

Aqua North Carolina

SUMMARY

Rate Division Name	NC	NC	NC	NC	NC	NC	NC	NC
# of customers in rate division	AQUA NC Water 62,982	AQUA NC Sewer 16,716	Brookwood Water 14,143	FAIRWAYS Water 4,802	FAIRWAYS Sewer 3,057	Common -	Non-Reg 22	Total 101,722
Pct of Customers	61.9%	16.4%	13.9%	4.7%	3.0%	0.0%	0.0%	100.0%

Description	NC	NC	NC	NC	NC	NC	NC	NC	
Summary	Original Cost Rate Base including Corporate Allocations	129,381,700	57,371,799	22,382,752	2,555,416	10,638,479	-	(2,728)	222,337,418
	Last allowed or filed rate base (for comparison/reference)	114,236,577	43,035,067	19,475,856	3,272,893	10,452,466	-	-	190,472,859
Summary	Return on Rate Base (TTM Net OP Inc/Orig Cost rate base)	4.9%	5.2%	4.4%	8.4%	5.9%	0.0%	0.0%	5.0%
	Last allowed or filed Rate of Return (for comparison/reference)	7.2%	7.2%	7.2%	7.2%	7.2%	0.0%	0.0%	7.2%
Summary	Equity for rate make making purposes	64,690,850	28,685,900	11,196,376	1,277,708	5,319,240	-	(1,364)	111,168,709
Summary	Equity per books (allocate based on rate base)	74,123,507	32,868,628	12,828,934	1,464,012	6,094,845	-	(1,563)	127,378,364
Summary	TTM Net Income Running	3,713,253	2,099,531	562,242	165,221	405,472	(15,703)	757	6,930,772
Summary	Return on Equity per books	5.01%	6.39%	4.38%	11.29%	6.65%	0.00%	0.00%	5.44%
	Last allowed Return on Equity (for comparison/reference)	9.7%	9.7%	9.7%	9.7%	9.7%	0.0%	0.0%	9.7%
Blended	Based on Actual Ratebase	58.2%	25.8%	10.1%	1.1%	4.8%	0.0%	0.0%	100.0%
	Last Allowed ROE	5.64%	2.50%	0.98%	0.11%	0.46%	0.00%	0.00%	9.70%
	Rate Base per Customer	2,054.26	3,432.15	1,583.31	532.16	3,480.04			2,185.74

Ties to Per Book Net Income Exhibit Dw/Ds (W-218 Sub 5

PS DR 22 Q1 (line 10 / line

Goodwill Balance 9/30/2019
 Equity Portion of Goodwill (50%)
 Equity per books LESS Equity Portion of Goodwill
 TTM Net Income Running (from above)
Per Books Net Income - Adjusted for Goodwill Equity Balance
 Impact of Equity Portion of Goodwill Balance on ROE

14,669,349.52
 7,334,674.76 line 24 x 50%
 120,043,689.57 line 8 - line 25
 6,930,772 from line 10
 5.77% line 27 / line 26 (PS DR 22 Q3)
 -0.33% Line 13 less line 28

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$$a) \$ 6,930,772 \div 111,168,709^{(1)} = 6.23\%$$

$$b) \$ 6,930,772 + \$ 627,466^{(2)} = \$ 7,558,238$$

$$c) \$ 7,558,238 \div 111,168,709 = 6.77\%$$

(1) Equity for rate making purposes

(2) Increased service revenues W-218 Sub 497 Order dated Dec 18, 2018
 Total increased revenues = \$2,896,020 = 241,333/month
 241,333 x 2.6 months = \$627,466