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November 24, 2021

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

**RE: *In the Matter of
Old North State Water Company, LLC's Application/or Authority to Adjust and
Increase Rates/or Water Utility Service in All Its Service Areas in North
Carolina
NCUC Docket No. W-1300, Sub 60***

Dear Ms. Dunston:

Attached please find Old North State Water Company, LLC's updates to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2021. This is a redacted, public filing corresponding to our filing yesterday (November 23, 2021), which is now marked Confidential. As noted in our prior filing, there has been no change to the cost of capital.

If you have any questions about this filing, please do not hesitate to contact me.

Sincerely,

/s/ David T. Drooz

David T. Drooz

DTD/cdf

Enclosure

cc: All parties of record

OLD NORTH STATE
Docket No. W-1300, Sub 60
INDEX TO EXHIBITS
For The Test Year Ended December 31, 2020,
as Updated Through August 31, 2021

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OLD NORTH STATE
Docket No. W-1300, Sub 60
RETURN ON ORIGINAL COST RATE BASE For
The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Capitalization Ratio (a)	Filed Amounts (b)	Embedded Cost (c)	Overall Cost Rate (d)	Net Operating Income (e)
<u>Company Present Rates</u>						
1	Debt	83.00%	\$1,442,991 [2]	7.34% [1]	6.09%	\$105,916 [5]
2	Equity	17.00%	295,552 [2]	-143.58% [4]	-24.41%	(424,351) [6]
3	Total	<u>100.00%</u>	<u>\$1,738,543</u> [3]		<u>-18.32%</u>	<u>(\$318,435)</u> [7]
<u>Company Filed Rates</u>						
4	Debt	83.00%	\$1,442,991 [2]	7.34% [1]	6.09%	\$105,916 [5]
5	Equity	17.00%	295,552 [2]	29.21% [4]	4.97%	86,325 [6]
6	Total	<u>100.00%</u>	<u>\$1,738,543</u> [3]		<u>11.06%</u>	<u>\$192,241</u> [7]
<u>Company Proposed Rates</u>						
7	Debt	83.00%	\$1,442,991 [2]	7.34% [1]	6.09%	\$105,916 [8]
8	Equity	17.00%	295,552 [2]	9.75% [1]	1.66%	28,816 [8]
9	Total	<u>100.00%</u>	<u>\$1,738,543</u> [3]		<u>7.75%</u>	<u>\$134,732</u>

- [1] Per Application
[2] Column (a) multiplied by Column (b).
[3] Exhibit I, Schedule 2, Column (c), Line 10.
[4] Column (e) divided by Column (b).
[5] Column (b) multiplied by Column (c).
[6] Line 3 minus Column (e), Line 1.
[7] Exhibit I, Schedule 3, Column (c), Line 30.
[8] Column (b) multiplied by Column (c).

Exhibit I
Schedule 1-1

OLD NORTH STATE
Docket No. W-1300, Sub 60
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL
RETURN For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

		Present Rates			Company Original Filed Increase		Proposed Rates - Company Update	
Line No.	Item	Amount Per Company Books August 2021	[1] Adjustments	Amount	Requested Increase	Amount	Rate Increase	After Rate Increase
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
NET OPERATING INCOME FOR A RETURN								
Operating Revenues:								
1	Service revenues	\$852,253	114,707	\$966,960	\$512,619	\$1,479,579	\$463,642	\$1,430,602
2	Miscellaneous revenues	14,907	0	14,907	0	14,907	0	14,907
3	Uncollectible accounts	0	0	0	0	0	0	0
4	Total operating revenues (Sum of L1 thru L3)	867,160	114,707	981,867	512,619	1,494,486	463,642	1,445,509
Operation & Maintenance Expenses:								
1	Total Salaries	31,101	164,753	195,854	0	195,854	0	195,854
2	Administrative & office expense (except salaries)	164,946	149,835	314,781	0	314,781	0	314,781
3	Maintenance & repair expense (except salaries)	452,119	(233,950)	218,169	0	218,169	0	218,169
4	Transportation expenses	7,262	20,840	28,102	0	28,102	0	28,102
5	Electric power for pumping	73,962	3,503	77,465	0	77,465	0	77,465
6	Chemicals for treatment	9,843	1,027	10,870	0	10,870	0	10,870
7	Testing Fees	95,007	0	95,007	0	95,007	0	95,007
8	Permit Fees	8,452	69	8,521	0	8,521	0	8,521
9	Purchased water	24,463	27,776	52,239	0	52,239	0	52,239
10	Other Expenses: Professional expenses	89,130	0	89,130	0	89,130	0	89,130
11	Other Expenses: Insurance Expense	4,033	10,178	14,211	0	14,211	0	14,211
12	Other Expenses: Bad Debt Expense	852	0	852	0	852	0	852
13	Other Expenses: Miscellaneous Expense	6,472	3,436	9,908	0	9,908	0	9,908
14	Rate Case Expense	0	73,974	73,974	0	73,974	0	73,974
15	Total O&M expenses (Sum of L5 thru L23)	967,644	221,440	1,189,084	0	1,189,084	0	1,189,084
Depreciation and Taxes:								
15	Depreciation expense	262,190	90,533	352,723	0	352,723	0	352,723
16	Amortization of CIAC	(183,303)	(79,384)	(262,687)	0	(262,687)	0	(262,687)
17	Property taxes	1,382	0	1,382	0	1,382	0	1,382
18	Payroll taxes	3,044	16,402	19,447	0	19,447	0	19,447
19	Other Taxes	353	0	353	0	353	0	353
20	Regulatory Fee (test year included in permit fees)	0	0	0	1,943	1,943	1,879	1,879
21	State income tax	0	0	0	0	0	935	935
22	Federal income tax	0	0	0	0	0	7,660	7,660
23	Total depreciation and taxes (Sum of L25 thru L32)	83,667	27,551	111,218	1,943	113,161	10,474	121,692
24	Total operating expenses	1,051,311	248,992	1,300,302	1,943	1,302,245	10,474	1,310,777
25	Net operating income for a return	(\$184,151)	(\$134,285)	(\$318,435)	\$510,676	\$192,241	\$453,168	\$134,732
RATE BASE								
26	Plant in service	\$11,729,405	\$0	\$11,729,405	\$0	\$11,729,405	\$0	\$11,729,405
27	Accumulated depreciation	(1,246,639)	0	(1,246,639)	0	(1,246,639)	0	(1,246,639)
28	Net plant in service	10,482,767	0	10,482,767	0	10,482,767	0	10,482,767
29	Contributions in aid of construction (CIAC)	(9,308,078)	0	(9,308,078)	0	(9,308,078)	0	(9,308,078)
30	Accumulated amortization of CIAC	723,778	0	723,778	0	723,778	0	723,778
31	Customer deposits	(303,980)	0	(303,980)	0	(303,980)	0	(303,980)
32	Accumulated deferred income taxes (ADIT)	0	0	0	0	0	0	0
33	Cash working capital	148,636	0	148,636	0	148,636	0	148,636
34	Average tax accruals	(4,580)	0	(4,580)	0	(4,580)	0	(4,580)
35	Original cost rate base	\$1,738,543	\$0	\$1,738,543	\$0	\$1,738,543	\$0	\$1,738,543
36	Overall Rate of Return on Rate Base	-10.59%		-18.32%		11.06%		7.75%

OLD NORTH STATE
Docket No. W-1300, Sub 60
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
<u>Rate Base Factor:</u>					
1	Debt	83.00% [1]	7.34% [1]	0.998700 [2]	0.061001 [4]
2	Equity	17.00% [1]	9.75% [1]	0.769249 [3]	0.021547 [4]
3	Total	<u>100.00%</u>			<u>0.082548</u>
<u>Net Income Factor:</u>					
4	Total revenue	1.000000			
5	Regulatory fee (L4 x .13%)	<u>0.001300</u>			
6	Balance (L4 - L5)	0.998700			
7	State income tax (L10 x 2.5%)	<u>0.024968</u>			
8	Balance (L10 - L11)	0.973733			
9	Federal income tax (L12 X 21%)	<u>0.204484</u>			
10	Retention factor (L12 - L13)	<u>0.769249</u>			

- [1] Per Application.
[2] Column (a), Line 7.
[3] Column (a), Line 11.
[4] Column (a) multiplied by Column (b) divided by Column (c).

Exhibit I
Schedule 2

OLD NORTH STATE
Docket No. W-1300, Sub 60
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Amount Per Company Books August 2021 Update (a)	[1]	Pro Forma Adjustments (b)	[3]	Company Amounts (c)	[4]
1	Plant in service	\$11,729,405		\$0		\$11,729,405	
2	Accumulated depreciation	(1,246,639)		0		(1,246,639)	
3	Net plant in service (L1 + L2)	10,482,767				10,482,767	
4	Contributions in aid of construction (CIAC)	(9,308,078)		0		(9,308,078)	
5	Accumulated amortization of CIAC	723,778		0		723,778	
6	Customer Advances	(303,980)		0		(303,980)	
7	Accumulated deferred income taxes (ADIT)	0		0		0	
8	Cash working capital	148,636	[2]	0		148,636	[5]
9	Average tax accruals	(4,580)		0		(4,580)	[6]
10	Original cost rate base (Sum of L3 thru L9)	\$1,738,543		\$0		\$1,738,543	

[1] Per books August 31, 2021 Update. Rate Case UPIS Update.xls

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

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

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

[5] Exhibit I, Schedule 2-1, Line 2.

[6] Exhibit I, Schedule 2-1, Line 7.

Exhibit I
Schedule 2-1

OLD NORTH STATE
Docket No. W-1300, Sub 60
**CALCULATION OF CASH WORKING
CAPITAL AND AVERAGE TAX ACCRUALS**
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<u>Cash Working Capital:</u>	
1	Total O&M expenses	<u>\$1,189,084</u> [1]
2	Cash working capital (L1 x 1/8)	<u><u>\$148,636</u></u>
	<u>Average Tax Accruals:</u>	
3	Property taxes	<u>1,382</u> [2]
4	Average accrual (L3 x 1/2)	<u>691</u>
5	Payroll taxes	<u>19,447</u> [3]
6	Average accrual (L5 x 1/5)	<u>3,889</u>
7	Average tax accruals	<u><u>\$4,580</u></u>

[1] Exhibit I, Schedule 3, Column C, Line 19

[2] Exhibit I, Schedule 3, Column C, Line 22

[3] Exhibit I, Schedule 3, Column C, Line 29

Exhibit I
Schedule 3

OLD NORTH STATE
Docket No. W-1300, Sub 60
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	tem	Present Rates			Company Original Filed Increase		Proposed Rates - Company Update		
		Amount	Pro Forma Amounts	Company Amount	Requested Increase	Company Amount	Proposed Increase	After Rate Increase	
		Per Company Books							
		August 2021 Update							(a)
			[1]		[2]				

[1] Per Company Trial Balance at August 31, 2021. See Company Schedule: Rate Case Rev-Exp Update - WITH LINKS_GL August 2021 Update.xls.

[2] Per Sch 3-1 Company Proforma NOI, Column (u).

[3] Column (c) + Column (f).

OLD NORTH STATE
Docket No. W-1300, Sub 60
**CALCULATION OF UPDATED NET OPERATING
INCOME FOR A RETURN**
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	COMPANY PRO FORMA ADJUSTMENTS													Professional Expenses	
		Balance 08/31/21 (a)	Service Revenues (b)	Salaries (c)	Administrative & Office Expense (d)	Maintenance & Repair Expense (e)	Transportation Expense (f)	Electric Power Expense (g)	Chemicals (h)	Testing Fees (i)	Permit Fees (j)	Purchased Water (k)				
<u>Operating Revenues:</u>																
1	Service revenues	\$852,253	114,707	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Miscellaneous revenues	14,907	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Uncollectible accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Total operating revenues (Sum of L1 thru L3)	867,160	114,707	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Operation & Maintenance Expenses:</u>																
5	Salaries	31,101	0	164,753	0	0	0	0	0	0	0	0	0	0	0	0
6	Administrative & office expense (except salaries)	164,946	0	0	149,835	0	0	0	0	0	0	0	0	0	0	0
7	Maintenance & repair expense (except salaries)	452,119	0	0	0	(233,950)	0	0	0	0	0	0	0	0	0	0
8	Transportation expenses	7,262	0	0	0	0	20,840	0	0	0	0	0	0	0	0	0
9	Electric power for pumping	73,962	0	0	0	0	0	3,503	0	0	0	0	0	0	0	0
10	Chemicals for treatment	9,843	0	0	0	0	0	0	1,027	0	0	0	0	0	0	0
11	Testing Fees	95,007	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Permit Fees	8,452	0	0	0	0	0	0	0	0	69	0	0	0	0	0
13	Purchased water	24,463	0	0	0	0	0	0	0	0	0	27,776	0	0	0	0
14	Other Expenses Professional expenses	89,130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Other Expenses Insurance Expense	4,033	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Other Expenses Bad Debt Expense	852	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Other Expenses Miscellaneous Expense	6,472	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Rate Case Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Total O&M expenses (Sum of L5 thru L18)	967,644	0	164,753	149,835	(233,950)	20,840	3,503	1,027	0	69	27,776	0	0	0	0
<u>Depreciation and Taxes:</u>																
20	Depreciation expense	262,190	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Amortization of CIAC	(183,303)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Property taxes	1,382	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Payroll Taxes	3,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Other Taxes	353	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Regulatory Fee (test year included in permit fees)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	State income tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Federal income tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Total depreciation and taxes (Sum of L20 thru L28)	83,667	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Total operating revenue deductions (L19 + L28)	1,051,311	0	164,753	149,835	(233,950)	20,840	3,503	1,027	0	69	27,776	0	0	0	0
30	Net operating income for a return (L4 - L29)	(\$184,151)	\$114,707	(\$164,753)	(\$149,835)	\$233,950	(\$20,840)	(\$3,503)	(\$1,027)	\$0	(\$69)	(\$27,776)	\$0	0	0	0

[1] Per Company's Trial balance @ August 31, 2021.

[2] Per Company Schedule Rate Case Rev-Exp Update - Pro Forma - WITH LINKS.xls

[3] Exhibit 1, Schedule 3-2.

[4] Exhibit 1, Schedule 3-3.

[5] Exhibit 1, Schedule 3-4.

[6] Exhibit 1, Schedule 3-5.

[7] Per Company Schedule Rate Case Rev-Exp Update - Pro Forma - WITH LINKS.xls

[8] Exhibit 1, Schedule 3-7.

[9] Exhibit 1, Schedule 3-8.

[10] Per DR 55 - Rate Case Update - with Depreciation Calculations (LO 11.18.21)

[11] Sum of Column (b) thru Column (i)

[12] Column (a) plus Column (s)

Per Company Schedule Rate Case Rev-Exp Update - Pro Forma - WITH LINKS.xls

OLD NORTH STATE
Docket No. W-1300, Sub 60
**CALCULATION OF UPDATED NET OPERATING
INCOME FOR A RETURN**
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Exhibit I
Schedule 3-1
Page 2 of 2

COMPANY PRO FORMA ADJUSTMENTS												
Line No.	Item	Insurance Expense	Bad Debt Expense	Miscellaneous Expense	Rate Case Expense	Depreciaton	Payroll Taxes	Total Adjustments	Proforma Balance			
		(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)			
<u>Operating Revenues:</u>												
1	Service revenues	0	0	0	0	0	0	114,707	966,960			
2	Miscellaneous revenues	0	0	0	0	0	0	0	14,907			
3	Uncollectible accounts	0	0	0	0	0	0	0	0			
4	Total operating revenues (Sum of L1 thru L3)	0	0	0	0	0	0	114,707	981,867			
<u>Operation & Maintenance Expenses:</u>												
5	Salaries	0	0	0	0	0	0	164,753	195,854			
6	Administrative & office expense (except salaries)	0	0	0	0	0	0	149,835	314,781			
7	Maintenance & repair expense (except salaries)	0	0	0	0	0	0	(233,950)	218,169			
8	Transportation expenses	0	0	0	0	0	0	20,840	28,102			
9	Electric power for pumping	0	0	0	0	0	0	3,503	77,465			
10	Chemicals for treatment	0	0	0	0	0	0	1,027	10,870			
11	Testing Fees	0	0	0	0	0	0	0	95,007			
12	Permit Fees	0	0	0	0	0	0	69	8,521			
13	Purchased water	0	0	0	0	0	0	27,776	52,239			
14	Other Expenses Professional expenses	0	0	0	0	0	0	0	89,130			
15	Other Expenses Insurance Expense	10,178	0	0	0	0	0	10,178	14,211			
16	Other Expenses Bad Debt Expense	0	0	0	0	0	0	0	852			
17	Other Expenses Miscellaneous Expense	0	0	3,436	0	0	0	3,436	9,908			
18	Rate Case Expense	0	0	0	73,974	0	0	73,974	73,974			
19	Total O&M expenses (Sum of L5 thru L18)	10,178	0	3,436	73,974	0	0	221,440	1,189,084			
<u>Depreciation and Taxes:</u>												
20	Depreciation expense	0	0	0	0	90,533	0	90,533	352,723			
21	Amortization of CIAC	0	0	0	0	(79,384)	0	(79,384)	(262,687)			
22	Property taxes	0	0	0	0	0	0	0	1,382			
23	Payroll Taxes	0	0	0	0	0	16,402	16,402	19,447			
24	Other Taxes	0	0	0	0	0	0	0	353			
25	Regulatory Fee (test year included in permit fees)	0	0	0	0	0	0	0	0			
26	State income tax	0	0	0	0	0	0	0	0			
27	Federal income tax	0	0	0	0	0	0	0	0			
28	Total depreciation and taxes (Sum of L20 thru L28)	0	0	0	0	11,149	16,402	27,551	111,218			
29	Total operating revenue deductions (L19 + L28)	10,178	0	3,436	73,974	11,149	16,402	248,992	1,300,302			
30	Net operating income for a return (L4 - L29)	(\$10,178)	\$0	(\$3,436)	(\$73,974)	(\$11,149)	(\$16,402)	(\$134,285)	(\$318,435)			

Redacted

OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO ADMINISTRATIVE & OFFICE EXPENSES
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Administrative & Office Expenses at 8/31/2021	\$164,946
2	Removal of Prior Operator Fees:	
2	Rock Water	(\$26,883)
3	G&C Environmental	(29,300)
4	EnviroLink	(1,949)
5	Total Prior Operator Fees Removed (Sum of Lines 2-4)	(58,132)
6	Integra Water Support Services Overhead 3 months per books (August - October 2021)	68,878
7	Total Annualized Integra Water Support Services (L6/3 x 12 months)	275,511
8	Total Integra Water Support Services Adjustment (L7- L6)	206,634
9	Customer Growth on Billing and Meter Reading:	
9	Customer Billing (South Data)	\$13,569
10	Meter Reading Expenses (C&C Environmental)	7,493
11	Total Meter Reading and Billing Expenses (L9 + L10)	21,062
12	Overall Customer Growth rate	6.33%
13	Customer Growth Adjustment (L11 X L12)	1,333
14	Proforma Adjustment to Administrative & Office Expenses (L5 + L8 + L13)	149,835
15	Administrative & Office Expenses Adjusted (L1 + L14)	\$314,781

OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO MAINTENANCE & REPAIR EXPENSES
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Amount
1	Maintenance & Repair Expenses at 8/31/2021	\$452,119
	Removal of Prior Water Operator Fees:	
2	Rock Water (\$133,200) [1]	
3	G&C Environmental (137,000) [1]	
4	EnviroLink (23,750) [1]	
5	Total Prior Operator Fees Removed (Sum of Lines 2-4)	(293,950)
6	New Contractor for Water System Compliance (Hired 7/12/2021)	60,000
7	Maintenance & Repair Expenses Adjusted (L1 + L5 + L6)	\$218,169

[1] Per Books Prior Monthly Water Operator Contract Fee.

[2] Contract for Water System Compliance \$5000 per month x 12 months.

OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO TRANSPORTATION EXPENSES
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Exhibit I
Schedule 3-5

Line No.	Item	Amount (a)	Water Allocated % (b)	[1] Water Allocated Amount (c)
1	Transportation Expenses for 3 Water Operators Water Operators for 29 of 44 Systems Hired 7/12/2021: 1.5 months	<u>\$2,483</u>		
2	Annualized amount (L1/1.5 x 12 pay periods)	<u>19,860</u>	100%	\$19,860
3	Transportation Expenses for Maintenance Supervisor: Hired 4/26/21 4 months			
4	May 2021	1,837	71%	1,304
5	June 2021	1,565	41%	641
6	July 2021	862	52%	448
7	August 2021	<u>527</u>	67%	<u>353</u>
8	Total Transportation Expenses for Maintenance Supervisor (Sum of L4 - L7)	<u>\$4,791</u>		<u>2,747</u>
9	Annualized Transportation Expenses for Maint. Supervisor (L8/4*12)			<u>8,242</u>
10	Total Annualized Transportation Expense (L2+ L9)			\$28,102
11	Amount per Books at August 31, 2021			<u>7,262</u>
12	Proforma Adjustment to Annualize Transportation Expense (L10 - L11)			<u><u>\$20,840</u></u>

[1] Per Maintenance Supervisor payroll allocations based on the salary reflected in Exhibit I, Schedule 3-2.

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OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO PURCHASED WATER EXPENSES
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Total Amount
1	City of Winston Salem Purchased Water Revised Actual 12 ME 8/31/2021	\$27,262
2	Overall Customer Growth rate - Rocklyn	23.80%
3	Customer Growth for Rocklyn (L1 X L2)	\$6,488
4	Total Purchased Water for City of Winston Salem (L1 + L3)	33,751
5	Test Year Purchased Water	20,666
6	Adjustment to Purchased Water City of Winston Salem (L4 - L5)	13,084
7	Town of Stedman Purchased Water	\$1,500
	1 Bill - new meter installed	
8	Annualized amount (L3 x 12 months)	18,000
9	Customer Growth rate - Blawell	2.71%
10	Customer Growth for Blawell (L8 X L9)	488
11	Total Purchased Water for Town of Stedman (L8 + L10)	18,488
12	Test year Purchased Water - Town of Stedman	3,796
13	Adjustment to Purchased Water Town of Stedman (L11 + L12)	14,691
14	Total Purchased Water Adjustment (L6+L3)	\$27,776

Exhibit I
Schedule 3-7

OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO INSURANCE EXPENSE
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Amount
1	Property, General Liability & Excess Liability Policy (4/1/21-3/31/22)	\$9,896
2	Remove Test Year Prior Policy Amount	4,033
3	Adjustment to Property, General Liability & Excess Liability Insurance (L1 - L2)	5,863
4	Auto Policy for New Maintenance Truck	623
5	Allocation of Maintenance Supervisor (Average of Salary Allocation for 4 months)	58% [1]
6	Total Auto Policy Allocated Amount for Maintenance Truck (L4 X L5)	360
7	Annual premium for new auto policy for new water operator trucks	1,539
8	Annual premium for new workers comp policy for new employees	2,417
9	Total Adjustment for Insurance Expense (L3 + L6 + L7 + L8)	\$10,178

[1] Exhibit I, Schedule 3-5, Average of Column (b), Lines 4-7.

OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO RATE CASE EXPENSE
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

Line No.	Item	Actual Billed @ 9-30-2021 (a)	[1] Incurred Expenses Not Yet Billed (b)	Estimate to Case Completion (c)	Total (d)
1	Legal service: Fox Rothchild, LLP	\$39,348	\$41,799	\$20,000	\$101,147
	Accounting Consultants:				
2	George Dennis	750			750
3	Darlene Peedin (w/o filing testimony)		12,000	4,000	16,000
4	ONSWC: Rate Case Labor Allocations	28,334			28,334
5	Notices, Printing envelopes, Postage, and Miscellaneous	<u>1,717</u>			<u>1,717</u>
6	Total rate case expense (Sum of L1 thru L6)	\$70,149	\$53,799	\$24,000	\$147,948
7	Amortization Period				<u>2</u>
9	Rate case expense per Company (L7 / L8)				<u>\$73,974</u>

[1] Per company's records and estimates. Data Request Response No. 44.

OLD NORTH STATE
Docket No. W-1300, Sub 60 **CALCULATION**
OF INCOME TAXES For The Test Year
Ended December 31,
2020as Updated Through August 31, 2021

Line No.	Item	Present Rates [1] (a)	Original Company Filed (b)	August Update Proposed Rates [3] (c)
1	Operating revenues	\$981,867	\$1,494,486	\$1,445,509
	Operating revenue deductions:			
2	Operating & maintenance expenses	1,189,084	1,189,084	1,189,084
3	Depreciation expense	352,723	352,723	352,723
4	Amortization of CIAC	(262,687)	(262,687)	(262,687)
5	Property taxes	1,382	1,382	1,382
6	Payroll taxes	19,447	19,447	19,447
7	Other Taxes	353	353	353
8	Regulatory Fee (test year included in permit fees)	0	1,943	1,879
9	Interest expense	105,916 [2]	105,916	105,916 [4]
10	Total deductions (Sum of L2 thru L9)	1,406,218	1,408,161	1,408,098
11	Taxable income (L1 - L10)	(424,351)	86,325	37,411
12	State income tax (L11 x 2.5%)	0	0	935
13	Federal taxable income after state income tax (L1 - L12)	(424,351)	86,325	36,476
14	Federal income tax (L13 x 21%)	0	0	7,660
15	Net amount (L11 - L12 - L14)	(424,351)	86,325	28,816
16	Add: Interest expense	105,916 [2]	105,916	105,916 [4]
17	Net income for a return (L15 + L16)	(\$318,435)	\$192,241	\$134,732

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

[3] Exhibit I, Schedule 3, Page 1, Column (e).

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

OLD NORTH STATE
Docket No. W-1300, Sub 60
CALCULATION OF REVENUE REQUIREMENT
For The Test Year Ended December 31, 2020
as Updated Through August 31, 2021

<u>Line No.</u>	<u>Item</u>	<u>Amount (a)</u>	<u>Retention Factor (b)</u>	<u>Revenue Requirement (c)</u>
Operating revenue deductions:				
1	Operating & maintenance expenses	1,189,084		
2	Depreciation expense	352,723		
3	Amortization of CIAC	(262,687)		
4	Property taxes	1,382		
5	Payroll taxes	19,447		
6	Other Taxes	353		
7	Regulatory Fee (test year included in permit fees)	0		
8	Total operating revenue deductions	<u>\$1,300,302</u>	0.998700	1,301,995
Net operating income for a return:				
9	Debt service return	105,916	0.998700	106,054
10	Equity return	28,816	0.769249	37,460
11	Revenue requirement			<u>\$1,445,509</u>