



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

September 1, 2016

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

Re: Docket No. G-5, Sub 565- Public Staff Late-Filed Exhibits 1 and 2

Dear Chief Clerk:

During the evidentiary hearing in the above-referenced docket held on August 30, 2016, Presiding Commissioner Brown-Bland requested that Public Staff witness Michelle Boswell provide the following revised schedules, reflecting the final Stipulation filed in this docket, as late-filed exhibits: (1) updated schedules supporting the final stipulated revenue requirement entered into evidence, and (2) revised schedules that reflect all of the updated adjustments to working capital. Pursuant to Commissioner Brown-Bland's request, please find enclosed: Public Staff Late-Filed Exhibit 1, comprised of Exhibit A, and settlement Schedules 1-5, including all supporting schedules; and Public Staff Late-Filed Exhibit 2, comprised of working capital Schedules 2-2 through 2-4.

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

Sincerely yours,

Electronically submitted  
/s/ Gina C. Holt  
Staff Attorney  
[gina.holt@psncuc.nc.gov](mailto:gina.holt@psncuc.nc.gov)

Enclosure

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Accounting  
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Natural Gas  
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Water  
(919) 733-5610

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN**  
For The Test Year Ended December 31, 2015

Line No.	Item	Per Company (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
<b>NET OPERATING INCOME FOR RETURN</b>						
<b>Operating Revenues:</b>						
1	Sales and transportation of gas	\$426,062,649	\$4,063,800	\$430,126,449	\$18,777,584	\$448,904,033
2	Other operating revenues	3,413,176	113,788	3,526,964	276,576	3,803,540
3	Operating revenues, excl special contracts	429,475,825	4,177,588	433,653,413	19,054,160	452,707,573
4	Special Contract Revenues	792,254	0	792,254		792,254
5	Total operating revenues	430,268,079	4,177,588	434,445,667	19,054,160	453,499,827
6	Cost of gas	177,117,745	3,270,310	180,388,055		180,388,055
7	<b>Margin</b>	253,150,334	907,278	254,057,612	19,054,160	273,111,772
<b>Operating Expenses:</b>						
8	Operating and maintenance	112,901,063	(11,298,057)	101,603,006	74,245	\$101,677,251
9	Depreciation	56,496,731	(441,452)	56,055,279		56,055,279
10	General taxes	15,460,053	(171,956)	15,288,097		15,288,097
11	State income tax (4%)	1,794,393	509,332	2,303,725	757,341	3,061,066
12	Federal income tax (35%)	15,072,898	4,278,394	19,351,292	6,361,661	25,712,953
13	Amortization of investment tax credits	0	0	0		0
14	Amortization of EDIT	0	0	0		0
15	Total operating expenses	201,725,138	(7,123,739)	194,601,399	7,193,247	201,794,646
16	Interest on customer deposits <sup>1/</sup>	0	0	0		0
17	Net operating income for return	\$51,425,196	\$8,031,017	\$59,456,213	\$11,860,914	\$71,317,127
<b>RATE BASE</b>						
19	Plant in service	\$1,854,943,639	(\$15,300,074)	\$1,839,643,565	\$0	\$1,839,643,565
20	Accumulated depreciation	(671,500,105)	14,359,017	(657,141,088)	0	(657,141,088)
21	Net plant in service	1,183,443,534	(941,057)	1,182,502,477	0	1,182,502,477
22	Working Capital - Other	(1,885,912)	(5,931,372)	(7,817,284)	0	(7,817,284)
23	Working Capital - Lead Lag	10,009,617	1,847,954	11,857,571	1,856,927	13,714,498
24	Deferred Regulatory Assets	0	0	0		0
25	Deferred Income Taxes	(245,221,651)	3,544,195	(241,677,456)	0	(241,677,456)
26	Original cost rate base	\$946,345,588	(\$1,480,280)	\$944,865,308	\$1,856,927	\$946,722,235
26	Overall Rate of Return on Rate Base	5.43%		6.29%		7.53%

1/ The interest on customer deposits amount has been reclassified into operating and maintenance expense for purposes of this proceeding.

## 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	<b>Increase in revenue requirement requested by the Company</b>	<b><u>\$41,583,020</u></b>
	<b>Settlement Adjustments:</b>	
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	<u>(23,195,245)</u>
42	<b>Recommended Change in Margin</b>	<b><u>\$18,387,775</u></b>
43	Fixed Gas Cost Adjustment	643,643
44	LAUF Rate Change	<u>22,742</u>
45	<b>Recommended Change in Revenue Requirement per Settlement</b>	<b><u>\$19,054,160</u></b>

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**SUPPORT FOR RECONCILIATION SCHEDULE**  
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I  
Schedule 1-1

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Amount</u>
<b><u>Plant in Service Updates and Related Items at June 30, 2016</u></b>		
1	Rate base	\$482,365 [1]
2	Income statement	<u>(431,041) [2]</u>
3	Total (L1 + L2)	<u><u>\$51,324</u></u>
<b><u>Nonutility Adjustment</u></b>		
4	Rate base	(\$21,147) [1]
5	Income statement	<u>(265,589) [2]</u>
6	Total (L4 + L5)	<u><u>(\$286,736)</u></u>
<b><u>Special Contract Adjustment</u></b>		
4	Rate base	(\$359,653) [1]
5	Income statement	<u>(157,590) [2]</u>
6	Total (L4 + L5)	<u><u>(\$517,243)</u></u>
[1] Boswell Exhibit I, Schedule 2.		
[2] Boswell Exhibit I, Schedule 3.		

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**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**CALCULATION OF GROSS REVENUE EFFECT FACTORS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factors (c)	Gross Revenue Effect (d)
<b><u>Rate Base Factor:</u></b>					
1	Long-term debt	44.62%	5.52%	0.9961035	0.02472659
2	Short-term debt	3.38%	0.77%	0.9961035	0.00026128
3	Common equity	52.00%	9.70%	0.6215686	0.08114953
4	Total (Sum of L1 thru L3)	100.00%			0.1061374
<b><u>Net Income Factor:</u></b>					
5	Total revenue				1.0000000
6	Uncollectibles				0.0025000
7	Balance (L5 - L6)				0.9975000
8	Regulatory fee (L7 x current regulatory fee rate)				0.0013965
9	Balance (L7 - L8)				0.9961035
10	Less: State income tax (L9 x 4%)				0.0398441
11	Balance (L9 - L10)				0.9562594
12	Less: Federal income tax (L11 x 35%)				0.3346908
13	Gross up factor (L11 - L12)				0.6215686

Public Staff Late-Filed Exhibit I  
Schedule 2

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ORIGINAL COST RATE BASE**  
For The Test Year Ended December 31, 2015

		Under Present Rates			After Public Staff Recommended Increase	
Line		Company		After		After
No.	Item	Adjusted	Public Staff	Public Staff	Public Staff	Public Staff
		Per Company	Adjustments	Adjustments	Adjustments	Adjustments
		[1]	[2]	[3]	[4]	[5]
		(a)	(b)	(c)	(d)	(e)
1	Plant in service	\$1,854,943,639	(15,300,074)	\$1,839,643,565		\$1,839,643,565
2	Accumulated depreciation	(671,500,105)	14,359,017	(657,141,088)		(657,141,088)
3	Net plant in service (Sum of L1 thru L3)	1,183,443,534	(941,057)	1,182,502,477	0	1,182,502,477
4	Working Capital - Other	(1,885,912)	(5,931,372)	(7,817,284)		(7,817,284)
5	Working Capital - Lead Lag	10,009,617	1,847,954	11,857,571	\$1,856,927	\$13,714,498
6	Deferred Regulatory Assets		0	0		0
7	Deferred Income Taxes	(245,221,651)	3,544,195	(241,677,456)		(241,677,456)
8	Original cost rate base (Sum of L4 thru L7)	\$946,345,589	(\$1,480,280)	\$944,865,308	\$1,856,927	\$946,722,235

[1] Boone Exhibit 6, Column (5), as adjusted.

[2] Boswell Exhibit I, Schedule 2(a).

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

[4] Boswell Exhibit I, Schedule 2-4, Column (k), Line 50.

[5] Column (c) plus Column (d).

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENTS TO RATE BASE**  
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I  
Schedule 2(a)

Line No.	Item	Update PIS & Acc Dep June 30, 2016 [1]	Update Gas In Storage June 30, 2016 [2]	Update Material & Supplies June 30, 2016 [3]	Update Nonutility June 30, 2016 [4]	Special Contracts [5]	ADIT Update [7]	Adjust Cash Working Capital [8]	Deferred PIM Asset [9]	Deferred DIMP Asset [10]	Deferred MGP Asset [11]	Adjust WC for Lead Lag [12]	Total Rate Base Adjustments [13]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Plant in service	(\$7,575,199)			(\$183,894)	(\$7,540,981)							(15,300,074)
2	Accumulated depreciation	12,119,925			(15,346)	2,254,438							14,359,017
3	Net plant in service (Sum of L1 thru L2)	4,544,726			(199,240)	(5,286,543)	-	-	-	-	-	-	(941,057)
4	Working Capital - Other		(\$5,307,372)	\$865,868				(\$1,489,868)					(5,931,372)
5	Working Capital - Lead Lag											1,847,954	1,847,954
6	Deferred Regulatory Asset					1,897,985	1,646,210		0	0	0		-
7	Deferred Income Taxes												3,544,195
8	Original cost rate base (Sum of L3 thru L6)	4,544,726	(5,307,372)	865,868	(199,240)	(3,388,558)	1,646,210	(1,489,868)	-	-	-	1,847,954	(1,480,280)
9	Revenue requirement impact	\$482,365	(\$563,311)	\$91,901	(\$21,147)	(\$359,653)	\$174,724	(\$158,131)	\$0	\$0	\$0	\$196,137	(\$157,113)

[1] Boswell Exhibit I, Schedule 2-1.

[2] Boswell Exhibit I, Schedule 2-2, Column (d), Line 3.

[3] Boswell Exhibit I, Schedule 2-2, Column (d), Line 2.

[4] Boswell Exhibit I, Schedule 2-1(d), Line 31.

[5] Per Company response to accounting DR3-3.

[6] Boswell Exhibit I, Schedule 2-2, Column (e), Line 17.

[7] Per Company Response to DR46-3, updated to June 2016.

[8] Boswell Exhibit I, Schedule 2-2, Column (d), Line 17.

[9] Boswell Exhibit I, Schedule 2-3, Column (a), Line 22.

[10] Sum of Columns a through i.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**SUPPORT FOR UPDATED PLANT IN SERVICE**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
	<b><u>Plant in Service:</u></b>	
1	North Carolina plant in service at June 30, 2016	\$1,847,368,440 [1]
2	Less adjusted plant in service per Company	<u>1,854,943,639 [2]</u>
3	Public Staff's adjustment to plant in service (L1 - L2)	<u>(\$7,575,199)</u>
	<b><u>Accumulated Depreciation:</u></b>	
4	North Carolina accumulated depreciation at June 30, 2016	(\$659,847,202) [3]
	End of period depreciation adjustment on June 30, 2008	
5	plant at Company proposed rates	<u>467,022</u>
6	Total accumulated depreciation at June 30, 2016 (L4 + L5)	(659,380,180)
7	Less accumulated depreciation per Company	<u>(671,500,105) [2]</u>
8	Public Staff's adjustment to accumulated depreciation (L6 - L7)	<u>12,119,925</u>
	<b><u>Depreciation Expense:</u></b>	
	<i>PSNC Direct Depreciation - Annualized as of June 30, 2016</i>	
9	Per Public Staff	54,277,172 [4]
10	Per Company	<u>\$54,744,194 [5]</u>
11	End of period depreciation adjustment - PSNC direct plant	<u>(\$467,022)</u>
	<i>SCANA Services Allocated Depreciation - Annualized as of June 30, 2016</i>	
12	Per Public Staff	\$1,913,690 [6]
13	Per Company	<u>\$1,752,537 [7]</u>
14	End of period depreciation adjustment - SCANA allocated plant	<u>\$161,153</u>
	<i>Total Depreciation Expense - Annualized as of June 30, 2016</i>	
15	Per Public Staff	\$56,190,862
16	Per Company	<u>\$56,496,731 [8]</u>
17	Public Staff's adjustment to depreciation expense (L12 - L13)	<u>(\$305,869)</u>
	<b><u>Property Taxes</u></b>	
18	Plant in Service at June 30, 2016	\$1,847,368,440 [1]
19	North Carolina tax rate	<u>\$0.00512 [9]</u>
20	Adjustment to property taxes for additions (L18 x L19 x L20)	\$9,450,952
21	Property Tax for additions per Company Application	<u>9,574,446 [10]</u>
22	Public Staff's adjustment to property taxes (L21 - L22)	<u>(\$123,494)</u>

- [1] Boswell Exhibit I, Schedule 2-1(a), Column (c), Line 84.  
[2] Boone Exhibit 6, Page 1, "After Adjustments" column.  
[3] Boswell Exhibit I, Schedule 2-1(b), Line 83.  
[4] Boswell Exhibit I, Schedule 2-1(a), Column (e), Line 84.  
[5] Boone Exhibit 6, Page 1, "After Adjustments" column minus end of period depreciation for Scana Services, Workpaper 4D, p. 1.  
[6] Boswell Exhibit I, Schedule 2-1(e), Column (e), Line 16.  
[7] Item 4, Workpaper 4E, p.1.  
[8] Boone Exhibit 6, P.1, "After Adjustments" column.  
[9] MFR, Item 4, Workpaper 5-A, Line 3.  
[10] MFR, Item 4, Workpaper 5-A, Line 8.



Public Staff Late-Filed Exhibit I  
Schedule 2-2

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount Per Company [1] (a)	Company Ratemaking Adjustments (b)	After Company Adjustments (c)	Public Staff Working Capital Adjustments (d)	Amount Per Public Staff [13] (f)
1	<b>Lead Lag Study</b>					
	Lead Lag Study	\$10,012,305	2,993,183	\$13,005,488		
	<b>Average materials and supplies:</b>					
2	Operating and construction supplies	9,465,900		9,465,900	\$865,868 [2]	\$10,331,768
3	Natural gas stored	38,067,356		38,067,356	(5,307,372) [3]	\$32,759,984
4	Totals (L2 + L3)	47,533,256	0	47,533,256	(4,441,504)	43,091,752
	<b>Cash working capital:</b>					
5	Average Customer deposits	(8,295,675)		(8,295,675)	258,805 [5]	(8,036,870)
6	Average Accrued Interest on Customer Deposits	(185,385)		(185,385)	(64,354) [4]	(249,739)
7	Average Accrued Vacation Liability - PTO	(582,236)		(582,236)	(13,301) [10]	(595,537)
8	Average State Sales Tax	(712,278)		(712,278)	421,078 [11]	(291,200)
9	Average of Deferred Credit Treasury A Account	(324,842)		(324,842)	(40,943) [12]	(365,785)
10	Average prepayments	968,023	430,345	1,398,368	(266,648) [6]	1,131,720
11	Average deferred Salesforce Cloud License Fees	18,358		18,358	(18,358) [7]	0
12	Cost-Free Capital - Transco refunds	(258,000)		(258,000)		(258,000)
13	Cost-Free Capital - Postretirement Benefits	(24,423,034)	136,967	(24,286,067)	(486,195) [8]	(24,772,262)
14	Cost-Free Capital - Pension Accrual	(15,925,419)		(15,925,419)	(1,427,237) [9]	(17,352,656)
15	Cost-Free Capital - LT Disability	(265,991)		(265,991)	147,285	(118,706)
16	Totals cash working capital (Sum of L5 thru L15)	(49,986,479)	567,312	(49,419,167)	(1,489,868)	(50,909,035)
17	Total working capital (L1 + L4 + L16)	\$7,559,082	\$3,560,495	\$11,119,577	(\$5,931,372)	(\$7,817,283)

[1] Per Boone Exhibit 4.  
[2] Boswell Exhibit I, Schedule 2-2(a).  
[3] Boswell Exhibit I, Schedule 2-2(b).  
[4] Boswell Exhibit I, Schedule 2-2(d).  
[5] Boswell Exhibit I, Schedule 2-2(c).  
[6] Boswell Exhibit I, Schedule 2-2(i).  
[7] Boswell Exhibit I, Schedule 2-2(h).

[8] Boswell Exhibit I, Schedule 2-2(k).  
[9] Boswell Exhibit I, Schedule 2-2(l).  
[10] Boswell Exhibit I, Schedule 2-2(e).  
[11] Boswell Exhibit I, Schedule 2-2(f).  
[12] Boswell Exhibit I, Schedule 2-2(g).  
[13] Sum of Column (a) through Column (c).

Public Staff Late-Filed Exhibit I  
Schedule 2-3

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Per Books Amounts	Company Ratemaking Adjustments	After Company Adjustments	Public Staff Adjustments	After Public Staff Adjustments	(Lead) / Lag Days	Working Capital From Lead / Lag Study
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)</b>								
1.	Operating Revenues							
2.	Gas Sales and Transportation	\$435,618,557	(\$8,763,654)	\$426,854,903	\$4,063,800	\$430,918,703		\$47,271,191
3.	Other Operating Revenues	3,413,176		3,413,176	113,788	3,526,964		386,903
3.	Total Operating Revenues	<u>\$439,031,733</u>	<u>(\$8,763,654)</u>	<u>\$430,268,079</u>	<u>\$4,177,588</u>	<u>\$434,445,667</u>	40.04	<u>\$47,658,094</u>
<b>Operating Expenses:</b>								
4.	Purchased gas	\$191,239,574	(14,121,829)	\$177,117,745	3,270,310	\$180,388,055	(35.65)	(\$17,618,724)
5.	Operating and maintenance	92,766,893	20,134,369	112,901,062	(11,238,057)	101,663,005	(37.33)	(9,344,093)
6.	Depreciation	49,622,105	6,874,826	56,496,931	(441,452)	56,055,279	0.00	0
7.	General Taxes	12,433,363	3,026,690	15,460,053	(171,956)	15,288,097	(107.41)	(4,498,889)
8.	Income taxes - current	1,827,886	(22,242,173)	(20,414,287)	5,076,336	(15,337,951)	(35.50)	1,491,773
9.	State income taxes - deferred - net	1,373,439	1,011,528	2,384,967	0	2,384,967	0.00	0
10.	Federal income taxes - deferred - net	23,670,197	11,254,193	34,924,390	0	34,924,390	0.00	0
11.	Amortization of ITC	0	0	0	0	0	0.00	0
12.	Total Operating Expenses	<u>\$372,933,257</u>	<u>\$5,937,404</u>	<u>\$378,870,661</u>	<u>(\$3,564,819)</u>	<u>\$375,305,842</u>		<u>(\$29,969,933)</u>
<b>Net Operating Income for Return:</b>								
13.	Interest on long-term debt	\$20,679,571	\$2,416,929	\$23,096,500	\$203,518	\$23,300,018	(91.25)	(\$5,825,005)
14.	Interest on short-term debt	220,858	41,432	262,290	(16,086)	246,204	(8.28)	(5,585)
15.	Income available for common equity	<u>45,198,047</u>	<u>(17,159,419)</u>	<u>28,038,628</u>	<u>7,554,974</u>	<u>35,593,602</u>	0.00	<u>0</u>
16.	Total Operating Income for Return	<u>\$66,096,476</u>	<u>(\$14,701,058)</u>	<u>\$51,395,418</u>	<u>\$7,742,407</u>	<u>\$59,139,825</u>		<u>(\$5,830,590)</u>
17.	Total Cost of Service	<u>\$439,031,733</u>	<u>(\$8,763,654)</u>	<u>\$430,268,079</u>	<u>\$4,177,588</u>	<u>\$434,445,667</u>		<u>(\$36,800,523)</u>
18.	Investor Supplied Funds							<u>\$11,857,571</u>
19.	Working capital from lead / lag study per Public Staff							\$11,857,571
20.	Amount per Company application							\$10,009,617
21.	Adjustment to working capital from lead / lag study							<u>\$1,847,954</u>
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>								
22.	Payroll (PSNC)	\$28,660,619	\$2,257,200	\$30,917,819	(\$347,368)	\$30,570,451	(11.77)	(\$985,792)
23.	Payroll (Services Co.)	9,974,419	294,185	10,268,604	(3,216,283)	7,052,321	(8.89)	(171,767)
24.	Other O&M (A/P Invoices)	22,796,620	13,740,096	36,536,716	(5,164,965)	31,371,751	(31.53)	(2,710,094)
25.	Transportation Clearing (O&M)	3,873,074	639,235	4,512,309	0	4,512,309	8.69	107,430
26.	Uncollectible Accounts	460,987	196,602	657,589	(22,445)	635,144	(197.73)	(344,074)
27.	Insurance	6,473,500	197,495	6,670,995	0	6,670,995	22.58	412,688
28.	Pension	1,743,607	380,477	2,124,084	0	2,124,084	0.00	0
29.	Post Retirement	1,863,205	(136,967)	1,726,238	0	1,726,238	0.00	0
30.	401K Plan	2,666,299	186,594	2,852,893	(21,770)	2,831,123	(14.74)	(114,331)
31.	Regulatory Fees	660,691	(25,482)	635,209	0	635,209	(79.01)	(137,501)
32.	Rents	2,033,434	0	2,033,434	0	2,033,434	5.08	28,301
33.	Materials & Supplies	1,706,045	0	1,706,045	0	1,706,045	(18.05)	(84,367)
34.	Postage	2,104,270	(32,366)	2,071,904	(144,717)	1,927,187	14.57	76,929
35.	Incentive Pay	7,749,923	2,437,300	10,187,223	(2,386,199)	7,801,024	(253.67)	(5,421,805)
36.	Totals	<u>\$92,766,693</u>	<u>\$20,134,369</u>	<u>\$112,901,062</u>	<u>(\$11,303,746)</u>	<u>\$101,597,316</u>		<u>(\$9,344,093)</u>
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>								
37.	Life, AD&D & Cobra	\$314,751		\$314,751	\$0	\$314,751	(7.88)	(\$6,795)
<b>Self Insured Items:</b>								
38.	Health/Dental Insurance*	4,001,570		4,001,570	0	4,001,570	(5.50)	(60,298)
39.	Long-Term Disability Insurance	518,749	197,495	716,244	0	716,244	14.71	28,866
<b>Short-Term Disability Insurance:</b>								
40.	Salary	149,272		149,272	0	149,272	(6.46)	(2,642)
41.	Hourly	202,785		202,785	0	202,785	(13.46)	(7,478)
42.	Property & Liability Insurance	1,110,071		1,110,071	0	1,110,071	172.37	524,227
43.	Small Claims	183,233		183,233	0	183,233	(138.81)	(69,684)
44.	Worker's Compensation	(6,931)		(6,931)	0	(6,931)	(340.56)	6,467
45.	Totals	<u>\$6,473,500</u>	<u>\$197,495</u>	<u>\$6,670,995</u>	<u>\$0</u>	<u>\$6,670,995</u>		<u>\$412,663</u>
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>								
46.	City Occupation	\$43,188		\$43,188	\$0	\$43,188	189.97	\$22,478
47.	AD Valorem (City & County taxes)	8,973,838	1,221,955	10,195,793	(151,480)	10,044,313	(145.00)	(3,990,207)
48.	Utility Sales Tax	21,319		21,319	0	21,319	(4.79)	(280)
49.	Employer FICA & Medicare	3,295,656	195,691	3,491,347	(20,476)	3,470,871	(3.22)	(30,620)
50.	Unemployment Tax	99,362		99,362	0	99,362	(62.24)	(16,943)
51.	Subtotal	<u>\$12,433,363</u>	<u>\$1,417,646</u>	<u>\$13,851,009</u>	<u>-\$171,956</u>	<u>\$13,679,053</u>		<u>(\$4,015,572)</u>
52.	Franchise Tax	0	1,609,044	1,609,044	0	1,609,044	0.00	0
53.	Total Cost of Service Other Taxes	<u>\$12,433,363</u>	<u>\$3,026,690</u>	<u>\$15,460,053</u>	<u>(\$171,956)</u>	<u>\$15,288,097</u>		<u>(\$4,015,572)</u>

[1] G-1, Item 26, Schedule A, page 3 and Schedule A, page 4, 12-months ended 12/31/15 column.

[2] G-1, Item 26, Schedule A, page 4, Adjustments column.

[3] G-1, Item 26, Schedule A, page 2 and Schedule A, page 4, After Adjustments column.

[4] Boswell Exhibit I, Schedule 2-3(a), Column aa.

[5] Column c plus Column d.

[6] G-1, Item 26, Schedule A, page 2.

[7] Column e divided by 365 times column f.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Update Plant in Service (a)	Gas Costs (b)	End of period Revenue Adjustment (c)	LAUF Adjustment (d)	Adjust Uncollectibles (1) (e)
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation		\$0	\$4,063,800		
2.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	4,063,800	0	0
<b>Operating Expenses:</b>						
4.	Purchased gas		641,134	2,606,522	22,654	
5.	Operating and maintenance			5,689		(22,445)
6.	Depreciation	(305,869)				
7.	General Taxes	(123,494)				
8.	Income taxes - current	161,441	(241,066)	545,798	(8,518)	8,439
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(267,922)	400,068	3,158,009	14,136	(14,006)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	267,922	(400,068)	905,791	(14,136)	14,006
16.	Total Operating Income for Return	267,922	(400,068)	905,791	(14,136)	14,006
18.	Total Cost of Service	0	0	4,063,800	0	0
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)					
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)					
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					(22,445)
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	0	0	0	0	(22,445)
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)	(123,494)				
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	(123,494)	0	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	(123,494)	0	0	0	0

[1] Corresponding column on Schedule 3.  
[2] Sum of Columns a through cc.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Adjust MGP (f) [1]	Adjust Executive Comp (g) [1]	Adjust Regulatory Fee (h) [1]	Adjust SalesForce (i) [1]	Adjust Postage (j) [1]
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating Expenses:</b>						
4.	Purchased gas					
5.	Operating and maintenance	(884,509)	(279,312)	(34,304)	(37,385)	(144,717)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	332,575	431,983	12,898	14,056	54,414
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(551,934)</u>	<u>152,671</u>	<u>(21,406)</u>	<u>(23,329)</u>	<u>(90,303)</u>
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	551,934	(152,671)	21,406	23,329	90,303
16.	Total Operating Income for Return	<u>551,934</u>	<u>(152,671)</u>	<u>\$21,406</u>	<u>23,329</u>	<u>90,303</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)		(70,369)			
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)					
22.	Transportation Clearing (O&M)	(\$884,509)		(34,304)	(37,385)	
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					(144,717)
32.	Incentive Pay		(208,944)			
33.	Totals	<u>(884,509)</u>	<u>(279,312)</u>	<u>(34,304)</u>	<u>(37,385)</u>	<u>(144,717)</u>
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Adjust PIM (k) [1]	Adjust Payroll (l) [1]	Adjust Interest on Customer Deposits (m) [1]	Adjust Rate Case Expense (n) [1]	Adjust Inflation (o) [1]
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating Expenses:</b>						
4.	Purchased gas					
5.	Operating and maintenance	(1,644,758)	(266,967)	(11,337)	(77,026)	449,153
6.	Depreciation					
7.	General Taxes		(20,476)			
8.	Income taxes - current	618,429	108,079	4,262	28,962	(168,881)
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(1,026,329)</u>	<u>(179,365)</u>	<u>(7,075)</u>	<u>(48,064)</u>	<u>280,272</u>
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	1,026,329	179,365	7,075	48,064	(280,272)
16.	Total Operating Income for Return	<u>1,026,329</u>	<u>179,365</u>	<u>7,075</u>	<u>48,064</u>	<u>(280,272)</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)		(266,967)			
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)	(1,644,758)		(11,337)	(77,026)	449,153
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	<u>(1,644,758)</u>	<u>(266,967)</u>	<u>(11,337)</u>	<u>(77,026)</u>	<u>449,153</u>
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare		(20,476)			
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>(20,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Francise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>(20,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Adjust Advertising (p)	Adjust Service Co. Charges (q)	Adjust Other Benefit Percentage (r)	Adjust Special Contracts (s)	Adjust GTI Charges (t)
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	0	0	0
<b>Operating Expenses:</b>						
4.	Purchased gas					
5.	Operating and maintenance	(675,916)	(3,216,283)	(21,770)		(6,369)
6.	Depreciation				(129,931)	
7.	General Taxes				(27,045)	
8.	Income taxes - current	254,145	1,209,322	8,186	59,023	2,395
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(421,771)	(2,006,961)	(13,584)	(97,953)	(3,974)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	421,771	2,006,961	13,584	97,953	3,974
16.	Total Operating Income for Return	421,771	2,006,961	13,584	97,953	3,974
18.	Total Cost of Service	0	0	0	0	0
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)					
20.	Payroll (Services Co.)		(3,216,283)			
21.	Other O&M (A/P Invoices)	(675,916)				(6,369)
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan			(21,770)		
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	(675,916)	(3,216,283)	(21,770)	0	(6,369)
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)				(27,045)	
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	0	0	0	(27,045)	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	0	0	(27,045)	0

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Adjust Other Operating Income (u)	Adjust Fuel Costs (v)	Adjust DIMP (w)	Adjust for Retirement Compensation (x)	Adjust for Lobbying Exp (y)
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues	113,788				
3.	Total Operating Revenues	113,788	0	0	0	0
<b>Operating Expenses:</b>						
4.	Purchased gas					
5.	Operating and maintenance		(117,012)	(1,699,781)	(139,250)	(167,760)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	42,785	43,996	639,118	52,358	63,078
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	42,785	(73,016)	(1,060,663)	(86,892)	(104,682)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	71,003	73,016	1,060,663	86,892	104,682
16.	Total Operating Income for Return	71,003	73,016	1,060,663	86,892	104,682
18.	Total Cost of Service	113,788	0	0	0	0
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)				(10,032)	
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)		(117,012)	(1,699,781)		(167,760)
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay				(129,218)	
33.	Totals	0	(117,012)	(1,699,781)	(139,250)	(167,760)
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	0	0	0	0	0
49.	Francise Tax					
50.	Total Cost of Service Other Taxes	0	0	0	0	0

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO WORKING CAPITAL COMPONENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Adjust Non-utility (z)	Update Bonus (aa)	Adjust Sr Staff Bonus Pay (bb)	Interest Synchronization (cc)	Total Public Staff Adjustments (dd) [2]
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					4,063,800
2.	Other Operating Revenues					113,788
3.	Total Operating Revenues	0	0	0	0	4,177,588
<b>Operating Expenses:</b>						
4.	Purchased gas					3,270,310
5.	Operating and maintenance	(257,961)	(1,178,457)	(869,580)		(11,298,057)
6.	Depreciation	(5,652)				(441,452)
7.	General Taxes	(941)				(171,956)
8.	Income taxes - current	99,472	443,100	326,962	(70,475)	5,076,336
9.	State income taxes - deferred - net					0
10.	Federal income taxes - deferred - net					0
11.	Amortization of ITC					0
12.	Total Operating Expenses	(165,082)	(735,357)	(542,618)	(70,475)	(3,564,819)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt				203,518	203,518
14.	Interest on short-term debt				(16,086)	(16,086)
15.	Income available for common equity	165,082	735,357	542,618	(116,958)	7,554,974
16.	Total Operating Income for Return	165,082	735,357	542,618	70,475	7,742,407
18.	Total Cost of Service	0	0	0	0	4,177,588
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)					(347,368)
20.	Payroll (Services Co.)					(3,216,283)
21.	Other O&M (A/P Invoices)	(257,961)				(5,164,965)
22.	Transportation Clearing (O&M)					0
23.	Uncollectible Accounts					(22,445)
24.	Insurance					0
25.	Pension					0
26.	Post Retirement					0
27.	401K Plan					(21,770)
28.	Regulatory Fees					0
29.	Rents					0
30.	Materials & Supplies					0
31.	Postage					(144,717)
32.	Incentive Pay		(1,178,457)	(869,580)		(2,386,199)
33.	Totals	(257,961)	(1,178,457)	(869,580)	0	(11,303,746)
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					0
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					0
36.	Long-Term Disability Insurance					0
<b>Short-Term Disability Insurance:</b>						
37.	Salary					0
38.	Hourly					0
39.	Property & Liability Insurance					0
40.	Small Claims					0
41.	Worker's Compensation					0
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					0
44.	AD Valorem (City & County taxes)	(941)				(151,480)
45.	Utility Sales Tax					0
46.	Employer FICA & Medicare					(20,476)
47.	Unemployment Tax					0
48.	Subtotal	(941)	0	0	0	(171,956)
49.	Francise Tax					0
50.	Total Cost of Service Other Taxes	(941)	0	0	0	(171,956)



Public Service Company of North Carolina														Public Staff Late-Filed Exhibit I			
Docket No. G-5, Sub 565														Schedule 2-4			
ADJUSTMENT TO WORKING CAPITAL COMPONENTS																	
For The Test Year Ended December 31, 2015																	
Alter Rate Increase																	
Line No.	Item	Under Present Rates	(Lead) Lag	Iteration 1				Iteration 2				Iteration 3				After Increase	
				Adjustments [1]	With Increase [2]	With Increase [7]	CWC Change [8]	Increase [9]	With Increase [12]	CWC Change [14]	Increase [15]	With Increase [16]	CWC Change [17]	Cumulative Increase [18]	After Increase [19]		
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)																	
	Operating Revenues																
1.	Gas Sales and Transportation (L3 - L2)	\$426,854,903			\$19,134,642												
2.	Other Operating Revenues	\$413,176			278,578 [3]												
3.	Total Operating Revenues	\$430,268,079	40.04		\$19,413,218	\$49,679,207 [13]	\$2,129,384	\$4,297,165	\$453,976,462 [13]	\$471,393	\$48,654	\$454,025,116	5,337	\$23,757,037	\$454,025,116		
Operating Expenses:																	
4.	Purchased gas	\$180,388,055	(35.65)		\$180,388,055	0			\$180,388,055			\$180,388,055		0	\$180,388,055		
5.	Operating and maintenance (Line 33)	101,603,005	(37.33)	74,944	101,677,949	(31,782)		577	101,678,526	(246)	189	101,678,716	(81)	75,711	101,678,716		
6.	Depreciation	56,055,279	0.00		56,055,279	0			56,055,279	0		56,055,279	0	0	56,055,279		
7.	General Taxes	15,288,097	(107.41)		15,288,097	0			15,288,097	0		15,288,097	0	0	15,288,097		
8.	Income taxes - current	(15,337,951)	(35.50)	7,270,179 [4]	(8,067,771)	(707,100)		42,473 [4]	(8,025,298)	(4,131)	13,932 [4]	(8,011,366)	(1,355)	7,328,585	(8,011,366)		
9.	State income taxes - deferred - net	2,384,967	0.00		2,384,967	0			2,384,967	0		2,384,967	0	0	2,384,967		
10.	Federal income taxes - deferred - net	34,924,390	0.00		34,924,390	0			34,924,390	0		34,924,390	0	0	34,924,390		
11.	Amortization of ITC	0	0.00		0	0			0	0		0	0	0	0		
12.	Total Operating Expenses (sum lines 4 through 12)	\$375,305,842			\$7,345,124	\$382,650,966	(\$738,882)	\$43,050	\$382,694,016	(\$4,377)	\$14,122	\$382,708,138	(\$1,436)	\$7,402,295	\$382,708,138		
Net Operating Income for Return:																	
13.	Interest on long-term debt	\$23,300,018	(91.25)		(\$27,759) [5]	\$23,272,259 [10]	6,940	\$34,420	\$23,306,679 [11]	(\$8,605)	\$11,290	\$23,317,969	(2,823)	17950,70153	\$23,317,969		
14.	Interest on short-term debt	246,204	(8.28)		246,911 [5]	7	363	246,274 [11]	(8)	120	246,394	(3)	190,033724	246,394			
15.	Income available for common equity	35,593,602	0.00		12,065,404 [5]	47,659,006 [10]	0	70,487	47,729,493 [11]	0	23,122	47,752,615	0	12159012,76	47,752,615		
16.	Total Operating Income for Return (Sum Line 14 through 16)	\$9,139,825			\$12,037,351	\$71,177,176	\$6,947	\$105,270	\$71,262,446	(\$8,613)	\$34,532	\$71,316,978	(\$2,826)	\$12,177,153	\$71,316,978		
17.	Total Cost of Service (L3 + L17)	\$434,445,667			\$19,382,479	\$453,828,142	(\$731,935)	\$148,320	\$453,976,462	(\$12,990)	\$48,654	\$454,025,116	(\$4,262)	\$19,579,449	\$454,025,116		
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)																	
18.	Payroll (PSNC)	\$30,570,451	(11.77)		\$30,570,451	0			\$30,570,451	0		\$30,570,451	0	0	\$30,570,451		
19.	Payroll (Services Co.)	7,052,321	(8.89)		7,052,321	0			7,052,321	0		7,052,321	0	0	7,052,321		
20.	Other O&M (AP Invoices)	31,371,751	(31.53)		31,371,751	0			31,371,751	0		31,371,751	0	0	31,371,751		
21.	Transportation Clearing (O&M)	4,512,309	8.69		4,512,309	0			4,512,309	0		4,512,309	0	0	4,512,309		
22.	Uncollectible Accounts (Line 1 times uncollectibles factor)	635,144	(197.73)	47,837	662,981	(25,914)	370	663,351	(201)	121	663,472	(66)	48328,35369	663,472			
23.	Insurance	6,670,995	22.58		6,670,995	0			6,670,995	0		6,670,995	0	0	6,670,995		
24.	Pension	2,124,084	0.00		2,124,084	0			2,124,084	0		2,124,084	0	0	2,124,084		
25.	Post Retirement	1,726,238	0.00		1,726,238	0			1,726,238	0		1,726,238	0	0	1,726,238		
26.	401K Plan	2,831,123	(14.74)		2,831,123	0			2,831,123	0		2,831,123	0	0	2,831,123		
27.	Regulatory Fees (Line 3 times regulatory fee)	635,209	(79.01)	27,108	662,317	(5,868)	207	662,523	(45)	68	662,591	(15)	27382,15315	662,591			
28.	Rents	2,033,434	5.08		2,033,434	0			2,033,434	0		2,033,434	0	0	2,033,434		
29.	Materials & Supplies	1,706,045	(18.05)		1,706,045	0			1,706,045	0		1,706,045	0	0	1,706,045		
30.	Postage	1,927,187	14.57		1,927,187	0			1,927,187	0		1,927,187	0	0	1,927,187		
31.	Incentive Pay	7,801,024	(253.67)		7,801,024	0			7,801,024	0		7,801,024	0	0	7,801,024		
32.	Totals (sum of Line 19 through 32)	\$101,597,316			\$74,944	\$101,672,260	(\$31,782)	\$577	\$101,672,837	(\$246)	\$189	\$101,673,026	(\$81)	\$75,711	\$101,673,026		
INSURANCE (ITEM 26 SCHEDULE D-5)																	
33.	Life, AD&D & Cobra	\$314,751	(7.88)		\$314,751	0			\$314,751			\$314,751	0	0	\$314,751		
Self Insured Items:																	
34.	Health/Dental Insurance*	4,001,570	(5.50)		4,001,570	0			4,001,570	0		4,001,570	0	0	4,001,570		
35.	Long-Term Disability Insurance	716,244	14.71		716,244	0			716,244	0		716,244	0	0	716,244		
36.	Short-Term Disability Insurance:																
37.	Salary	149,272	(6.48)		149,272	0			149,272	0		149,272	0	0	149,272		
38.	Hourly	202,785	(13.48)		202,785	0			202,785	0		202,785	0	0	202,785		
39.	Property & Liability Insurance	1,110,071	172.37		1,110,071	0			1,110,071	0		1,110,071	0	0	1,110,071		
40.	Small Claims	183,233	(38.81)		183,233	0			183,233	0		183,233	0	0	183,233		
41.	Worker's Compensation	(6,931)	(340.56)		(6,931)	0			(6,931)	0		(6,931)	0	0	(6,931)		
42.	Totals	\$6,670,995			\$6,670,995	\$0	\$0	\$6,670,995	\$0	\$0	\$6,670,995	\$0	\$0	\$6,670,995			
OTHER TAXES (ITEM 26 SCHEDULE E)																	
43.	City Occupation	\$43,188	189.97		\$43,188	0			\$43,188	0		\$43,188	0	0	\$43,188		
44.	AD Valorem (City & County taxes)	10,044,313	(145.00)		10,044,313	0			10,044,313	0		10,044,313	0	0	10,044,313		
45.	Utility Sales Tax	21,319	(4.79)		21,319	0			21,319	0		21,319	0	0	21,319		
46.	Employer FICA & Medicare	3,470,871	(3.22)		3,470,871	0			3,470,871	0		3,470,871	0	0	3,470,871		
47.	Unemployment Tax	69,362	(62.24)		69,362	0			69,362	0		69,362	0	0	69,362		
48.	Subtotal	\$13,679,053			\$13,679,053	\$0	\$0	\$13,679,053	\$0	\$0	\$13,679,053	\$0	\$0	\$13,679,053			
49.	Franchise Tax	1,609,044	0.00		1,609,044	0			1,609,044	0		1,609,044	0	0	1,609,044		
50.	Total Cost of Service Other Taxes	\$15,288,097			\$15,288,097	\$0	\$0	\$15,288,097	\$0	\$0	\$15,288,097	\$0	\$0	\$15,288,097			
Rate base after adjustments (Line 51 + Line 52)																	
51.	Cumulative change in working capital (Line 3 plus Line 18)					\$1,397,449			\$1,855,852			\$1,856,927			\$1,856,927		
52.	Rate base under present rates					\$44,865,308 [6]			\$44,865,308			\$44,865,308			\$44,865,308		
53.	Rate base after adjustments (Line 51 + Line 52)					\$46,262,757			\$46,722,160			\$46,722,236			\$46,722,236		
54.	Overall rate of return	6.26%				7.52%			7.53%			7.53%			7.53%		
55.	Target Rate of Return	7.53%				7.53%			7.53%			7.53%			7.53%		

[1] Boswell Exhibit I, Schedule 2-3, Column e.

[2] Boswell Exhibit I, Schedule 2-3, Column f.

[3] Per Public Staff.

[4] (Line 15) - composite tax rate) - Line 15.

[5] Column d minus Column a.

[6] Boswell Exhibit I, Schedule 2, Column c, Line 7.

[7] Column a plus Column c.

[8] Column c divided by 365 times Column b.

[9] Column a minus Column d.

[10] Column d, Line 52 times appropriate percentage and cost factor.

[11] Column a, Line 52 times appropriate percentage and cost factor.

[12] Column d plus Column f.

[13] Line 12 plus Line 16.

[14] Column f divided by 365 times Column b.

[15] Column a minus Column d.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO COMPANY FILED COST OF SERVICE**  
For The Test Year Ended December 31, 2015

Line No.	Description	Company Before Increase	Interest Synch on CWC Increase [1]	Company Without Rate Increase [3]	Company Without Rate Increase New Tax
	<b>Operating Revenues:</b>				
1.	Sale and transportation of gas	\$426,062,649		\$426,062,649	\$426,062,649
2.	Special Contract Revenues	792,254		792,254	792,254
3.	Other operating revenues	<u>3,413,176</u>		<u>3,413,176</u>	<u>3,413,176</u>
4.	Total operating revenues (Sum of L1 thru L3)	430,268,079	0	430,268,079	430,268,079
5.	Cost of gas	<u>177,117,745</u>	0 [2]	<u>177,117,745</u>	<u>177,117,745</u>
6.	Margin (L4 - L5)	253,150,334	0	253,150,334	253,150,334
7.	Operation and maintenance	112,901,063	0 [2]	112,901,063	112,901,063
8.	Depreciation	56,496,731		56,496,731	56,496,731
9.	General taxes	15,460,053		15,460,053	15,460,053
10.	State income taxes	1,794,393	2,958 [2]	1,797,351	1,348,011
11.	Federal income taxes	15,072,898	24,846 [2]	15,097,744	15,254,990
12.	Amortization of investment tax credits			0	0
13.	Amortization of EDIT			0	0
14.	Total operating expenses (Sum of L7 thru L13)	<u>201,725,138</u>	<u>27,804</u>	<u>201,752,942</u>	<u>201,460,848</u>
15.	Net operating income	51,425,196	(27,804)	51,397,392	51,689,486
16.	Interest on customer deposits			0	0
17.	Net operating income for return (L6 less L14)	<u>\$51,425,196</u>	<u>(\$27,804)</u>	<u>\$51,397,392</u>	<u>\$51,689,486</u>

- [1] Boone Exhibit 6, Page 1 of 5, "After Adjustments" column.  
[2] Interest synchronization effect of increase in CWC due to rate increase  
[3] Column (a) plus Column (b).

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**NET OPERATING INCOME FOR RETURN**  
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I  
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Line No.	Item	Per Company [1] (a)	Plant Updates @ June 30, 2016 [2] (b)	Other Operating Revenue Adjustment [3] (c)	End of period Revenue Adjustment [3] (d)	LAUF [3] (e)	Gas Cost [3] (f)	Special Contacts [4] (g)
<b>Operating Revenues:</b>								
1	Sales and transportation of gas	\$426,062,649			\$4,063,800			
2	Special Contract Revenues	792,254						
3	Other operating revenues	3,413,176		113,788				
4	Total operating revenues (L1 - L3)	430,268,079	0	113,788	4,063,800	0	0	0
5	Cost of gas	177,117,745			2,606,522	22,654	641,134	
6	<b>Margin (L4 - L5)</b>	253,150,334	0	113,788	1,457,278	(22,654)	(641,134)	0
<b>Operating Expenses:</b>								
7	Operating and maintenance	112,901,063			5,689			
8	Depreciation	56,496,731	(305,869)					(129,931)
9	General taxes	15,460,053	(123,494)					(27,045)
10	State income tax (3%)	1,797,351	17,175	4,552	58,064	(906)	(25,645)	6,279
11	Federal income tax (35%)	15,097,744	144,266	38,233	487,734	(7,612)	(215,421)	52,744
12	Amortization of investment tax credits	0						
13	Amortization of EDIT	0						
14	Total operating expenses (Sum of L4 thru L10)	201,752,942	(267,922)	42,785	551,487	(8,518)	(241,066)	(97,953)
15	Interest on customer deposits	-						
16	<b>Net operating income for return (L3 - L12+L11+L12)</b>	<b>\$51,397,392</b>	<b>\$267,922</b>	<b>\$71,003</b>	<b>\$905,791</b>	<b>(\$14,136)</b>	<b>(\$400,068)</b>	<b>\$97,953</b>
<b>Revenue Requirement Effect</b>								
			\$431,041	\$114,232	\$1,457,266	(\$22,742)	(\$643,643)	\$157,590

- [1] Boswell Exhibit I, Schedule 3(a).  
[2] Boswell Exhibit I, Schedule 2-1.  
[3] Boswell Exhibit I, Schedule 3(b).  
[4] Per Company response to accounting DR3-3.  
[5] Boswell Exhibit I, Schedule 3-1.  
[6] Boswell Exhibit I, Schedule 3-2.  
[7] Boswell Exhibit I, Schedule 3-3.  
[8] Boswell Exhibit I, Schedule 3-4.

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**NET OPERATING INCOME FOR RETURN**  
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I  
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Line No.	Item	Payroll and Related Costs [5] (h)	Bonus [6] (i)	Other Benefits [7] (j)	Allocation of Senior Staff Bonus Pay [8] (k)	Executive Compensation [9] (l)	Retirement Compensation [10] (m)	Rate Case Expenses [11] (n)	Postage Adjustment [12] (o)	Uncollectibles [13] (p)
<b>Operating Revenues:</b>										
1	Sales and transportation of gas									
2	Special Contract Revenues									
3	Other operating revenues	0								
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0	0
5	Cost of gas									
6	<b>Margin (L4 - L5)</b>	0	0	0	0	0	0	0	0	0
<b>Operating Expenses:</b>										
7	Operating and maintenance	(266,967)	(1,178,457)	(21,770)	(869,580)	(279,312)	(139,250)	(77,026)	(144,717)	(22,445)
8	Depreciation									
9	General taxes	(20,476)	0		0					
10	State income tax (3%)	11,498	47,138	871	34,783	11,172	5,570	3,081	5,789	898
11	Federal income tax (35%)	96,581	395,962	7,315	292,179	93,849	46,788	25,881	48,625	7,541
12	Amortization of investment tax credits									
13	Amortization of EDIT									
14	Total operating expenses (Sum of L4 thru L10)	(179,365)	(735,357)	(13,584)	(542,618)	(174,291)	(86,892)	(48,064)	(90,303)	(14,006)
15	Interest on customer deposits									
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$179,365</u>	<u>\$735,357</u>	<u>\$13,584</u>	<u>\$542,618</u>	<u>\$174,291</u>	<u>\$86,892</u>	<u>\$48,064</u>	<u>\$90,303</u>	<u>\$14,006</u>
Revenue Requirement Effect										
		\$288,568	\$1,183,067	\$21,854	\$872,982	\$280,405	\$139,795	\$77,327	\$145,282	\$22,533

[9] Boswell Exhibit I, Schedule 3-5  
[10] Boswell Exhibit I, Schedule 3-6.  
[11] Boswell Exhibit I, Schedule 3-7.  
[12] Boswell Exhibit I, Schedule 3-8.  
[13] Boswell Exhibit I, Schedule 3-9.  
[14] Boswell Exhibit I, Schedule 3-10.  
[15] Boswell Exhibit I, Schedule 3-11.

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**NET OPERATING INCOME FOR RETURN**  
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I  
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Line No.	Item	Inflation [14] (q)	Nonutility Expenses [15] (r)	PIM Costs [16] (s)	Manufactured Gas Plant Costs [17] (t)	DIMP Costs [18] (u)	Regulatory Fee [19] (v)	Advertising [20] (w)	SalesForce Amortization [21] (x)
<b>Operating Revenues:</b>									
1	Sales and transportation of gas								
2	Special Contract Revenues								
3	Other operating revenues								
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0
5	Cost of gas								
6	<b>Margin (L4 - L5)</b>	0	0	0	0	0	0	0	0
<b>Operating Expenses:</b>									
7	Operating and maintenance	449,153	(257,961)	(1,644,758)	(884,509)	(1,699,781)	(34,304)	(675,916)	(37,385)
8	Depreciation		(5,652)						
9	General taxes		(941)						
10	State income tax (3%)	(17,966)	10,582	65,790	35,380	67,991	1,372	27,037	1,495
11	Federal income tax (35%)	(150,915)	88,890	552,639	297,195	571,127	11,526	227,108	12,561
12	Amortization of investment tax credits								
13	Amortization of EDIT								
14	Total operating expenses (Sum of L4 thru L10)	280,272	(165,082)	(1,026,329)	(551,934)	(1,060,663)	(21,406)	(421,771)	(23,329)
15	Interest on customer deposits								
16	Net operating income for return (L3 - L12+L11+L12)	<u>(\$280,272)</u>	<u>\$165,082</u>	<u>\$1,026,329</u>	<u>\$551,934</u>	<u>\$1,060,663</u>	<u>\$21,406</u>	<u>\$421,771</u>	<u>\$23,329</u>
Revenue Requirement Effect									
		(\$450,911)	\$265,589	\$1,651,192	\$887,970	\$1,706,430	\$34,439	\$678,559	\$37,532

[16] Boswell Exhibit I, Schedule 3-12.  
[17] Boswell Exhibit I, Schedule 3-13.  
[18] Boswell Exhibit I, Schedule 3-14.  
[19] Boswell Exhibit I, Schedule 3-15.  
[20] Boswell Exhibit I, Schedule 3-16.  
[21] Boswell Exhibit I, Schedule 3-17.  
[22] Boswell Exhibit I, Schedule 3-18.

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**NET OPERATING INCOME FOR RETURN**  
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Line No.	Item	Interest on Customer Deposits [22] (y)	Service Company Charges [23] (z)	GTI [24] (aa)	Fuel Costs [25] (bb)	Lobbying Expense [26] (cc)	Interest Synchronization [27] (dd)	After Public Staff Adjustments [28] (ee)
<b>Operating Revenues:</b>								
1	Sales and transportation of gas							\$430,126,449
2	Special Contract Revenues							792,254
3	Other operating revenues							3,526,964
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	434,445,667
5	Cost of gas							180,388,055
6	Margin (L4 - L5)	0					0	254,057,612
<b>Operating Expenses:</b>								
7	Operating and maintenance	(11,337)	(3,216,283)	(6,369)	(117,012)	(167,760)		101,603,006
8	Depreciation							56,055,279
9	General taxes							15,288,097
10	State income tax (3%)	453	128,651	255	4,680	6,710	(6,375)	2,303,725
11	Federal income tax (35%)	3,809	1,080,671	2,140	39,316	56,368	(53,552)	19,351,292
12	Amortization of investment tax credits							-
13	Amortization of EDIT							-
14	Total operating expenses (Sum of L4 thru L10)	(7,075)	(2,006,961)	(3,974)	(73,016)	(104,682)	(59,927)	194,601,399
15	Interest on customer deposits							-
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$7,075</u>	<u>\$2,006,961</u>	<u>\$3,974</u>	<u>\$73,016</u>	<u>\$104,682</u>	<u>\$59,927</u>	<u>\$59,456,213</u>
Revenue Requirement Effect								
		\$11,382	\$3,228,865	\$6,394	\$117,471	\$168,417	\$96,413	

[23] Boswell Exhibit I, Schedule 3-19.  
[24] Boswell Exhibit I, Schedule 3-20.  
[25] Boswell Exhibit I, Schedule 3-21.  
[26] Boswell Exhibit I, Schedule 3-22.  
[27] Boswell Exhibit I, Schedule 3-23.  
[28] Sum of columns (a) through (cc).

Public Staff Late-Filed Exhibit I  
Schedule 3B

**Public Service Company of North Carolina**  
**Docket No. G-5, Sub 565**  
**SUMMARY OF REVENUE AND**  
**COST OF GAS ADJUSTMENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Sales and Transportation Revenues (a)	Special Contract Revenues (b)	Other Operating Revenues (c)	Cost of Gas (d)	Regulatory Fee (g)	[6]
1	Company amount per application	\$426,062,649 [1]	\$792,254 [1]	\$3,413,176 [1]	\$177,117,745 [1]		
2	Operating Revenues EOP - Public Staff Volumes	4,063,800 [2]			2,606,522 [3]	5,689	
3	On-going level of cost of gas - fixed gas costs				641,134 [4]		
4	Lost & Unaccounted For change				22,654 [5]		
5	Adjustment to other operating revenues			113,788 [5]			
6	Public Staff Amount (Sum of L1 thru L5)	<u>\$430,126,449</u>	<u>\$792,254</u>	<u>\$3,526,964</u>	<u>\$180,388,055</u>		

- [1] Per Item G-1, Item 4, Workpaper 1, page 1 of 5.  
[2] Per Public Staff EOP Operating Revenues, Exhibit A.  
[3] 11,584,540 therms multiplied by \$.225/therm.  
[4] Public Staff fixed gas costs of \$67,928,619 minus Company amount of \$67,287,485.  
[5] Per Public Staff.  
[6] Column (a) + Column (b) multiplied by regulatory fee rate.

Public Staff Late-Filed Exhibit I  
Schedule 3-1

**Public Service Company of North Carolina**  
**Docket No. G-5, Sub 565**  
**CALCULATION OF PUBLIC STAFF PAYROLL ADJUSTMENTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Company	Public Staff	Public Staff Change [6]
		(a)	(b)	(c)
1	Union Employee Salaries as of 12/31/15	\$14,075,422 [1]	\$14,527,885 [4]	\$452,462
2	2016 Union Progression Increases	82,502 [1]	127,298 [4]	44,796
3	Union Merit Increase	353,948 [1]	366,380 [4]	12,431
4	Non-Union Salaries as of 12/31/15	21,509,399 [1]	22,034,930 [4]	525,531
5	Non-Union Merit Increase effective 2/16	645,282 [1]	- [4]	(645,282)
6	PSNC Overtime Pay	5,367,940 [1]	4,937,227 [5]	(430,713)
7	Overtime Increase	134,199 [1]	- [6]	(134,199)
8	Total Regular PSNC Payroll (sum L1 through L7)	42,168,692	41,993,719	(174,972)
9	Percent of Payroll to O&M	70.88% [2]	70.88% [2]	
10	Total O&M Portion of PSNC Payroll (L8 * L9)	29,889,169	29,765,148	(124,020)
11	SCANA Services Payroll Allocated to PSNC	9,806,157 [3]	9,858,625 [4]	52,468
12	Additional Headcount (O&M only)	294,185 [8]	98,770 [6]	(195,415)
13	Total Payroll Expense, Excluding Bonus & Incentive Pay	39,989,511	39,623,773	(266,967)
14	Payroll Tax Percent			7.67% [8]
15	Public Staff Adjustment to Payroll Taxes			(\$20,476)

[1] MFR Item 4, Workpaper 3-A, p. 2.

[2] MFR Item 4, Workpaper 3-A, p. 5.

[3] MFR, Item 4, Workpaper 3-A, p.9.

[4] Company updates to June 30, 2016.

[5] Boswell Exhibit I, Schedule 3-1(a), Line 10.

[6] Recommended by Public Staff based on review of documentation.

[7] Column b minus Column a.

[8] MFR, Item 4, Workpaper 3-A, p.1.



Public Staff Late-Filed Exhibit I  
Schedule 3-2

**Public Service Company of North Carolina, Inc.**  
**Docket No. G-5, Sub 565**  
**Adjustment for Bonus Accruals**  
**For the 12 Months Ended December 31, 2015**

Line No.		Filed Estimate [1]		June 2016 actuals [2]		Adjustment
		PSNC	SC to PSNC	PSNC	SC to PSNC	
	<b>Bonus Accruals</b>					
1	PSNC 3-5-7	\$1,921,673		\$1,660,721		
2	PSNC officer's short-term	435,794		401,542		
3	PSNC officer's long-term	473,300		484,717		
4	Service Company 3-5-7		\$1,248,915		\$1,054,271	
5	Service Company officer's short term		1,414,311		1,216,275	
6	Service Company officer's long term		5,584,682		5,000,052	
7	Total Bonus accrual (Sum L1 thru L6)	<u>\$2,830,767</u>	<u>\$8,247,908</u>	<u>\$2,546,980</u>	<u>\$7,270,598</u>	
8	Test year bonus accrual	3,212,610	5,539,957	3,212,610	5,539,957	
9	O&M Expense %	<u>70.88%</u>	<u>100.00%</u>	<u>70.88%</u>	<u>100.00%</u>	
10	Total	<u>(270,651)</u>	<u>2,707,951</u>	<u>(471,799)</u>	<u>1,730,641</u>	<u>(\$1,178,457)</u>

[1] Per Company MFR, Item 4a, Workpaper 3-S.

[2] Per Company response to email 7/29/16.

Public Staff Late-Filed Exhibit I  
Schedule 3-3

**Public Service Company of North Carolina**  
**Docket No. G-5, Sub 565**  
**CALCULATION OF OTHER BENEFITS ADJUSTMENTS**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Amount</u>	<u>Per Company</u>	<u>Per Public Staff</u>	<u>Adjustment</u>
1	Proforma Payroll Adjustment	\$2,456,256	\$2,189,289	
2	Updated Other Benefits Percent	<u>7.60%</u> [1]	<u>7.53%</u> [2]	
3	Adjustment to Proforma Other Benefits (L1*L2)	<u>\$186,675</u>	<u>\$164,906</u>	<u>(\$21,770)</u>

[1] Per MFR, Item 4a, Workpaper 3F, Page 1.

[2] Per information provided by the Company.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO REALLOCATE SCANA SENIOR STAFF COMPENSATION**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<u>SCANA Senior Staff Compensation Charged to PSNC O&amp;M:</u>	
1.	Company Amount	\$2,229,159 [1]
2.	Public Staff Amount	1,359,579 [2]
3.	Public Staff Adjustment to Decrease O&M Expenses (L1 - L2)	<u>\$869,580</u>

[1] Company responses to Public Staff Accounting DR 48.

[2] Allocation of all compensation items for each executive based on the allocation of the executive's regular pay.

Public Staff Late-Filed Exhibit I  
Schedule 3-5

**Public Service Company of North Carolina, Inc.**  
**Docket No. G-5, Sub 595**  
**For the 12 Months Ended December 31, 2015**  
**Computation of Public Staff Adjustment to Executive Compensation**

	Annual Compensation	ST Incentive	LT Incentive	Other	Total Compensation	PSNC %	Total	
KB Marsh	\$1,202,590	\$1,364,220	\$2,763,823	\$402,625	\$5,733,258	5.4904%	\$314,779	[1]
JE Addison	624,112	590,070	1,004,157	187,080	2,405,419	9.3624%	225,205	[1]
RT Lindsay	456,209	344,261	544,044	143,893	1,488,407	9.6543%	143,696	[1]
SA Byrne	624,112	531,063	1,004,157	154,706	2,314,038	0.0000%	-	[1]
WK Kissam	383,739	265,767	387,644	83,658	1,120,808	0.0000%	-	[1]
Total	<u>\$3,290,762</u>	<u>\$3,095,381</u>	<u>\$5,703,825</u>	<u>\$971,962</u>	<u>\$13,061,930</u>		<u>\$683,680</u>	

Executive Compensation Charged BTL per Public Staff	50.00%	[2]
Public Staff PSNC BTL Executive Compensation	341,840	
PSNC BTL Executive Compensation Before Executive Compensation Adjustment	(62,528)	[3]
Public Staff Adjustment to Decrease O&M Expenses	<u>\$279,312</u>	
Public Staff Adjustment to Decrease Payroll	70,369	
Public Staff Adjustment to Decrease Incentive Plan	208,944	

[1] Company Response to PSNC DR 48-2.

[2] Determined by the Public Staff

[3] Per Boswell Exhibit I, Schedule 3-5(a).

Public Staff Late-Filed Exhibit I  
Schedule 3-5(a)

**Public Service Company of North Carolina, Inc.**  
**Docket No. G-5, Sub 495**  
**For the 12 Months Ended December 31, 2007**  
**Computation of Executive Compensation Charged to Below the Line and Non Utility Activities by Company**

Line No.		Annual Compensation	ST Incentive	LT Incentive	Other	Total Compensation	Total PSNC Non Utility %	Total PSNC BTL & Non Utility
1	KB Marsh	\$1,202,590	\$1,364,220	\$2,763,823	\$402,625	\$5,733,258	0.69%	\$39,532
2	JE Addison	624,112	590,070	1,004,157	187,080	2,405,419	0.81%	19,565
3	RT Lindsay	456,209	344,261	544,044	143,893	1,488,407	0.23%	3,431
4	SA Byrne	624,112	531,063	1,004,157	154,706	2,314,038	0.00%	-
5	WK Kissam	383,739	265,767	387,644	83,658	1,120,808	0.00%	-
6	Total	<u>\$3,290,762</u>	<u>\$3,095,381</u>	<u>\$5,703,825</u>	<u>\$971,962</u>	<u>\$13,061,930</u>		<u>\$62,528</u>

**Allocators Used to Assign Executive Compensation:**

	PSNC O&M %	Non Utility % <sup>1/</sup>	PSNC O&M to Non Utility %	PSNC BTL % <sup>2/</sup>	Total PSNC Non Utility %	Total PSNC %
KB Marsh	5.4904%	1.13%	0.06%	0.63%	0.69%	6.1799%
JE Addison	9.3624%	1.13%	0.11%	0.71%	0.81%	10.1758%
RT Lindsay	9.6543%	1.13%	0.11%	0.12%	0.23%	9.8849%
SA Byrne	0.0000%	1.13%	0.00%	0.00%	0.00%	0.0000%
WK Kissam	0.0000%	1.13%	0.00%	0.00%	0.00%	0.0000%

1/ MFR Item 4a, Workpaper 3N.

2/ Company Response to Public Staff DR 48-2.

Public Staff Late-Filed Exhibit I

Schedule 3-6

**Public Service Company of North Carolina**

Docket No. G-5, Sub 565

**ADJUSTMENT TO REMOVE RETIRED EXECUTIVE'S COMPENSATION**

For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1.	Total Compensation for retired executive included in cost of service	\$139,250 [1]
2.	Compensation to be included per Public Staff	<u>0</u>
3.	Public Staff Adjustment to Decrease O&M Expenses	<u>(\$139,250)</u>
4.	Public Staff Adjustment to Decrease Payroll	(10,032)
5.	Public Staff Adjustment to Decrease Incentive Plan	(129,218)

[1] Company responses to Public Staff.

Public Staff Late-Filed Exhibit I  
Schedule 3-7

**Public Service Company of North Carolina**

Docket No. G-5, Sub 565

**ADJUSTMENT TO RATE CASE EXPENSE**

For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Rate case expenses per Public Staff	\$312,036 [1]
2	Amortization period in years	<u>5 [2]</u>
3	Annual amortization per Public Staff (L1 / L2)	62,407
4	Less: Annual amortization per Company	<u>139,433 [3]</u>
5	Public Staff adjustment to O&M expenses (L3 - L4)	<u>(\$77,026)</u>

[1] Per Company update.

[2] Recommended by Public Staff.

[3] MFR Item 4a, Workpaper 3-J.

Public Staff Late-Filed Exhibit I  
Schedule 3-8

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO POSTAGE EXPENSE**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Test Year Postage Expenses	\$2,104,270 [1]
	Less Disallowed Advertising Postage	
2	Account 913 postage	95,223 [1]
3	Percentage Acct 913 direct mail disallowed	99.88% [2]
4		<u>\$95,109</u>
5	Test Year Postage per Public Staff (L1 - L4)	<u>\$2,009,161</u>
6	Percent decrease in rate effective 04/16	<u>-4.08%</u>
7	Postage per Public Staff (L5 x L6)	<u>1,927,187</u>
8	Postage per Company	<u>2,071,904 [1]</u>
9	Adjustment to postage expense (L7 - L8)	<u><u>(\$144,717)</u></u>

[1] G-1 Filing, Item 4a, Workpaper 3-Q.

[2] Direct mailings disallowed in advertising.

[3] The \$.02 postage decrease from \$.49 to \$.47, equates to a 4.08% decrease.



Public Staff Late-Filed Exhibit I  
Schedule 3-9

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO UNCOLLECTIBLES**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Provision</u>
1	Uncollectibles percentage	0.2500% [1]
2	Revenues from sales and transportation of gas, net of gas costs	253,150,334 [2]
3	Updated revenues from sales and transportation of gas, net of gas costs	<u>\$254,057,612</u> [3]
4	Uncollectibles per Public Staff (L1 x L3)	635,144
5	Uncollectibles per Company	<u>657,589</u> [3]
6	Adjustment to uncollectibles (L4 - L5)	<u><u>(\$22,445)</u></u>

[1] Based on the information provided in the G-1. Item 10.

[2] Per Boswell Exhibit I, Schedule 3, Column a, Line 6.

[3] Per Boswell Exhibit I, Schedule 3, Column aa, Line 6.

[4] Per Item 4a, Workpaper 3-G.

Public Staff Late-Filed Exhibit I  
Schedule 3-10

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO INFLATION EXPENSE**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Non-adjusted O&M expenses per the Company	\$92,766,693 [1]
2	Less adjusted expenses per Company filing	86,266,755 [1]
3	Total expenses subject to inflation per Company	6,499,938
	<b>Less: Additional Expenses adjusted elsewhere</b>	
4	Nonutility Expense Adjustment	257,961 [2]
5	Company Nonutility Expense	40,019 [3]
6	Correct Company Salesforce	(116,776) [4]
7	Remove lobbying/political expenses	94,200 [6]
8	Remove Contributions and Donations	127,324 [7]
9	Remove Entertainment and Gifts	24,592 [7]
10	Test Year Advertising Expenses	1,034,104 [5]
11	Adjusted expenses not subject to inflation adjustment	1,461,424
	<b>Addition: Expenses not adjusted elsewhere</b>	
12	SCANA Chargebacks	23,177,489
13	Adjustment for employee benefits	(738,638)
14	Adjusted expenses to be included in inflation adjustment	22,438,851
15	Non-adjusted O&M expenses per the Public Staff (L3 - L10+ L 14)	\$27,477,365
16	Inflation index	2.20% [5]
17	Inflation adjustment per Public Staff (L15 x L16)	604,502
18	Inflation adjustment per Company	155,349 [1]
19	Adjustment to non-adjusted O&M expenses increased for inflation (L17 - L18)	\$449,153

[1] G-1, Item 4a, Workpaper 3L

[2] Boswell Exhibit I, Schedule 3-11, Column c, Line 27.

[3] Per Company response to DR 14-1.

[4] Per Company response to DR15-1.

[5] Recommended by Public Staff.

[6] Boswell Exhibit I, Schedule 3-22.

[7] Per query of response to DR49-1.

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**NONUTILITY EXPENSE ADJUSTMENT**  
For The Test Year Ended December 31, 2015

Line No.	Account No.	Resource Code	Dept Code	Description	Merchandising, Jobbing, and CNG [1] (a)	Nonutility Equity Investments [1] (b)	Total [8] (c)	
<b>Expenses subject to allocation:</b>								
1.	9200000			Admin & General Salaries		\$509,390		
2.	9200000			Incentive Bonuses		\$9,075,897 [4]		
3.	Various			Other Benefits		\$186,675 [5]		
4.	9210000	211		Office Supplies	\$92,992 [2]			
5.	9210000	212		Copier Paper & Supplies	4,045			
6.	8860000			Building Services	507,643			
7.	Various	439		Other Equipment rental	288,266 [2]			
8.	9210000	501		Admin & General Office- other outside services	260,168 [2]			
9.	9230000	501		Outside services - tax & acctg	480,297 [2]	480,297		
10.	9230000	528		Outside services -legal	0 [2]	0		
11.	9230000	526		Physical Guard Services	208,131 [2]			
12.	9240000			Property Insurance	0	598,441		
13.	90370			Postage Expense	1,864,444 [3]			
14.	93020	misc		Miscellaneous General Expenses	861,730	861,730		
15.	Various		810	Investor Relations	31,008 [2]	31,008		
16.	Various		811	Financial Services	0 [2]	0		
17.	Various		813	Audit Services	145,331 [2]			
18.	Various		814	Shareholder Services				
19.	Various		816	SCANA Treasury - addt expenses per query	487,948 [2]			
	Various		3030	Safety	0			
20.				SalesForce	123,420 [2]			
21.				Subtotal (Sum of L1 thru L20)	\$5,355,425	\$11,743,440		
22.				Amounts previously allocated BTL				
23.				Total expenses subject to allocation	\$5,355,425	\$11,743,440		
24.				Allocation factors	3.091%	1.128%		
25.				Adjustment per Public Staff (L18 x L19)	165,542	132,439	\$297,980	
26.				Adjustment per Company	26,859	13,160	40,019	
27.				Adjustment to increase the nonutility expense adjustment (L20 - L21)	\$138,683	\$119,279	\$257,961	
							0.996104	
							\$258,970	\$258,970
<b>Plant-related nonutility adjustment:</b>								
28.				Plant in Service	\$183,894 [6]			
29.				Accumulated Depreciation	15,346 [6]			
30.				Net Nonutility PIS	\$168,548	0.106137	17,889	
31.				Depreciation Expense	\$5,652 [6]	0.996104	5,674	
<b>Property Taxes:</b>								
32.				North Carolina tax rate	\$0.00512			
33.				Adjustment for non utility property taxes	\$941	0.996104	\$944	\$24,508
<b>Allocation Ratios:</b>								
					Revenues [7]	Payroll [7]	Property [7]	Average
				Utility	96.61%	93.45%	97.28%	95.781%
				Merchandise and Jobbing	2.60%	6.55%	0.12%	3.091%
				Other Non-Utility	0.78%		2.60%	1.128%
				Total	100.00%	100.00%	100.00%	100.000%
Combined Merchandise and Jobbing and Other Non-Utility								

[1] MFR Filing, Item 4a, Workpaper 3N, Page 1 of 10, unless otherwise footnoted.

[2] Per Data Request response 49-2, sorted by Resource Code / Dept ID, and Company 7/29/16 email.

[3] Boswell Exhibit 1, Schedule 3-7, test year amount minus Public Staff adjustment and disallowed advertising postage .

[4] Boswell Exhibit 1, Schedule 3-2, O&amp;M portion of Company filed Bonus accruals.

[5] Boswell Exhibit 1, Schedule 3-3 .

[6] Per Boswell Exhibit I, Schedule 2-1(d), Line 31.

[7] Item G-1, Item 4a, Workpaper 4B.

[8] Column (a) + Column (b) + Column(c).

Public Staff Late-Filed Exhibit I  
Schedule 3-12

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**AMORTIZATION OF PIPELINE INTEGRITY MANAGEMENT COSTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
	<b><u>Income Statement Effect:</u></b>	
1	Balance of Deferred PIM Costs @ June 30, 2008	\$2,287,037 [1]
2	Add: Incremental deferred PIM expenses 7/1/2008 - 12/31/2015	15,920,144 [1]
3	Add: Updated deferred PIM expenses 1/1/2016 - 6/30/2016	<u>4,389,641 [1]</u>
4	Total Deferred PIM Costs through June 30, 2016 (sum L1- L3)	22,596,822
5	Less: Sub 495 Amortization expense 11/1/2008 to 11/1/2016	<u>(2,287,037) [2]</u>
6	Deferred PIM Cost Balance per Public Staff (L4 -L5)	20,309,785
7	Amortization period in years	<u>5 [3]</u>
8	Amortization of PIM Costs per Public Staff (L6 / L7)	4,061,957
9	Amortization of PIM Costs per Company	<u>5,706,715 [1]</u>
10	Public Staff Adjustment to O&M Expenses (L8 - L9)	<u>(\$1,644,758)</u>
	<b><u>Rate Base Effect:</u></b>	
11	Unamortized Pipeline Integrity Costs @ December 31, 2015	\$0
12	Less: Ongoing amortization reflected in O&M expenses	<u>0</u>
13	Unamortized PIM balance per Public Staff (L11 - L12))	0
14	Deferred Pipeline Integrity Costs per Company	<u>0</u>
15	Unamortized Pipeline Integrity Costs per Public Staff	<u><u>\$0</u></u>

[1] Per Docket No. G-5, Sub 565 G-1 and data request responses. .

[2] Per Docket No. G-5, Sub 495. Annual PIM amortization approved \$762,346 times 8 years.

[3] Recommended by Public Staff.

Public Staff Late-Filed Exhibit I  
Schedule 3-13

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**AMORTIZATION OF MANUFACTURED GAS PLANT COSTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Balance of Deferred MGP Costs @ June 30, 2008	3,494,563 [1]
2	Add: Incremental deferred PIM expenses 7/1/2008 - 12/31/2015	3,692,766 [1]
3	Add: Incremental environmental expenses 1/1/2016 - 6/30/2016	3,155,963 [1]
4	Total Deferred <b>MGP</b> Costs through June 30, 2016 (sum L1-L3)	10,343,292
5	Less: Sub 495 Amortization expense 11/1/2008 to 11/1/2016	(3,494,563) [2]
6	Deferred Deferred MGP Cost per Public Staff (L4 -L5)	6,848,729
7	Amortization period in years	5 [3]
8	Amortization of Deferred MGP Costs per Public Staff (L6 / L7)	1,369,746
9	Amortization of Deferred MGP Costs per Company	2,254,255
10	Public Staff Adjustment to O&M Expenses (L8 - L9)	(\$884,509)
<b><u>Rate Base Effect:</u></b>		
11	Unamortized Pipeline Integrity Costs @ December 31, 2015	\$0
12	Less: Annual amortization reflected in O&M expenses	0
13	Unamortized PIM Balance per Public Staff	0
14	Deferred Pipeline Integrity Costs per Company	0
15	Unamortized Pipeline Integrity Balance per Public Staff	\$0

[1] MFR Item 4, Workpaper 3-I and response to DR 11.

[2] Per Docket No. G-5, Sub 495. Annual PIM amortization approved \$1,164,854 times 8 years.

[3] Recommended by Public Staff.

Public Staff Late-Filed Exhibit I  
Schedule 3-14

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**AMORTIZATION OF DISTRIBUTION INTEGRITY MANAGEMENT**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Actual test year DIMP costs	\$480,884 [1]
2	DIMP costs incurred January - June 2016 updates	1,020,209 [1]
3	Total DIMP costs at June 2016	1,501,093
4	Balance of DIMP costs to be deferred	1,501,093
5	Amortization period	5 [2]
6	Annual amortization (L4 / L5)	\$300,219
7	Adjustment per Company	\$2,000,000 [1]
8	Public Staff adjustment (L6 - L7)	(1,699,781)
<b>Rate Base Effect:</b>		
	Unamortized Pipeline Integrity Costs @ December 31, 2015	\$0
	Less: Ongoing amortization reflected in O&M expenses	0
	Unamortized PIM balance per Public Staff	0
	Deferred Pipeline Integrity Costs per Company	0
	Unamortized Pipeline Integrity Costs per Public Staff	\$0

[1] MFR Item 4, Workpaper 3-P and Company updates.

[2] Per Public Staff.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO CHANGES FOR REGULATORY FEE**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Adjusted Test Year Sales and Transportation Revenues	\$430,268,985 [1]
	Less:	
2	CIAC Tax Gross-up	416,022 [1]
3	Uncollectibles	635,144 [2]
4	Amount Subject to Fee	429,217,819
5	Fee Percentage	0.140% [3]
6	Adjusted Fee per Public Staff (L4 x L5)	600,905
7	Adjusted Fee per Company	635,209 [1]
8	Public Staff Adjustment to Regulatory Fee (L6 - L7)	(\$34,304)

[1] MFR, Item 4a, Workpaper 3-C.

[2] Boswell Exhibit 1, Schedule 3-9, Line 9.

[3] Per Commission Order on July 11, 2016.

Public Staff Late-Filed Exhibit I  
Schedule 3-16

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**SUMMARY OF PUBLIC STAFF ADVERTISING ADJUSTMENTS**  
For the Test Year Ended December 31, 2015

No.	Item	Amount Per Company				Public Staff Adjustments				After Public Staff Adjustments			
		Acct 909 (a)	Acct 913 (b)	Other-Specify ( c )	Total (d)	Acct 909 (a)	Acct 913 (b)	Other-Specify ( c )	Total (d)	Acct 909 (a)	Acct 913 (b)	Other-Specify ( c )	Total (d)
1	Newspaper	\$0	\$682	\$3,462	\$4,145		(\$682)	(\$3,462)	(\$4,145)	\$0	\$0	\$0	\$0
2	Magazines & Other	135,047	135,047	3,018	273,113	(67,524)	(67,524)	(3,018)	(138,065)	\$67,524	\$67,524	\$0	135,047
3	Television	0	130,589	0	130,589		(130,589)		(130,589)	\$0	\$0	\$0	0
4	Radio	0	25,610	1,891	27,501		(25,610)	(1,891)	(27,501)	\$0	\$0	\$0	0
5	Outdoor Advertising	0	14,983	225	15,208		(14,983)	(225)	(15,208)	\$0	\$0	\$0	0
6	Bill Inserts	4,499	5,631	19,559	29,689	0	0	0	0	\$4,499	\$5,631	\$19,559	29,689
7	New Customer - Welcome Kits	3,415			3,415	0			0	\$3,415	\$0	\$0	3,415
8	Direct Mail	0	57,702	7,759	65,460		(57,631)	(7,759)	(65,390)	\$0	\$70	\$0	70
9	Sales Promotion	0	0	9,483	9,483		0	(9,483)	(9,483)	\$0	\$0	\$0	0
10	White Pages	25,790	0	0	25,790		0		0	\$25,790	\$0	\$0	25,790
11	Recruiting	0	0	444	444			0	0	\$0	\$0	\$444	444
12	Internet	0	248,518	124,878	373,396		(133,509)	(113,135)	(246,644)	\$0	\$115,009	\$11,743	126,752
13	Miscellaneous	893	40,032	577	41,502	(500)	(19,530)	0	(20,030)	\$393	\$20,501	\$577	21,471
14	Labor and Benefits	5,235	13,626	0	18,861	(5,235)	(13,626)		(18,861)				0
15	Public Safety	15,509			15,509	0			0	\$15,509	\$0	\$0	15,509
16	Total	\$190,388	\$672,421	\$171,295	\$1,034,103	(\$73,258)	(\$463,685)	(\$138,972)	(\$675,916)	\$117,129	\$208,736	\$32,323	\$358,188

- [1] Per MFR, Item 12, P. 1 of 10.  
[2] Sum of Columns (a)+(b)+( c ).  
[3] Company amounts minus public staff adjustments.



**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**AMORTIZATION OF SALESFORCE LICENSE**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	2015 Amortization - Q4	\$45,730 [1]
2	2015 - Catch-up Entry	243,759 [1]
3	Total 2015 Amortization (L1 +L2)	289,489
4	Adjustment of Salesforce per Company	(128,685) [1]
5	Cost of 3-year contract	\$370,260 [2]
6	Annual Cost (L5 / 3)	123,420
7	Public Staff ongoing level of O&M Expense	123,420
8	Public Staff Adjustment to O&M Expenses (L7 - L3 - L4)	(\$37,385)

[1] MFR Item 4, Workpaper 3R.

[2] Per Company response to DR 21-3.

Public Staff Late-Filed Exhibit I  
Schedule 3-18

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**Customer Deposits and Interest**  
For The Test Year Ended December 31, 2015

Line			
No.	Item	Customer Deposits [1]	Interest [1]
1	June 2015	(\$7,959,233)	\$57,239
2	July 2015	(7,801,018)	43,902
3	August 2015	(7,720,266)	44,541
4	September 2015	(7,693,842)	49,863
5	October 2015	(8,026,795)	49,554
6	November 2015	(8,225,758)	47,078
7	December 2015	(8,282,424)	41,438
8	January 2016	(8,443,668)	47,493
9	February 2016	(8,465,852)	46,156
10	March 2016	(8,367,242)	55,340
11	April 2016	(8,116,095)	45,778
12	May 2016	(7,806,164)	49,977
13	June 2016	(7,570,958)	48,641
14	Total sum of Lines 1 through 13	(104,479,314)	569,759
15	Number of Months	13	13
16	13 Month Average (Line 14/ Line 15)	(8,036,870)	43,828
17	Average calculated per Company	(8,295,676)	44,700
18	Public Staff Adjustment to O&M Expenses (L16 - L17)	\$258,806	(\$872)
19	Adjustment required in Customer Deposits per PS		569,759 [2]
20	Adjustment required in Customer Deposits per Company		581,096
21	Difference (Line 19 - Line 20)		(\$11,337)

[1] MFR Item 4a, Workpaper 3-B, updated per Company.

[2] Per Line 14.

Public Staff Late-Filed Exhibit I

Schedule 3-19

**Public Service Company of North Carolina**  
Public Service Company of North Carolina  
**ADJUSTMENT TO SERVICE COMPANY CHARGES**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Company increase in Service Company charges	\$3,216,283 [1]
2	Public Staff calculated Service Company charges	0 [2]
3	Public Staff adjustment to Service Company charges (L2- L1)	<u>(\$3,216,283)</u>

[1] MFR Item 4, Workpaper 3M.

[2] Per Company response to Public Staff inquest.

**Public Service Company of North Carolina**  
Public Service Company of North Carolina  
**GAS TECHNOLOGY INSTITUTE CHARGES**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Meters billed June 2016	537,262 [1]
2	GTI rate per meter	0.50 [2]
3	Public Staff calculated O&M Charge (L1 x L2)	268,631
4	Company requested O&M Charge	275,000 [2]
5	Adjustment to GTI O&m Charge (L3 - L4)	(\$6,369)

[1] Per Company response and monthly revenue report.

[2] MFR Item 4, Workpaper 3-W.

Public Staff Late-Filed Exhibit I  
Schedule 3-21

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO FUEL COSTS**  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount	
		Unleaded (a)	Diesel (b)
1	2014 Average Price	3.32 [1]	3.77 [1]
2	2015 Average Price	2.32 [1]	2.67 [1]
3	2 year average price	2.82	3.22
4	Gallons in test year	542,511 [1]	137,035 [1]
5	Average calculated fuel costs (L3 * L4)	1,529,881	441,253
6	Cost in test year	1,256,377 [1]	366,482 [1]
7	Public Staff fuel costs (L5 - L6)	273,504	74,771
8	Increase to O&M fuel costs per Company	396,033 [1]	108,258 [1]
9	Adjustment to fuel costs (L7 - L8)	(122,529)	(33,487)
10	O&M percentage		75.00% [1]
11	Public Staff adjustment to fuel costs (L9 * L10)		<u>(\$117,012)</u>

[1] MFR Item 4, Workpaper 3-T.

[2] Column a plus Column b.

Public Staff Late-Filed Exhibit I  
Schedule 3-22

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO LOBBYING EXPENSE**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
		(a)
1	Labor expenses for Economic Development & Gov't Affairs Department	\$294,242 [2]
2	Lobbying percentage	25% [3]
3	Adjustment to remove lobbying expenses from department (L1 x L2)	<u>73,561</u>
4	Misc expenses related to lobbying/politics	28,264 [4]
5	Lobbying Percentage	100% [3]
6	Adjustment to remove misc expenses related to lobbying	<u>28,264</u>
7	American Gas Association dues	263,745 [1]
8	Lobbying percentage	25% [3]
9	Adjustment to remove lobbying expenses from AGA dues (L7 x L8)	<u>65,936</u>
10	Total adjustment to remove lobbying expenses (L3 + L6 + L9)	<u><u>\$167,760</u></u>

- [1] MFR, Item 13.  
[2] Per Company Response.  
[3] Recommended by Public Staff  
[4] Per review of Company response to DR49.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**INTEREST SYNCHRONIZATION ADJUSTMENT**  
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Interest expense assigned to rate base per Company	\$23,358,790 [1]
2	Interest expense assigned to rate base per Public Staff	<u>23,518,170 [2]</u>
3	Difference in interest expense tax deduction (L2 - L1)	<u>\$159,380</u>
4	Adjustment to state income taxes (L3 x 4%)	<u>(\$6,375)</u>
5	Adjustment to federal income taxes (L3 + L4 x 35%)	<u>(\$53,552)</u>
6	Total adjustment to income taxes	<u>(\$59,927)</u>

[1] Boone Exhibit 6, Page 2.

[2] Boswell Exhibit I, Schedule 4, Column (e), Line 1 + Line 2.

Public Staff Late-Filed Exhibit I  
Schedule 4

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**RETURN ON EQUITY AND ORIGINAL COST RATE BASE**  
For The Test Year Ended December 31, 2015

Line No.	Item	Capitalization Ratios (a)	Original Cost Rate Base (b)	Before Recommended Increase			Rate Base	After Recommended Increase		
				Embedded Cost/Return % (c)	Weighted Cost/Return % (d)	Net Operating Income (e)		Embedded Cost/Return % (f)	Weighted Cost/Return % (g)	Net Operating Income (h)
1	Long term debt	44.62%	\$421,598,901 [2]	5.52% [1]	2.46% [5]	\$23,272,259 [7]	\$422,427,461	5.52%	2.46% [10]	\$23,317,996 [12]
2	Short term debt	3.38%	31,936,447 [2]	0.77% [1]	0.03% [5]	245,911 [7]	31,999,212	0.77%	0.03% [10]	\$246,394 [12]
3	Common equity	52.00%	491,329,960 [2]	7.31% [4]	3.80% [5]	35,938,043 [8]	492,295,562	9.70%	5.04% [10]	\$47,752,670 [12]
4	Totals	100.00%	\$944,865,308 [3]		6.29% [6]	\$59,456,213 [9]	\$946,722,235		7.53% [11]	\$71,317,060 [13]

[1] Per Public Staff Witness.

[2] Column (a) x Column (b), Line 4.

[3] Boswell Exhibit I, Schedule 2.

[4] Column (e) / Column (b).

[5] Column (a) x Column (c).

[6] Column (e), Line 4 / Column (b), Line 4.

[7] Column (b) x Column (c).

[8] Column (e), Line 4 - Line 1 - Line 2.

[9] Boswell Exhibit I, Schedule 3.

[10] Column (a) x Column (f).

[11] Column (h), Line 4 / Column (b), Line 4.

[12] Column (b) x Column (f).

[13] Sum of Line 1 thru L3.



Public Staff Late-Filed Exhibit I  
Schedule 5

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**CALCULATION OF INCREASE (DECREASE) IN**  
**REVENUE REQUIREMENT**  
For The Test Year Ended December 31, 2015

Line No.	Item	Debt		Equity (c)	Total (d)
		Long Term (a)	Short Term (b)		
1	Required net operating income	\$23,317,996 [1]	\$246,394 [1]	\$47,752,670 [1]	\$71,317,060
2	Net operating income before proposed increase	<u>23,272,259 [2]</u>	<u>245,911 [2]</u>	<u>35,938,043 [2]</u>	<u>59,456,213</u>
3	Additional net operating income requirement (L1 - L2)	45,737	483	11,814,627	11,860,847
4	Retention factor	<u>0.996104 [3]</u>	<u>0.996104 [3]</u>	<u>0.6215686 [3]</u>	
5	Additional gross revenue requirement (L3 / L4)	<u><u>\$45,916</u></u>	<u><u>\$485</u></u>	<u><u>\$19,007,760</u></u>	<u><u>\$19,054,161</u></u>

[1] Boswell Exhibit I, Schedule 4, Column (h).

[2] Boswell Exhibit I, Schedule 4, Column (e).

[3] Boswell Exhibit I, Schedule 5 (a), Column (d), Line 13.

Public Staff Late Filed Exhibit 2  
Schedule 2-2

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
ADJUSTMENT TO WORKING CAPITAL COMPONENTS  
For The Test Year Ended December 31, 2015

Line No.	Item	Amount Per Company (a)	Company Ratemaking Adjustments (b)	After Company Adjustments (c)	Public Staff Working Capital Adjustments (d)	Amount Per Public Staff (f)	[13]
	<b>Lead Lag Study</b>						
1	Lead Lag Study	\$10,012,305	2,993,183	\$13,005,488			
	<b>Average materials and supplies:</b>						
2	Operating and construction supplies	9,465,900		9,465,900	\$865,868 [2]	\$10,331,768	
3	Natural gas stored	38,067,356		38,067,356	(5,307,372) [3]	\$32,759,984	
4	Totals (L2 + L3)	47,533,256	0	47,533,256	(4,441,504)	43,091,752	
	<b>Cash working capital:</b>						
5	Average Customer deposits	(8,295,675)		(8,295,675)	258,805 [5]	(8,036,870)	
6	Average Accrued Interest on Customer Deposits	(185,385)		(185,385)	(64,354) [4]	(249,739)	
7	Average Accrued Vacation Liability - PTO	(582,236)		(582,236)	(13,301) [10]	(595,537)	
8	Average State Sales Tax	(712,278)		(712,278)	421,078 [11]	(291,200)	
9	Average of Deferred Credit Treasury A Account	(324,842)		(324,842)	(40,943) [12]	(365,785)	
10	Average prepayments	968,023	430,345	1,398,368	(266,648) [6]	1,131,720	
11	Average deferred Salesforce Cloud License Fees	18,358		18,358	(18,358) [7]	0	
12	Cost-Free Capital - Transco refunds	(258,000)		(258,000)		(258,000)	
13	Cost-Free Capital - Postretirement Benefits	(24,423,034)	136,967	(24,286,067)	(486,195) [8]	(24,772,262)	
14	Cost-Free Capital - Pension Accrual	(15,925,419)		(15,925,419)	(1,427,237) [9]	(17,352,656)	
15	Cost-Free Capital - LT Disability	(265,991)		(265,991)	147,285	(118,706)	
16	Totals cash working capital (Sum of L5 thru L15)	(49,986,479)	567,312	(49,419,167)	(1,489,868)	(50,909,035)	
17	Total working capital (L1 + L4 + L16)	\$7,559,082	\$3,560,495	\$11,119,577	(\$5,931,372)	(\$7,817,283)	

[1] Per Boone Exhibit 4.

[2] Boswell Exhibit I, Schedule 2-2(a).

[3] Boswell Exhibit I, Schedule 2-2(b).

[4] Boswell Exhibit I, Schedule 2-2(d).

[5] Boswell Exhibit I, Schedule 2-2(c).

[6] Boswell Exhibit I, Schedule 2-2(f).

[7] Boswell Exhibit I, Schedule 2-2(h).

[8] Boswell Exhibit I, Schedule 2-2(k).

[9] Boswell Exhibit I, Schedule 2-2(l).

[10] Boswell Exhibit I, Schedule 2-2(e).

[11] Boswell Exhibit I, Schedule 2-2(f).

[12] Boswell Exhibit I, Schedule 2-2(g).

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

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
ADJUSTMENT TO MATERIALS AND SUPPLIES  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(a)

Line No.	Item	Inventory In Transit (b)	[1]	M & S Inventory (c)	[1]	Total (d)	[2]
1	June 2015	\$253		\$10,004,040		\$10,004,293	
2	July	253		11,424,475		\$11,424,728	
3	August	(4)		9,886,807		\$9,886,803	
4	September	987		9,949,045		\$9,950,032	
5	October	(5)		8,950,351		\$8,950,346	
6	November	(5)		9,188,403		\$9,188,398	
7	December	10,218		9,426,671		\$9,436,889	
8	January 2016	0		9,936,770		\$9,936,770	
9	February	(1)		10,470,630		\$10,470,629	
10	March	0		11,431,033		\$11,431,033	
11	April	(1)		11,390,307		\$11,390,306	
12	May	(1)		10,892,949		\$10,892,948	
13	June 2016	0		11,349,804		\$11,349,804	
14	Total materials & supplies for 13 months (Sum L1 thru L13)	11,694		134,301,285		134,312,979	
15	Materials & supplies per Public Staff (L14 / 13)	\$900		10,330,868		10,331,768	
16	Materials & supplies per Company Application					9,465,900	[3]
17	Adjustment to materials & supplies (L15 - L16)					\$865,868	

[1] Updated amounts provided by the Company.

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

[3] MFR Item 24.

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Public Service Company of North Carolina  
Docket No. C-5, Sub 595  
ADJUSTMENT TO NATURAL GAS IN STORAGE  
For the Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2.2(b)

Line No.	Item	GSS (a)	WSS (b)	DTT (c)	Emberence (d)	ESS (e)	LNG (f)	LGA (g)	Cove Part (h)	Columbia (i)	Pine Needle (j)	Saville (k)	Total (m)
1	June 2015	\$2,873,953	\$7,814,510	\$7,910,849	\$697,893	\$697,992	\$2,834,108	\$0	\$692,545	\$5,926,893	\$1,005,351	\$1,945,454	\$32,372,489
2	July	3,127,597	7,757,249	8,650,098	697,850	697,978	3,197,065	0	671,628	8,774,260	2,053,533	1,345,454	\$35,140,697
3	August	3,787,537	7,894,041	9,030,504	697,850	697,978	3,590,550	0	743,389	7,654,163	2,478,544	1,595,626	\$38,526,590
4	September	4,297,182	8,022,954	10,693,531	697,850	697,978	3,897,501	0	804,087	8,423,341	2,945,218	1,711,385	\$42,051,035
5	October	4,814,500	8,041,976	11,548,862	724,223	749,597	4,094,298	0	858,695	9,191,099	3,108,392	1,795,864	\$44,822,365
6	November	4,145,855	7,456,855	9,745,855	749,597	749,597	4,361,715	0	833,060	9,811,764	3,222,025	2,044,484	\$43,713,296
7	December	4,175,590	7,708,930	9,729,790	724,205	743,810	4,361,715	0	833,060	9,811,764	3,222,025	2,044,484	\$43,713,296
8	January 2016	3,638,771	7,302,782	5,465,781	659,096	665,610	3,493,411	0	883,060	4,890,936	3,193,432	1,107,600	\$31,537,371
9	February	2,650,353	6,732,686	3,364,212	520,482	513,675	2,893,180	0	883,060	2,817,334	3,054,482	849,990	\$23,693,644
10	March	1,097,853	6,462,816	3,364,212	350,638	310,229	2,833,367	0	883,060	2,673,227	2,854,318	1,003,697	\$21,593,217
11	April	1,303,275	6,462,816	3,364,212	252,114	221,832	2,942,718	0	883,060	3,134,500	2,062,423	1,002,080	\$21,489,964
12	May	1,569,845	6,462,816	3,364,212	252,114	221,832	3,462,816	0	883,060	3,462,816	2,491,277	1,002,080	\$23,478,470
13	June 2016	1,784,194	6,255,913	5,081,255	255,244	291,122	3,423,484	0	883,060	4,092,454	2,142,541	1,002,080	\$25,351,047
14	Total gas inventory for 13 months (Sum of L1 thru L13)	\$38,105,645	\$93,910,765	\$95,650,759	\$7,556,675	\$7,221,501	\$45,292,553	\$0	\$10,752,739	\$75,965,845	\$34,259,882	\$17,892,704	\$425,879,780
15	Twelve month average per Public Staff (L14/L13)	2,931,280	7,223,055	7,311,558	580,913	555,500	3,484,043	-	827,134	5,831,937	2,635,376	1,381,746	\$32,759,982
16	Gas in Storage per Application	3,822,657 (2)	7,781,012 (2)	9,343,520	749,944 (2)	749,682	3,591,008 (2)	-	757,127 (2)	6,547,621 (2)	2,871,450 (2)	1,589,472 (2)	\$50,697,536 (2)
17	Adjustment to gas in storage (L15 - L16)	(\$891,577)	(\$757,107)	(\$2,031,062)	(\$183,031)	(\$188,182)	(\$106,065)	\$0	\$89,987	(\$1,104,035)	\$54,136	(\$186,668)	(\$5,307,373)

(1) Unaudited amounts provided by the Company.  
(2) NFER, Item 23.  
(3) Sum of Column (a) thru Column (k).

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO CUSTOMERS' DEPOSITS**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(c)

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u> [1]
1	June 2015	(\$7,959,233)
2	July	(7,801,018)
3	August	(7,720,265)
4	September	(7,693,841)
5	October	(8,026,794)
6	November	(8,225,758)
7	December	(8,282,424)
8	January 2016	(8,443,668)
9	February	(8,465,852)
10	March	(8,367,242)
11	April	(8,116,095)
12	May	(7,806,164)
13	June 2016	(7,570,958)
14	Total customers' deposits for 13 months (Sum of L1 thru L13)	<u>(\$104,479,311)</u>
15	Average customers' deposits per Public Staff (L14 / 13)	(8,036,870)
16	Customers' deposits per Company application	<u>(8,295,675) [2]</u>
17	Adjustment to customers' deposits (L15 - L16)	<u>\$258,805</u>

[1] Per Company Filing and Company Updates.

[2] Per MFR Item 27.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO INTEREST ON CUSTOMERS' DEPOSITS**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(d)

Line No.	<u>Item</u>	North Carolina Amount [1]
1	June 2015	(\$237,930)
2	July	(231,589)
3	August	(254,276)
4	September	(259,056)
5	October	(257,150)
6	November	(248,252)
7	December	(234,633)
8	January 2016	(239,430)
9	February	(257,927)
10	March	(269,427)
11	April	(259,933)
12	May	(262,353)
13	June 2016	<u>(234,655)</u>
14	Total Interest on customers' deposits for 13 months (Sum of L1 tl	<u>(3,246,611)</u>
15	Average Interest on customers' deposits per Public Staff (L14 / 1	(249,739)
16	Customers' deposits per Company application	<u>(185,385) [2]</u>
17	Adjustment to Interest on customers' deposits (L15 - L16)	<u><u>(\$64,354)</u></u>

[1] Per Company Filing and Company Updates.

[2] Per Boone Exhibit 4, page 3 of 3.

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO PTO - ACCRUED VACATION CARRYOVER**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(e)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> [1]
1	June 2015	(\$580,019)
2	July	(\$580,019)
3	August	(\$580,019)
4	September	(\$580,019)
5	October	(\$580,019)
6	November	(\$580,019)
7	December	(\$608,838)
8	January 2016	(\$608,838)
9	February	(\$608,838)
10	March	(\$608,838)
11	April	(\$608,838)
12	May	(\$608,838)
13	June 2016	(\$608,838)
14	Total Interest on Excise Taxes for 13 months (Sum of L1 thr	<u>(\$7,741,984)</u>
15	PTO - Accrued Vacation per Public Staff (L14 / 13)	(\$595,537)
16	PTO - Accrued Vacation per Company application	<u>(\$582,236)</u> [2]
17	Adjustment	<u>(\$13,301)</u>

[1] Updated as of June 30, 2008 per Account # 2420301.

[2] Amount provided per Company Filing.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO STATE SALES TAXES**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(f)

Line No.	<u>Item</u>	North Carolina Amount [1]
1	June 2015	(\$200,825)
2	July	(261,903)
3	August	(297,849)
4	September	(260,069)
5	October	(439,701)
6	November	(109,358)
7	December	85,950
8	January 2016	(347,887)
9	February	(795,452)
10	March	28,868
11	April	(430,265)
12	May	(393,076)
13	June 2016	(364,037)
14	Total State Sales Tax for 13 months (Sum of L1 thru L13)	<u>(3,785,603)</u>
15	Average State Sales Tax per Public Staff (L14 / 13)	(291,200)
16	Average State Sales Tax per Company application	<u>(712,278) [2]</u>
17	Adjustment to State Sales Tax (L15 - L16)	<u><u>\$421,078</u></u>

[1] Per Company Filing and Company Updates.

[2] Amount per Company Filing.

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Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO DEFERRED CREDIT TREASURY A ACCOUNT**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(g)

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u> [1]
1	June 2015	(\$598,324)
2	July	(449,974)
3	August	(310,881)
4	September	(309,783)
5	October	(294,767)
6	November	(283,102)
7	December	(288,523)
8	January 2016	(348,393)
9	February	(330,982)
10	March	(322,177)
11	April	(351,241)
12	May	(424,100)
13	June 2016	(442,954)
14	Total for 13 months (Sum of L1 thru L13)	<u>(4,755,200)</u>
15	Average per Public Staff (L14 / 13)	(365,785)
16	Average per Company application	<u>(324,842)</u> [2]
17	Adjustment to Deferred Credit Treasury A Account (L15 - L16)	<u>(\$40,943)</u>

[1] Per Company Filing and Company Updates.

[2] Amount per Company Filing.

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO DEFERRED SALESFORCE CLOUD LICENSE FEES**  
For the Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u>
1	June 2015	\$0
2	July	0
3	August	0
4	September	81,253
5	October	67,711
6	November	54,169
7	December	35,523
8	January 2016	26,801
9	February	13,401
10	March	0
11	April	0
12	May	0
13	June 2016	0
14	Total for 13 months (Sum of L1 thru L13)	<u>278,858</u>
15	Average per Public Staff (L14 / 13)	0
16	Average per Company application	<u>18,358</u>
17	Adjustment to Deferred Salesforce License Fees (L15 - L16)	<u>(\$18,358)</u>

- [1] Per Company Filing and Company Updates.  
[2] Deferred amounts current; not to be included in working capital  
[3] Amount per Company Filing.

Public Staff Late Filed Exhibit 2  
Schedule 2-2(h)

[1]

[2]  
[3]

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO AVERAGE PREPAYMENTS**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(i)

<u>Line No.</u>	<u>Item</u>	<u>13-Month Average</u> [1]
1	Rating Agency Fee	\$24,923
2	Prepay Interest Comm Paper	5,633
3	Cust Svc Software Agrmts	68,295
4	OP Support Agrmts	-
5	Direct & Office Liability	87,915
6	Public Liab & Prop Damage	247,353
7	Work Comp Policy Excess	40,468
8	Fiduc and Emp Ben Liab	16,034
9	Prepay St License Fee	273,067
10	Taxes and Priv Lic	23,222
11	Crm/Salesforce Cloud	-
12	Crime and Fiduciary Liab	3,400
13	Excess Liab Ins Layer 1	117,537
14	Excess Liab Ins Layer 2	55,644
15	Renwl Fee on Comm Pape	153,738
16	Admin Agent Fees	14,491
17	Netmotion Wireless	-
18	Total 13-Month Average Prepayments Sum of (L1 thru L17)	<u>1,131,720</u>
19	Sum of Average prepayments per Public Staff	\$1,131,720
20	Average prepayments per Company application	<u>1,398,368</u> [2]
21	Adjustment to average prepayments (L19 - L20)	<u>(\$266,648)</u>

[1] Per Schedule 2-2(j).

[2] Per MFR Item 28, page 2 of 2.

Public Service Company  
of Colorado  
CALCULATION OF AVERAGE PREPAYMENTS  
For the Test Year Ended December 31, 2015

Line No.	Description	6/30/2015 (1)	7/31/2015 (1)	8/31/2015 (1)	9/30/2015 (1)	10/31/2015 (1)	11/30/2015 (1)	12/31/2015 (1)	1/31/2016 (1)	2/28/2016 (1)	3/31/2016 (1)	4/30/2016 (1)	5/31/2016 (1)	6/30/2016 (1)	Total (1)	13-Month Average (1)
1	Rating Agency Fee	\$6,000	\$49,283	\$44,687	\$40,000	\$33,333	\$30,667	\$26,000	\$23,333	\$19,667	\$12,000	\$10,000	\$10,000	\$9,000	\$72,222	\$24,923
2	Public Staff Life Fund Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Cost-Save Software Agmts	58,443	81,593	64,742	47,831	53,417	40,327	78,008	69,653	59,214	88,821	78,008	67,481	60,403	857,857	63,295
4	OP Support Agmts	189	142	95	47	0	0	0	0	0	0	0	0	0	473	0
5	Direct Office Liability	70,334	53,200	35,467	17,723	100,333	103,079	48,745	47,465	31,692	14,723	32,008	22,000	60,221	1,142,891	87,915
6	Direct Office Liability	12,258	13,200	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	10,000
7	Work Comp Policy Expense	20,869	22,068	13,025	8,458	60,718	75,252	48,745	47,465	31,692	52,737	45,237	37,717	10,207	320,079	40,468
8	Fiduciary and Emp Ben Liab	12,142	9,107	8,071	3,006	0	32,648	29,680	20,712	23,744	20,778	17,808	14,540	11,872	208,438	16,034
9	Property & Liens Fee	41,778	38,272	34,747	31,272	24,322	20,000	20,000	(134,087)	(88,174)	11,85,639	1,053,802	822,185	780,438	3,549,973	273,067
10	Public Staff Life Fund Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Com/Salesperson Cloud	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Citizens and Fiduciary Liab	2,415	1,612	1,208	604	6,596	182,508	182,508	100,405	100,405	180,005	147,404	134,004	120,603	1,534,451	231,022
13	Excess Liab Ins Layer 1	83,211	62,408	41,808	20,803	0	6,596	6,596	5,724	5,088	4,452	3,816	3,160	2,544	44,158	3,400
14	Excess Liab Ins Layer 2	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	60,000	6,000
15	Excess Liab Ins Layer 3	135,014	135,014	135,014	135,014	135,014	135,014	135,014	135,014	135,014	135,014	135,014	135,014	135,014	1,350,140	135,014
16	Admin Agent Fees	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	83,333	8,333
17	Information Wireless	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Average prepayments per Public Staff (Sum L1 - L17)	\$720,507	\$535,350	\$500,389	\$332,440	\$445,763	\$1,533,077	\$1,546,092	\$1,202,867	\$1,032,020	\$2,330,901	\$2,130,648	\$1,628,891	\$1,628,891	\$16,292,105	\$1,311,720
19	Average prepayments per Company application															
20	Adjusted to average prepayments (L18 - L19)															

[1] Per Company Filing  
[2] Per Company provided updates.  
[3] Sum of (4) through (17)  
[4] Excess Liab Ins Layer 1  
[5] Excess Liab Ins Layer 2  
[6] Excess Liab Ins Layer 3  
[7] Deferred amounts current; not to be included in working capital

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO POSTRETIREMENT BENEFITS**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(k)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Postretirement Benefit at June 30, 2016	(\$28,685,554) [1]
2	Company Adjustment to remove FASB 158	3,913,292
3	Subtotal	<u>(24,772,262)</u>
4	Postretirement Benefit per Company	<u>(24,286,067) [2]</u>
5	Adjustment to Postretirement Benefit (L3 - L4)	<u><u>(\$486,195)</u></u>

[1] Updated per Data Request Response 4-5.

[2] Per Company filing.

Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
**ADJUSTMENT TO PENSION ACCRUAL**  
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2  
Schedule 2-2(l)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Pension Accrual at June 30, 2016	(\$44,570,450) [1]
2	Company Adjustment to remove FASB 158	27,217,794
3	Subtotal	(17,352,656)
4	Pension Accrual per Company	(15,925,419) [2]
5	Adjustment to Pension Accrual (L3 - L4)	(\$1,427,237)

[1] Updated per Data Request Response 4-5.

[2] Per Company filing.

Public Staff Late Filed Exhibit 2  
Schedule 2-3Public Service Company of North Carolina  
Docket No. G-5, Sub 565  
ADJUSTMENT TO WORKING CAPITAL COMPONENTS  
For The Test Year Ended December 31, 2015

Line No.	Item	Per Books Amounts (a)	Company Retaining Adjustments (1) (b)	After Company Adjustments (2) (c)	Public Staff Adjustments (3) (d)	After Public Staff Adjustments (4) (e)	(Lead) / Lag Days (f)	Working Capital From Lead / Lag Study (g)
<b>INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 28 SCHEDULE A)</b>								
1.	Operating Revenues	\$435,818,557	(\$6,763,854)	\$428,854,903	\$4,063,800	\$430,918,703		\$47,271,181
2.	Gas Sales and Transportation	3,413,178		3,413,178	113,788	3,526,966		388,003
3.	Total Operating Revenues	<u>\$439,031,733</u>	<u>(\$6,763,854)</u>	<u>\$430,288,079</u>	<u>\$4,177,588</u>	<u>\$434,465,667</u>	46.04	<u>\$47,659,094</u>
<b>Operating Expenses:</b>								
4.	Purchased gas	\$181,239,574	(14,121,828)	\$177,117,745	3,270,310	\$180,388,055	(35.85)	(\$17,818,724)
5.	Operating and maintenance	92,788,883	26,134,388	112,901,082	(11,218,057)	101,683,025	(37.33)	(9,344,093)
6.	Depreciation	48,822,105	6,874,829	58,496,731	(441,452)	58,055,278	0.00	6
7.	General Taxes	12,433,363	3,026,690	15,460,053	(17,1450)	15,288,907	(187.41)	(4,488,888)
8.	Income taxes - current	1,827,888	(22,242,173)	(20,414,285)	5,076,236	(15,337,951)	(25.50)	1,491,772
9.	State income taxes - deferred - net	1,373,438	1,011,528	2,384,967	6	2,384,967	0.00	6
10.	Federal income taxes - deferred - net	23,876,187	11,254,193	34,924,390	6	34,924,390	0.00	6
11.	Amortization of ITC	0	0	0	0	0	0.00	0
12.	Total Operating Expenses	<u>\$377,933,257</u>	<u>\$5,837,404</u>	<u>\$378,870,881</u>	<u>(\$3,684,019)</u>	<u>\$375,306,842</u>		<u>(\$25,666,933)</u>
<b>Net Operating Income for Return:</b>								
13.	Interest on long-term debt	\$20,879,571	\$2,416,929	\$23,096,500	\$200,518	\$23,300,018	(61.25)	(\$5,825,005)
14.	Interest on short-term debt	220,458	41,432	262,290	(18,088)	244,204	(8.16)	(6,349)
15.	Income available for common equity	<u>45,183,047</u>	<u>(17,156,419)</u>	<u>28,026,628</u>	<u>7,554,974</u>	<u>35,581,602</u>	0.00	0
16.	Total Operating Income for Return	<u>\$68,098,476</u>	<u>(\$14,701,058)</u>	<u>\$51,287,418</u>	<u>\$7,742,407</u>	<u>\$59,138,825</u>		<u>(\$5,830,590)</u>
17.	Total Cost of Service	<u>\$438,031,733</u>	<u>(\$6,763,854)</u>	<u>\$430,288,078</u>	<u>\$4,177,588</u>	<u>\$434,465,667</u>		<u>(\$35,800,513)</u>
18.	Investor Supplied Funds							<u>\$11,697,671</u>
19.	Working capital from lead / lag study per Public Staff							<u>\$11,857,571</u>
20.	Amount per Company application							<u>\$19,008,817</u>
21.	Adjustment to working capital from lead / lag study							<u>\$1,847,854</u>
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 28 SCHEDULE D)</b>								
22.	Payroll (PBN)	\$28,860,818	\$2,257,200	\$30,917,618	(\$37,388)	\$30,579,451	(11.77)	(\$85,792)
23.	Payroll (Services Co.)	6,874,418	294,181	7,028,604	(2,162,833)	7,052,321	(8.66)	(17,787)
24.	Other O&M (AP invoices)	22,796,620	12,748,096	38,538,718	(5,184,983)	31,371,751	(31.53)	(2,710,004)
25.	Transportation Clearing (O&M)	3,873,074	831,235	4,112,309	9	4,512,309	8.89	107,430
26.	Uncollectible Accounts	460,867	196,802	657,669	(22,445)	635,144	(187.73)	(244,074)
27.	Insurance	8,473,500	197,465	8,670,965	0	8,670,965	22.56	112,668
28.	Pension	1,743,887	380,477	2,124,084	6	2,124,084	0.00	6
29.	Post Retirement	1,883,205	(138,987)	1,728,238	9	1,728,238	0.00	9
30.	401K Plan	2,898,288	186,594	2,852,980	(21,770)	2,831,123	(14.74)	(114,331)
31.	Regulatory Fees	660,681	(26,462)	635,200	0	635,200	(78.03)	(137,501)
32.	Rent	2,033,434	0	2,033,434	0	2,033,434	6.08	26,301
33.	Materials & Supplies	1,700,045	0	1,700,045	0	1,700,045	(18.05)	(64,387)
34.	Postage	2,104,270	(32,368)	2,071,904	(14,471)	1,927,167	14.57	78,926
35.	Incentive Pay	7,749,923	2,437,300	10,187,223	(2,388,189)	7,861,024	(253.87)	(5,421,805)
36.	Totals	<u>\$97,768,883</u>	<u>\$20,134,368</u>	<u>\$112,901,082</u>	<u>(\$11,303,748)</u>	<u>\$101,597,318</u>		<u>(\$8,344,093)</u>
<b>INSURANCE (ITEM 28 SCHEDULE D-6)</b>								
37.	Life, AD&D & Cobra	\$314,751		\$314,751	\$0	\$314,751	(7.86)	(\$6,785)
<b>Self Insured Items:</b>								
38.	Health/Dental Insurance*	4,001,570		4,001,570	0	4,001,570	(5.50)	(60,288)
39.	Long-Term Disability Insurance	516,749	187,495	718,244	9	718,244	14.71	28,868
40.	Short-Term Disability Insurance:							
41.	Salary	149,272		149,272	6	149,272	(8.48)	(2,842)
42.	Hourly	202,785		202,785	6	202,785	(13.48)	(7,476)
43.	Property & Liability Insurance	1,110,871		1,110,871	0	1,110,871	172.37	574,227
44.	Small Claims	183,233		183,233	6	183,233	(138.81)	(89,584)
45.	Worker's Compensation	(8,831)		(8,831)	6	(8,831)	(340.58)	8,487
46.	Totals	<u>\$6,473,500</u>	<u>\$197,495</u>	<u>\$6,670,995</u>	<u>\$0</u>	<u>\$6,670,995</u>		<u>\$412,653</u>
<b>OTHER TAXES (ITEM 28 SCHEDULE E)</b>								
47.	City Occupation	\$43,188		\$43,188	\$0	\$43,188	168.87	\$22,478
48.	AD Valorem (City & County taxes)	6,973,838	1,221,955	10,195,793	(151,480)	10,044,313	(148.00)	(3,990,207)
49.	Utility Sales Tax	21,318		21,318	0	21,318	(4.79)	(685)
50.	Employer FICA & Medicare	3,295,858	195,881	3,491,747	(20,478)	3,470,971	(3.22)	(30,820)
51.	Unemployment Tax	60,382		60,382	0	60,382	(82.24)	(19,843)
52.	Subtotal	<u>\$12,433,283</u>	<u>\$1,417,844</u>	<u>\$13,851,009</u>	<u>(\$171,958)</u>	<u>\$13,679,053</u>		<u>(\$4,015,573)</u>
53.	Franchise Tax	0	1,809,044	1,809,044	0	1,809,044	0.00	0
54.	Total Cost of Service Other Taxes	<u>\$12,433,283</u>	<u>\$3,026,890</u>	<u>\$15,460,053</u>	<u>(\$171,958)</u>	<u>\$15,288,097</u>		<u>(\$4,015,573)</u>

[1] G-1, Item 28, Schedule A, page 3 and Schedule A, page 4, 12-months ended 12/31/15 column.

[2] G-1, Item 28, Schedule A, page 4, Adjustments column.

[3] G-1, Item 28, Schedule A, page 2 and Schedule A, page 4, After Adjustments column.

[4] Boenell Exhibit 1, Schedule 2-3(a), Column aa.

[5] Column g plus Column d.

[6] G-1, Item 28, Schedule A, page 2.

[7] Column e divided by 365 times column f.



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Line No.	Item	Update Plant in Service (e)	Gas Costs (b) (1)	End of period Revenue Adjustment (c)	LAUF Adjustment (d)	Adjust Uncollectibles (1) (e)
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation		\$0	\$4,063,800		
2.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	4,063,800	0	0
<b>Operating Expenses:</b>						
4.	Purchased gas		841,134	2,606,522	22,654	
5.	Operating and maintenance			5,889		(22,445)
6.	Depreciation	(305,869)				
7.	General Taxes	(123,494)				
8.	Income taxes - current	181,441	(241,066)	545,796	(8,516)	8,439
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(287,922)	400,068	3,158,009	14,138	(14,006)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	287,922	(400,068)	905,781	(14,138)	14,006
16.	Total Operating Income for Return	287,922	(400,068)	905,781	(14,138)	14,006
17.	Total Cost of Service	0	0	4,063,800	0	0
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)					
20.	Payroll (Services Co.)					
21.	Other D&M (A/P Invoices)					
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					(22,445)
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	0	0	0	0	(22,445)
<b>INSURANCE (ITEM 28 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobrs					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
39.	Property & Utility Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 28 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)	(123,494)				
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	(123,494)	0	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	(123,494)	0	0	0	0

[1] Corresponding column on Schedule 3.  
[2] Sum of Columns 1 through 6.

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Line No.	Item	Adjust MGP (f)	Adjust Executive Comp. (i)	Adjust Regulatory Fee (i)	Adjust Salesforce (i)	Adjust Postage (i)
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	0	0	0
<b>Operating Expenses:</b>						
4.	Purchased gas					
5.	Operating and maintenance	(884,509)	(278,312)	(34,304)	(37,385)	(144,717)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	332,575	431,983	12,898	14,056	54,414
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(551,934)	152,671	(21,406)	(23,329)	(90,303)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	551,934	(152,671)	21,406	23,329	90,303
16.	Total Operating Income for Return	551,934	(152,671)	\$21,406	23,329	90,303
18.	Total Cost of Service	0	0	0	0	0
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 28 SCHEDULE D)</b>						
18.	Payroll (PSNC)		(70,369)			
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)	(884,509)		(34,304)	(37,385)	
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					(144,717)
32.	Incentive Pay		(208,944)			
33.	Totals	(884,509)	(278,312)	(34,304)	(37,385)	(144,717)
<b>INSURANCE (ITEM 28 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 28 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	0	0	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	0	0	0	0

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Line No.	Item	Adjust PIM (k) [1]	Adjust Payroll (l) [1]	Adjust Interest on Customer Deposits (m) [1]	Adjust Rate Case Expense (n) [1]	Adjust Inflation (o) [1]
1.	Operating Revenues					
2.	Gas Sales and Transportation					
3.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	0	0	0
	<b>Operating Expenses:</b>					
4.	Purchased gas					
5.	Operating and maintenance	(1,644,756)	(266,967)	(11,337)	(77,026)	449,153
6.	Depreciation					
7.	General Taxes		(20,476)			
8.	Income taxes - current	618,429	108,079	4,262	26,962	(168,881)
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(1,026,329)	(179,365)	(7,075)	(49,064)	280,272
	<b>Net Operating Income for Return:</b>					
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	1,026,329	179,365	7,075	49,064	(280,272)
16.	Total Operating Income for Return	1,026,329	179,365	7,075	49,064	(280,272)
17.	Total Cost of Service	0	0	0	0	0
	<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>					
18.	Payroll (PSNC)		(266,967)			
19.	Payroll (Services Co.)					
20.	Other O&M (A/P Invoices)	(1,644,756)		(11,337)	(77,026)	449,153
21.	Transportation Clearing (O&M)					
22.	Uncollectible Accounts					
23.	Insurance					
24.	Pension					
25.	Post Retirement					
26.	401K Plan					
27.	Regulatory Fees					
28.	Rents					
29.	Materials & Supplies					
30.	Postage					
31.	Incentive Pay					
32.	Totals	(1,644,756)	(266,967)	(11,337)	(77,026)	449,153
	<b>INSURANCE (ITEM 28 SCHEDULE D-5)</b>					
33.	Life, AD&D & Cobra					
	<b>Self Insured Items:</b>					
34.	Health/Dental Insurance*					
35.	Long-Term Disability Insurance					
36.	Short-Term Disability Insurance:					
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
	<b>OTHER TAXES (ITEM 29 SCHEDULE E)</b>					
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare		(20,476)			
47.	Unemployment Tax					
48.	Subtotal	0	(20,476)	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	(20,476)	0	0	0

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Line No.	Item	Adjust Advertising (p)	Adjust Service Co. Charges (q)	Adjust Other Benefit Percentage (r)	Adjust Special Contracts (s)	Adjust GTI Charges (t)	(1)
<b>Operating Revenues</b>							
1.	Gas Sales and Transportation						
2.	Other Operating Revenues						
3.	Total Operating Revenues	0	0	0	0	0	
<b>Operating Expenses:</b>							
4.	Purchased gas						
5.	Operating and maintenance	(675,916)	(3,216,283)	(21,770)		(6,369)	
6.	Depreciation				(129,931)		
7.	General Taxes				(27,045)		
8.	Income taxes - current	254,145	1,208,322	8,186	58,023	2,395	
9.	State income taxes - deferred - net						
10.	Federal income taxes - deferred - net						
11.	Amortization of ITC						
12.	Total Operating Expenses	(421,771)	(2,008,961)	(13,584)	(97,953)	(3,974)	
<b>Net Operating Income for Return:</b>							
13.	Interest on long-term debt						
14.	Interest on short-term debt						
15.	Income available for common equity	421,771	2,008,961	13,584	97,953	3,974	
16.	Total Operating Income for Return	421,771	2,008,961	13,584	97,953	3,974	
18.	Total Cost of Service	0	0	0	0	0	
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>							
19.	Payroll (PSNC)						
20.	Payroll (Services Co.)		(3,216,283)				
21.	Other O&M (A/P Invoices)	(675,916)				(6,369)	
22.	Transportation Clearing (D&M)						
23.	Uncollectible Accounts						
24.	Insurance						
25.	Penalton						
26.	Post Retirement						
27.	401K Plan			(21,770)			
28.	Regulatory Fees						
29.	Rents						
30.	Materials & Supplies						
31.	Postage						
32.	Incentive Pay						
33.	Totals	(675,916)	(3,216,283)	(21,770)	0	(6,369)	
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>							
34.	Life, AD&D & Cobra						
<b>Self Insured Items:</b>							
35.	Health/Dental Insurance*						
36.	Long-Term Disability Insurance						
<b>Short-Term Disability Insurance:</b>							
37.	Salary						
38.	Hourly						
39.	Property & Liability Insurance						
40.	Small Claims						
41.	Worker's Compensation						
42.	Totals	0	0	0	0	0	
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>							
43.	City Occupation						
44.	AD Valorem (City & County taxes)				(27,045)		
45.	Utility Sales Tax						
46.	Employer FICA & Medicare						
47.	Unemployment Tax						
48.	Subtotal	0	0	0	(27,045)	0	
49.	Franchise Tax						
50.	Total Cost of Service Other Taxes	0	0	0	(27,045)	0	

Filed Exhibit 2

Public Staff Late Filed Exhibit 2  
Schedule 2-3(a)  
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Line No.	Item	Adjust Other Operating Income (v)	Adjust Fuel Costs (v) [1]	Adjust DIMP (w)	Adjust for Retirement Compensation (x) [1]	Adjust for Lobbying Exp (y) [1]
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues	113,788				
3.	Total Operating Revenues	113,788	0	0	0	0
<b>Operating Expenses:</b>						
4.	Purchased gas					
5.	Operating and maintenance		(117,012)	(1,899,781)	(139,250)	(187,760)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	42,785	43,996	639,118	52,358	63,078
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	42,785	(73,016)	(1,060,663)	(66,892)	(104,682)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	71,003	73,018	1,060,663	66,892	104,682
16.	Total Operating Income for Return	71,003	73,018	1,060,663	66,892	104,682
18.	Total Cost of Service	113,788	0	0	0	0
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
19.	Payroll (PSNC)				(10,032)	
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)		(117,012)	(1,899,781)		(187,760)
22.	Transportation Clearing (D&M)					
23.	Uncollectible Accounts					
24.	insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay				(129,218)	
33.	Totals	0	(117,012)	(1,899,781)	(139,250)	(187,760)
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
<b>Short-Term Disability Insurance:</b>						
37.	Salary					
38.	Hourly					
38.	Property & Liability insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	0	0	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	0	0	0	0

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Line No.	Item	Adjust Non-utility (z)	Update Bonus (aa)	Adjust Sr Staff Bonus Pay (bb)	Interest Synchronization (cc)	Total Public Staff Adjustments (dd)
<b>Operating Revenues</b>						
1.	Gas Sales and Transportation					4,063,800
2.	Other Operating Revenues					113,788
3.	Total Operating Revenues	0	0	0	0	4,177,588
<b>Operating Expenses:</b>						
4.	Purchased gas					3,270,310
5.	Operating and maintenance	(257,961)	(1,170,457)	(869,580)		(11,296,057)
6.	Depreciation	(5,652)				(441,452)
7.	General Taxes	(941)				(171,956)
8.	Income taxes - current	99,472	443,100	326,962	(70,475)	5,076,338
9.	State income taxes - deferred - net					0
10.	Federal income taxes - deferred - net					0
11.	Amortization of ITC					0
12.	Total Operating Expenses	(165,082)	(735,357)	(542,618)	(70,475)	(3,564,519)
<b>Net Operating Income for Return:</b>						
13.	Interest on long-term debt				203,518	203,518
14.	Interest on short-term debt				(16,088)	(16,086)
15.	Income available for common equity	165,082	735,357	542,618	(116,958)	7,554,974
16.	Total Operating Income for Return	165,082	735,357	542,618	70,475	7,742,407
18.	Total Cost of Service	0	0	0	0	4,177,588
<b>OPERATING &amp; MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)</b>						
18.	Payroll (PSNC)					(347,368)
20.	Payroll (Services Co.)					(3,216,283)
21.	Other O&M (A/P Invoices)	(257,961)				(5,184,965)
22.	Transportation Cleaning (O&M)					0
23.	Uncollectible Accounts					(22,445)
24.	Insurance					0
25.	Pension					0
26.	Post Retirement					0
27.	401K Plan					(21,770)
28.	Regulatory Fees					0
28.	Rents					0
30.	Materials & Supplies					0
31.	Postage					(144,717)
32.	Incentive Pay		(1,170,457)	(869,580)		(2,388,189)
33.	Totals	(257,961)	(1,170,457)	(869,580)	0	(11,303,746)
<b>INSURANCE (ITEM 26 SCHEDULE D-5)</b>						
34.	Life, AD&D & Cobra					0
<b>Self Insured Items:</b>						
35.	Health/Dental Insurance*					0
36.	Long-Term Disability Insurance					0
<b>Short-Term Disability Insurance:</b>						
37.	Salary					0
38.	Hourly					0
39.	Property & Liability Insurance					0
40.	Small Claims					0
41.	Worker's Compensation					0
42.	Totals	0	0	0	0	0
<b>OTHER TAXES (ITEM 26 SCHEDULE E)</b>						
43.	City Occupation					0
44.	AD Valorem (City & County taxes)	(941)				(151,480)
45.	Utility Sales Tax					0
46.	Employer FICA & Medicare					(20,476)
47.	Unemployment Tax					0
48.	Subtotal	(941)	0	0	0	(171,956)
49.	Franchise Tax					0
50.	Total Cost of Service Other Taxes	(941)	0	0	0	(171,956)

