCHEDULE 3(b) - CWSNC SEWER OPERATIONS	3(b) Page 2 of 2
40	NET OPERATING INCOME FOR A RETURN - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	3(c) Page 1 of 2
41	FOOTNOTES TO SCHEDULE 3(c) - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	3(c) Page 2 of 2
42	NET OPERATING INCOME FOR A RETURN - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	3(d) Page 1 of 2
43	FOOTNOTES TO SCHEDULE 3(d) - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	3(d) Page 2 of 2
44	ADJUSTMENT TO MISCELLANEOUS REVENUES - CWSNC WATER OPERATIONS	3-1(a)
45	ADJUSTMENT TO MISCELLANEOUS REVENUES - CWSNC SEWER OPERATIONS	3-1(b)
46	ADJUSTMENT TO MISCELLANEOUS REVENUES - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	3-1(c)
47	ADJUSTMENT TO MISCELLANEOUS REVENUES - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	3-1(d)
48	CALCULATION OF FORFEITED DISCOUNTS	3-1(a)(1)
49	CALCULATION OF UNCOLLECTIBLE ACCOUNTS	3-2
50	ADJUSTMENT TO SALARY AND WAGES MAINTENANCE	3-3 (a)
51	ADJUSTMENT TO SALARY AND WAGES GENERAL	3-3 (b)
52	ADJUSTMENT TO MAINTENANCE AND REPAIR	3-4
53	ADJUSTMENT TO DEFERRED MAINTENANCE AND REPAIR	3-4(a)
54	ADJUSTMENT TO TRANSPORTATION	3-5
55	ADJUSTMENT TO CAPITALIZED TIME ADJUSTMENT	3-6
56	ADJUSTMENT TO OUTSIDE SERVICE OTHER	3-7
57	ADJUSTMENT TO OFFICE SUPPLIES AND OTHER OFFICE EXPENSE	3-8
58	CALCULATION OF REGULATORY COMMISSION EXPENSE	3-9
59	ADJUSTMENT TO PENSION AND BENEFITS	3-10
60	ADJUSTMENT TO RENT	3-11
61	ALLOCATION OF INSURANCE	3-12
62	CALCULATION OF INSURANCE	3-12 (a)
63	ADJUSTMENT TO OFFICE UTILITY	3-13
64	ADJUSTMENT TO MISCELLANEOUS EXPENSE	3-14
65	CALCULATION OF DEPRECIATION AND AMORTIZATION EXPENSE	3-15
66	CALCULATION OF DIRECT DEPRECIATION EXPENSE - CWSNC WATER OPERATIONS	3-15-1 (a)
67	CALCULATION OF DIRECT DEPRECIATION EXPENSE - CWSNC SEWER OPERATIONS	3-15-1 (b)
68	CALCULATION OF DIRECT DEPRECIATION EXPENSE - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	3-15-1 (c)
69	CALCULATION OF DIRECT DEPRECIATION EXPENSE - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	3-15-1 (d)
70	CALCULATION OF CIAC AMORTIZATION - CWSNC WATER OPERATIONS	3-15-2 (a)
71	CALCULATION OF CIAC AMORTIZATION - CWSNC SEWER OPERATIONS	3-15-2 (b)
72	CALCULATION OF CIAC AMORTIZATION - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	3-15-2 (c)
73	CALCULATION OF CIAC AMORTIZATION - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	3-15-2 (d)
74	ADJUSTMENT TO FRANCHISE TAX & OTHER TAX	3-16
75	ADJUSTMENT TO PAYROLL TAX	3-17
76	CALCULATION OF INCOME TAXES - CWSNC WATER OPERATIONS	3-18(a)
77	CALCULATION OF INCOME TAXES - CWSNC SEWER OPERATIONS	3-18(b)
78	CALCULATION OF INCOME TAXES - BRADFIELD FARMS/FAIRFIELD HARBOUR/TREASURE COVE WATER OPERATIONS	3-18(c)
79	CALCULATION OF INCOME TAXES - BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS	3-18(d)

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)

Revised

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)
Present Rates:						
1	Debt	50.90%	\$32,243,068 [2]	5.36% [1]	2.73%	\$1,728,228 [8]
2	Equity	49.10%	31,102,841 [2]	5.10% [6]	2.50%	1,587,035 [9]
3	Total	100.00%	\$63,345,909 [3]		5.23%	\$3,315,263 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$32,243,068 [4]	5.36% [1]	2.73%	\$1,728,228 [8]
5	Equity	49.10%	31,102,841 [4]	11.75% [6]	5.77%	3,655,443 [11]
6	Total	100.00%	\$63,345,909 [3]		8.50%	\$5,383,671 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$32,243,068 [5]	5.36% [1]	2.73%	\$1,728,228 [8]
8	Equity	49.10%	31,102,841 [5]	9.10% [1]	4.47%	2,830,359 [13]
9	Total	100.00%	\$63,345,909 [3]		7.20%	\$4,558,587 [14]

[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)
Revised

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)
Present Rates:						
1	Debt	50.90%	\$29,945,367 [2]	5.36% [1]	2.73%	\$1,605,072 [8]
2	Equity	49.10%	28,886,396 [2]	1.70% [6]	0.83%	490,782 [9]
3	Total	100.00%	\$58,831,763 [3]		3.56%	\$2,095,854 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$29,945,367 [4]	5.36% [1]	2.73%	\$1,605,072 [8]
5	Equity	49.10%	28,886,396 [4]	12.26% [6]	6.02%	3,540,585 [11]
6	Total	100.00%	\$58,831,763 [3]		8.75%	\$5,145,657 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$29,945,367 [5]	5.36% [1]	2.73%	\$1,605,072 [8]
8	Equity	49.10%	28,886,396 [5]	9.10% [1]	4.47%	2,628,662 [13]
9	Total	100.00%	\$58,831,763 [3]		7.20%	\$4,233,734 [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)
Revised

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%	\$1,541,826 [2]	5.36% [1]	2.73%	\$82,642 [8]
2	Equity	49.10%	1,487,301 [2]	4.51% [6]	2.21%	67,014 [9]
3	Total	100.00%	\$3,029,127 [3]		4.94%	\$149,656 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$1,541,826 [4]	5.36% [1]	2.73%	\$82,642 [8]
5	Equity	49.10%	1,487,301 [4]	14.20% [6]	6.97%	211,152 [11]
6	Total	100.00%	\$3,029,127 [3]		9.70%	\$293,794 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$1,541,826 [5]	5.36% [1]	2.73%	\$82,642 [8]
8	Equity	49.10%	1,487,301 [5]	9.10% [1]	4.47%	135,344 [13]
9	Total	100.00%	\$3,029,127 [3]		7.20%	\$217,986 [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)
Revised

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%	\$3,914,499 [2]	5.36% [1]	2.73%	\$209,817 [8]
2	Equity	49.10%	3,776,069 [2]	6.61% [6]	3.25%	249,649 [9]
3	Total	100.00%	\$7,690,568 [3]		5.98%	\$459,466 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$3,914,499 [4]	5.36% [1]	2.73%	\$209,817 [8]
5	Equity	49.10%	3,776,069 [4]	10.92% [6]	5.36%	412,283 [11]
6	Total	100.00%	\$7,690,568 [3]		8.09%	\$622,100 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$3,914,499 [5]	5.36% [1]	2.73%	\$209,817 [8]
8	Equity	49.10%	3,776,069 [5]	9.10% [1]	4.47%	343,622 [13]
9	Total	100.00%	\$7,690,568 [3]		7.20%	\$553,439 [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)

Revised

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
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	(48,341)	1,184,436 [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)	781,960	(2,312,807) [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	(131,750)	1,611,323 [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	\$981,173	\$63,345,909

[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.

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Jan 13 2020

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)

Revised

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	(3,350)	941,771 [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)	(169,567)	(2,884,203) [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	10,348	307,657 [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	\$779,193	\$58,831,763

[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.

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Jan 13 2020

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)

Revised

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
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	(6,903)	124,591 [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)	17,853	(84,226) [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	14,398	140,413 [11]
17	Pro forma plant	0	0	0
18	Original cost rate base (Sum of L3 thru L17)	\$2,918,635	\$110,492	\$3,029,127

[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)

Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
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	(4,282)	154,002 [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)	74,249	(714,208) [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	(22,934)	63,314 [11]
17	Pro forma plant	807,664	(807,664)	0 [12]
18	Original cost rate base (Sum of L3 thru L17)	\$7,535,358	\$155,210	\$7,690,568

[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.

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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)

Revised

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)

Revised

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)

Revised

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)

Revised

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)
Revised

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).

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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)
Revised

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).

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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)
Revised

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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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)
Revised

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)
Revised

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)
Revised

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 trimnt 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)
Revised

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)
Revised

BF/FH SEWER 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] (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. wtr.	0	0	0	0
29	1410	Plant sewers treat. plt.	0	0	0	0
30	1415	Plant sewers reclaim wtr.	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
Revised

Line No.	<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	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
Revised

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	3,566,612 [2]	2,156,740 [6]	405,357 [10]	431,433 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$ 9,475,490</u>	<u>\$7,534,168</u>	<u>\$996,729</u>	<u>\$1,232,014</u>
4	Cash working capital (L3 x 1/8)	<u>1,184,436</u>	<u>941,771</u>	<u>124,591</u>	<u>154,002</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>\$1,102,841</u>	<u>\$891,848</u>	<u>\$118,967</u>	<u>\$147,946</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
Revised

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
Revised

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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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)
Revised

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)	(5,038)	(166,219) [6]	(103,604) [9]	(62,615) [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)	24,857	(5,104,974)	(2,234,991)	(2,869,985)
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)	(615)	(20,295) [7]	(12,650) [9]	(7,645) [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)	3,036	(679,817)	(324,720)	(355,097)
23	Total Direct ADIT (L11 + L22)	(5,812,684)	27,893	(5,784,792)	(2,559,711)	(3,225,082)
24	ADIT allocated from WSC	0	(72,915) [3]	(72,915)	(45,448)	(27,467)
25	Total ADIT (L23 + L24)	(5,812,684)	(45,022)	(5,857,707)	(2,605,159)	(3,252,549)
26	Excess deferred income tax	0	660,698 [4]	660,698	292,352 [12]	368,346 [12]
27		(\$5,812,684)	\$615,676	(\$5,197,009)	(\$2,312,807)	(\$2,884,203)

[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)
Revised

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)	(549)	(25,300) [6]	(12,372) [9]	(12,928) [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)	1,747	(860,948)	(111,168)	(749,781)
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)	(67)	(3,089) [7]	(1,511) [9]	(1,578) [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)	214	(28,127)	22,102	(50,229)
23	Total Direct ADIT (L11 + L22)	(891,036)	1,961	(889,075)	(89,066)	(800,010)
24	ADIT allocated from WSC	0	(10,901) [3]	(10,901)	(5,332)	(5,569)
25	Total ADIT (L23 + L24)	(891,036)	(8,940)	(899,976)	(94,398)	(805,579)
26	Excess deferred income tax	0	101,543 [4]	101,543	10,172 [12]	91,371 [12]
27		(\$891,036)	\$92,603	(\$798,433)	(\$84,226)	(\$714,208)

[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

Revised

<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

Revised

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

[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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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
Revised

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).

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
Revised

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
Revised

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

Revised

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	506,039 [2]	305,775 [4]	60,425 [6]	63,138 [8]
4	Unamortized deferred charges per Public Staff (L1 + L2 + L3)	<u>\$1,611,323</u>	<u>\$307,657</u>	<u>\$140,413</u>	<u>\$63,314</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.

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Jan 13 2020

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)
Revised

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)

Page 1 of 2

Revised

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)
Operating Revenues:								
1	Service revenues	\$17,373,667	\$112,245	\$17,485,912 [3]	\$2,700,751	\$20,186,663 [3]	\$1,623,429	\$19,109,341 [38]
2	Miscellaneous revenues	172,036	17,782	189,818 [4]	8,102	197,920 [31]	4,870	194,688 [39]
3	Uncollectible accounts	(120,323)	(9,073)	(129,396) [5]	(19,985)	(149,381) [32]	(12,013)	(141,409) [40]
4	Total operating revenues (Sum of L1 thru L3)	17,425,381	120,953	17,546,334	2,688,868	20,235,202	1,616,286	19,162,620
Maintenance Expenses:								
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
General Expenses:								
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	853	169,355 [14]	0	169,355	0	169,355
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	(186,796)	3,566,612	0	3,566,612	0	3,566,612
Depreciation and Taxes:								
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]	2,101	24,911 [41]
33	Deferred Income Tax	0	(26,513)	(26,513) [26]	0	(26,513)	0	(26,513)
34	State income tax	104,355	(53,705)	50,650 [27]	67,134	117,784 [34]	40,355	91,005 [42]
35	Federal income tax	854,671	(439,848)	414,823 [28]	549,830	964,653 [35]	330,504	745,327 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,743,716	(466,638)	3,277,079	620,460	3,897,539	372,960	3,650,039
37	Total operating revenue deductions (L15 + L24 + L36)	15,071,532	(840,462)	14,231,071	620,460	14,851,531	372,960	14,604,031
38	Net operating income for a return (L4 - L37)	\$2,353,848	\$961,415	\$3,315,263	\$2,068,408	\$5,383,671	\$1,243,326	\$4,558,589

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)

Page 1 of 2

Revised

CWSNC SEWER OPERATIONS

		Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
Line No.	Item	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]	\$2,792,025	\$15,753,954 [38]
2	Miscellaneous revenues	114,164	10,336	124,500 [4]	11,949	136,449 [31]	8,376	132,876 [39]
3	Uncollectible accounts	(91,965)	(6,546)	(98,511) [5]	(30,270)	(128,781) [32]	(21,219)	(119,730) [40]
4	Total operating revenues (Sum of L1 thru L3)	12,518,870	469,048	12,987,918	3,964,651	16,952,569	2,779,182	15,767,100
<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	2,709	102,331 [14]	0	102,331	0	102,331
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	(123,634)	2,156,740	0	2,156,740	0	2,156,740
<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]	3,613	20,497 [41]
33	Deferred Income Tax	0	(33,406)	(33,406) [26]	0	(33,406)	0	(33,406)
34	State income tax	97,134	(82,289)	14,845 [27]	98,987	113,832 [34]	69,389	84,234 [42]
35	Federal income tax	795,525	(673,944)	121,581 [28]	810,707	932,288 [35]	568,298	689,879 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,346,826	(729,671)	2,617,155	914,848	3,532,003	641,300	3,258,455
37	Total operating revenue deductions (L15 + L24 + L36)	11,646,412	(754,349)	10,892,064	914,848	11,806,912	641,300	11,533,364
38	Net operating income for a return (L4 - L37)	\$872,457	\$1,223,397	\$2,095,854	\$3,049,803	\$5,145,657	\$2,137,882	\$4,233,736

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

Revised

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	\$1,304,231	\$290	\$1,304,521 [3]	\$189,171	\$1,493,692 [3]	\$89,679	\$1,394,200 [38]	
2	Miscellaneous revenues	48,277	2,783	51,060 [4]	606	51,666 [31]	287	51,347 [39]	
3	Uncollectible accounts	(12,774)	(3,793)	(16,567) [5]	(2,403)	(18,970) [32]	(1,139)	(17,706) [40]	
4	Total operating revenues (Sum of L1 thru L3)	1,339,735	(721)	1,339,014	187,374	1,526,388	88,827	1,427,841	
	Maintenance Expenses:								
5	Salaries and wages	334,852	(25,990)	308,862 [6]	0	308,862	0	308,862	
6	Purchased power	69,724	0	69,724	0	69,724	0	69,724	
7	Purchased water	(32,254)	32,254	0 [7]	0	0	0	0	
8	Maintenance and repair	62,438	714	63,151 [8]	0	63,151	0	63,151	
9	Maintenance testing	8,357	(43)	8,314 [7]	0	8,314	0	8,314	
10	Meter reading	30,753	0	30,753	0	30,753	0	30,753	
11	Chemicals	44,189	(0)	44,189	0	44,189	0	44,189	
12	Transportation	39,063	(317)	38,746 [9]	0	38,746	0	38,746	
13	Operating expenses charged to plant	(35,647)	(5,856)	(41,503) [10]	0	(41,503)	0	(41,503)	
14	Outside services - other	69,333	(199)	69,135 [11]	0	69,135	0	69,135	
15	Total maintenance expenses (Sum of L5 thru L14)	590,808	564	591,372	0	591,372	0	591,372	
	General Expenses:								
16	Salaries and wages	156,457	(31,381)	125,075 [12]	0	125,075	0	125,075	
17	Office supplies and other office expense	35,977	7	35,984 [13]	0	35,984	0	35,984	
18	Regulatory commission expense	17,289	350	17,639 [14]	0	17,639	0	17,639	
19	Pension and other benefits	111,940	(12,090)	99,850 [15]	0	99,850	0	99,850	
20	Rent	25,359	(4,022)	21,337 [16]	0	21,337	0	21,337	
21	Insurance	42,897	7,653	50,550 [17]	0	50,550	0	50,550	
22	Office utilities	43,855	(603)	43,252 [18]	0	43,252	0	43,252	
23	Miscellaneous	27,372	(15,701)	11,671 [19]	0	11,671	0	11,671	
24	Total general expenses (Sum of L16 thru L23)	461,145	(55,788)	405,357	0	405,357	0	405,357	
	Depreciation and Taxes:								
25	Depreciation expense	161,691	7,473	169,164 [20]	0	169,164	0	169,164	
26	Amortization of CIAC	(39,600)	(16,817)	(56,417) [21]	0	(56,417)	0	(56,417)	
27	Amortization of PAA	11,679	1,624	13,303 [22]	0	13,303	0	13,303	
28	Amortization of ITC	0	0	0	0	0	0	0	
29	Franchise and other taxes	2,573	10	2,583 [23]	0	2,583	0	2,583	
30	Property taxes	10,553	0	10,553	0	10,553	0	10,553	
31	Payroll taxes	46,091	(13,180)	32,912 [24]	0	32,912	0	32,912	
32	Regulatory fee	2,138	(397)	1,741 [25]	243	1,984 [33]	115	1,866 [41]	
33	Deferred Income Tax	0	(923)	(923) [26]	0	(923)	0	(923)	
34	State income tax	4,884	(2,739)	2,145 [27]	4,678	6,823 [34]	2,218	4,363 [42]	
35	Federal income tax	39,998	(22,429)	17,569 [28]	38,315	55,884 [35]	18,163	35,732 [43]	
36	Total depreciation and taxes (Sum of L25 thru L35)	240,007	(47,378)	192,629	43,236	235,865	20,496	213,125	
37	Total operating revenue deductions (L15 + L24 + L36)	1,291,960	(102,601)	1,189,358	43,236	1,232,594	20,496	1,209,854	
38	Net operating income for a return (L4 - L37)	\$47,775	\$101,881	\$149,656	\$144,138	\$293,794	\$68,331	\$217,987	

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)
Page 1 of 2
Revised

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]	\$123,334	\$2,223,204 [38]
2	Miscellaneous revenues	18,802	3,312	22,114 [4]	683	22,797 [31]	394	22,508 [39]
3	Uncollectible accounts	(21,286)	(5,382)	(26,668) [5]	(2,711)	(29,379) [32]	(1,567)	(28,235) [40]
4	Total operating revenues (Sum of L1 thru L3)	2,092,464	2,852	2,095,316	211,420	2,306,736	122,161	2,217,477
<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	358	18,429 [14]	0	18,429	0	18,429
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	(28,775)	431,433	0	431,433	0	431,433
<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]	159	2,883 [41]
33	Deferred Income Tax	0	(8,286)	(8,286) [26]	0	(8,286)	0	(8,286)
34	State income tax	12,609	(4,775)	7,834 [27]	5,279	13,113 [34]	3,050	10,884 [42]
35	Federal income tax	103,268	(39,108)	64,160 [28]	43,232	107,392 [35]	24,980	89,140 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	429,956	(26,119)	403,837	48,786	452,623	28,189	432,026
37	Total operating revenue deductions (L15 + L24 + L36)	1,696,228	(60,378)	1,635,850	48,786	1,684,636	28,189	1,664,039
38	Net operating income for a return (L4 - L37)	\$396,236	\$63,230	\$459,466	\$162,634	\$622,100	\$93,972	\$553,438

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)
Page 2 of 2
Revised**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.

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

Revised

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

Revised

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

Revised

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)

Revised

CWSNC WATER 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	\$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]	\$4,870	\$57,328 [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>\$4,870</u>	<u>\$194,688</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)

Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
Present Rates:				
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>
Company Proposed Rates:				
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>
Public Staff Recommended Rates:				
11	Forfeited discounts	\$38,886 [2]	\$8,376	\$47,262 [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>\$8,376</u>	<u>\$132,876</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)
Revised

BF/FH/TC WATER 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	\$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]	\$287	\$4,461 [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>\$287</u>	<u>\$51,347</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)
Revised

BF/FH 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	\$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]	\$394	\$7,114 [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>\$394</u>	<u>\$22,508</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)
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
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%
Present Rates:					
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
Company Proposed Rates:					
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
Public Staff Recommended Rates:					
10	Service revenues	\$19,109,341 [4]	\$15,753,954 [7]	\$1,394,200 [10]	\$2,223,204 [13]
11	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
12	Forfeited discounts (L10 x L11)	\$57,328	\$47,262	\$4,461	\$7,114

- [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
Revised

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	\$19,109,341 [4]	\$15,753,954 [7]	\$1,394,200 [10]	\$2,223,204 [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>\$141,409</u>	<u>\$119,730</u>	<u>\$17,706</u>	<u>\$28,235</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)
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Salaries & Wages maintenance per application	\$ 2,804,385 [1]	\$ 1,694,510 [1]	\$ 334,852 [1]	\$ 309,683 [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)	(120,158)	(72,490)	(25,990)	24,917
6	Salaries & Wages maintenance per Public Staff (L3 + L4)	\$ 2,684,228	\$ 1,622,020	\$ 308,862	\$ 334,600

[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)
Revised

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
Revised

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)
Revised

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

Revised

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
Revised

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
Revised

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
Revised

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
Revised

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>\$34,107</u>	\$519,416 [2]				
2	Amortization period in years			<u>5</u>				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>103,883</u>	<u>\$56,201</u> [4]	<u>\$33,959</u> [5]	<u>\$6,711</u> [6]	<u>\$7,012</u> [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>415,533.19</u>	<u>224,803</u> [4]	<u>135,838</u> [5]	<u>26,843</u> [6]	<u>28,048</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>\$233,844</u>	<u>\$126,510</u>	<u>\$76,443</u>	<u>\$15,106</u>	<u>\$15,784</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>\$307,755</u>	<u>\$169,355</u>	<u>\$102,331</u>	<u>\$17,639</u>	<u>\$18,429</u>
12	Total unamortized balance of rate case expense (L4 + L8)			<u>\$935,378</u>	<u>\$506,039</u>	<u>\$305,775</u>	<u>\$60,425</u>	<u>\$63,138</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%.

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
Revised

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Pension and benefits per application	\$811,750	\$490,489	\$111,940	\$116,917
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

Revised

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

Revised

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)

Revised

Line No.	Item	Annual Premium [1] (a)	CWSNC Percentage (b)	CWSNC Insurance Expense [6] (c)
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

Revised

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
Revised

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

Revised

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)

Revised

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)

Revised

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)

Revised

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)

Revised

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)

Revised

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)

Revised

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)	(27,966,359)		(12,763)		(4,600)		(5,900)		(27,989,622)				(569,806)	

[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)

Revised

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)

Revised

BF/FH - Sewer

Line No.	Account	Description	Tesr 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]	Amoprtization 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
Revised

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

Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Payroll taxes per application	<u>\$ 322,504</u>	<u>\$194,868</u>	<u>\$46,091</u>	<u>\$32,637</u>
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)	<u>(36,480)</u>	<u>(22,030)</u>	<u>(13,180)</u>	<u>3,017</u>
6	Payroll taxes per Public Staff (L1 + L5)	<u>\$ 286,024</u>	<u>\$ 172,838</u>	<u>\$ 32,912</u>	<u>\$ 35,654</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

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Settlement Exhibit I

Schedule 3-18(a)

Revised

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>\$19,162,620</u>
	Operating revenue deductions:			
2	Maintenance expenses	7,387,380	7,387,380	7,387,380
3	General expenses	3,566,612	3,566,612	3,566,612
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	24,911
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,728,228</u> [2]	<u>1,728,228</u> [4]	<u>1,728,228</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>15,520,339</u>	<u>15,523,835</u>	<u>15,522,440</u>
15	Taxable income (L1 - L14)	<u>2,025,995</u>	<u>4,711,367</u>	<u>3,640,180</u>
16	State income tax (L15 x 2.5%)	<u>50,650</u>	<u>117,784</u>	<u>91,005</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>1,975,345</u>	<u>4,593,583</u>	<u>3,549,175</u>
18	Federal income tax (L17 x 21%)	<u>414,823</u>	<u>964,653</u>	<u>745,327</u>
19	Excess deferred income tax amortization	<u>(26,513)</u>	<u>(26,513)</u>	<u>(26,513)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>1,587,035</u>	<u>3,655,443</u>	<u>2,830,361</u>
21	Add: Interest expense	<u>1,728,228</u> [2]	<u>1,728,228</u> [4]	<u>1,728,228</u> [6]
22	Net income for a return (L20 + L21)	<u>\$3,315,263</u>	<u>\$5,383,671</u>	<u>\$4,558,589</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)

Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$12,987,918</u>	<u>\$16,952,569</u>	<u>\$15,767,100</u>
	Operating revenue deductions:			
2	Maintenance expenses	6,118,168	6,118,168	6,118,168
3	General expenses	2,156,740	2,156,740	2,156,740
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	20,497
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,605,072</u> [2]	<u>1,605,072</u> [4]	<u>1,605,072</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>12,394,116</u>	<u>12,399,270</u>	<u>12,397,729</u>
15	Taxable income (L1 - L14)	<u>593,802</u>	<u>4,553,299</u>	<u>3,369,371</u>
16	State income tax (L15 x 2.5%)	<u>14,845</u>	<u>113,832</u>	<u>84,234</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>578,957</u>	<u>4,439,467</u>	<u>3,285,137</u>
18	Federal income tax (L17 x 21%)	<u>121,581</u>	<u>932,288</u>	<u>689,879</u>
19	Excess deferred income tax amortization	<u>(33,406)</u>	<u>(33,406)</u>	<u>(33,406)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>490,782</u>	<u>3,540,585</u>	<u>2,628,664</u>
21	Add: Interest expense	<u>1,605,072</u> [2]	<u>1,605,072</u> [4]	<u>1,605,072</u> [6]
22	Net income for a return (L20 + L21)	<u>\$2,095,854</u>	<u>\$5,145,657</u>	<u>\$4,233,736</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)

Revised

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	\$1,427,841
	Operating revenue deductions:			
2	Maintenance expenses	591,372	591,372	591,372
3	General expenses	405,357	405,357	405,357
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	1,856
12	Gross receipts tax	0	0	0
13	Interest expense	82,642 [2]	82,642 [4]	82,642 [6]
14	Total deductions (Sum of L2 thru L13)	1,253,209	1,253,452	1,253,324
15	Taxable income (L1 - L14)	85,805	272,936	174,517
16	State income tax (L15 x 2.5%)	2,145	6,823	4,363
17	Federal taxable income after state income tax (L15 - L16)	83,660	266,113	170,154
18	Federal income tax (L17 x 21%)	17,569	55,884	35,732
19	Excess deferred income tax amortization	(923)	(923)	(923)
20	Net amount (L15 - L16 - L18 - L19)	67,014	211,152	135,345
21	Add: Interest expense	82,642 [2]	82,642 [4]	82,642 [6]
22	Net income for a return (L20 + L21)	\$149,656	\$293,794	\$217,987

[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)

Revised

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	\$2,217,477
	Operating revenue deductions:			
2	Maintenance expenses	800,581	800,581	800,581
3	General expenses	431,433	431,433	431,433
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	2,883
12	Gross receipts tax	0	0	0
13	Interest expense	209,817 [2]	209,817 [4]	209,817 [6]
14	Total deductions (Sum of L2 thru L13)	1,781,959	1,782,234	1,782,118
15	Taxable income (L1 - L14)	313,357	524,502	435,359
16	State income tax (L15 x 2.5%)	7,834	13,113	10,884
17	Federal taxable income after state income tax (L15 - L16)	305,523	511,389	424,475
18	Federal income tax (L17 x 21%)	64,160	107,392	89,140
19	Excess deferred income tax amortization	(8,286)	(8,286)	(8,286)
20	Net amount (L15 - L16 - L18 - L19)	249,649	412,283	343,621
21	Add: Interest expense	209,817 [2]	209,817 [4]	209,817 [6]
22	Net income for a return (L20 + L21)	\$459,466	\$622,100	\$553,438

[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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