



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

August 29, 2016

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. G-5, Sub 565- Revised Boswell Exhibit I, Schedule 1

Dear Chief Clerk:

On August 18, 2016, the Public Staff filed the testimony and exhibit of Public Staff Accountant, Michelle Boswell supporting the Partial Stipulation filed in this docket. The Public Staff, Public Service Company of North Carolina, Inc., Carolina Utilities Customers Association, Inc., and Blue Ridge Paper Products Inc. d/b/a Evergreen Packaging have since agreed to a complete Stipulation, and the results of the stipulation are detailed in Revised Boswell Exhibit I, Schedule 1. I transmit herewith for filing on behalf of the Public Staff, Revised Schedule 1, and request that the revised schedule be substituted for the corresponding schedule included in the original filing.

By copy of this letter, I am forwarding a copy of the above to all parties of record.

Sincerely yours,

Electronically submitted
/s/ Gina C. Holt
Staff Attorney
gina.holt@psncuc.nc.gov

GCH/cia

Enclosure

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Public Service Company of North Carolina
Docket No. G-5, Sub 565

RECONCILIATION OF GROSS REVENUE INCREASE REQUESTED BY THE COMPANY TO THE
SETTLEMENT AMOUNT

For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Increase in revenue requirement requested by the Company	\$41,583,020
	Settlement Adjustments:	
2	Change in equity ratio from 53.75% to 52.00%	(1,614,203)
3	Change in cost of long-term debt from 5.66% to 5.52%	(593,475)
4	Change in cost of short-term debt from 0.82% to 0.77%	(16,056)
5	Change in return on equity from 10.60% to 9.70%	(7,125,357)
6	Plant in Service Updates and Related Items at June 30, 2016	51,324
7	Working Capital Updates at June 30, 2016	(158,131)
8	Update gas in storage through June 2016	(563,311)
9	Update materials and supplies through June 2016	91,901
10	ADIT - updated to June 30, 2016	174,724
11	Adjust working capital for lead lag to reflect Settlement adjustments	196,137
12	Adjustment to end of period revenue - weather, growth, and commodity costs	(1,457,266)
13	Adjustment to other operating revenues	(114,232)
14	Special Contract - remove PIS associated with facilities	(517,243)
15	Payroll and Related Expenses	(288,568)
16	Bonus accruals updated to actuals 6/30/16	(1,183,067)
17	Payroll Benefits Percentage - updated through June 30, 2016	(21,854)
18	Modify the allocation of incentive pay for certain executives to PSNC	(872,982)
19	Executive Compensation Adjustment	(280,405)
20	Remove retired executive compensation	(139,795)
21	Nonutility Adjustment - O&M expense	(262,228)
22	Nonutility Adjustment - effect of change in plant additions	(24,508)
23	Inflation Adjustment - removed certain expenses and updated rate to 2.2%	450,911
24	Rate Case Expenses - updated through June 30, 2016 w/ 5 yr amortization	(77,327)
25	Postage Adjustment - excluded growth since adjusted elsewhere & removed adv.	(145,282)
26	Uncollectibles - changes in revenue	(22,533)
27	Regulatory Fee - change for 0.148% to 0.14% per Commission Order	(34,439)
28	MGP Costs - update actual expenses @ 6/30/16	(887,970)
29	PIM Costs - update actual expenses @ 6/30/16	(1,651,192)
30	DIMP Costs - deferral	(1,706,430)
31	SalesForce Adjustment - ongoing level	(37,532)
32	Advertising - remove promotional, image, competitive, & non-recurring	(678,559)
33	Update Interest on Customer Deposits through June 2016	(11,382)
34	Service Company Charges - removed unsupported budgeted charges	(3,228,865)
35	Update GTI to June 2016 actual meters	(6,394)
36	Fuel Costs - adjust to test year fuel costs	(117,471)
37	Adjustment to remove lobbying expenses	(168,417)
38	Change in retention factor - regulatory fee changes	(3,332)
39	Adjust cash working capital for revenue impact of Settlement adjustments	(150,481)
40	Rounding	43
41	Settlement Adjustments	(23,195,245)
42	Recommended Change in Margin	\$18,387,775
43	Fixed Gas Cost Adjustment	643,643
44	LAUF Rate Change	22,742
45	Recommended Change in Revenue Requirement per Settlement	\$19,054,160