

OFFICIAL COPY

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: 12-1-19 DOCKET NO.: W-354 - Sub ³⁶³ 364, 365
ATTORNEY NAME and TITLE: Jo Anne Sanford
FIRM NAME: Sanford Law Office
ADDRESS: PO Box 28085
CITY: Raleigh STATE: NC ZIP CODE: 27611
APPEARING FOR: CW SNC

APPLICANT: COMPLAINANT: INTERVENOR:
PROTESTANT: RESPONDENT: DEFENDANT:

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 12/2/19 DOCKET NO.: W-354, Sub ³⁶⁵₃₆₃ 364
ATTORNEY NAME and TITLE: Robert H. Bennink, Jr.
FIRM NAME: BENNINK LAW OFFICE
ADDRESS: 130 MURPHY DRIVE, CARY, N.C. 27513
CITY: CARY STATE: NC ZIP CODE: 27513
APPEARING FOR: CAROLINA WATER SERVICE, INC. OF NC

APPLICANT: COMPLAINANT: ___ INTERVENOR: ___
PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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Yes, I have signed the Confidentiality Agreement.

SIGNATURE: Robert H. Bennink, Jr.

(Signature required for distribution of ALL transcripts)

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: December 2, 2019 DOCKET NO.: W-354, Sub 363, 364, 365
ATTORNEY NAME and TITLE: MARK ALSON
FIRM NAME: Ice Miller, LLP
ADDRESS: One American Square, Suite 2900
CITY: Indianapolis STATE: IN ZIP CODE: 46282
APPEARING FOR: CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

APPLICANT: COMPLAINANT: ___ INTERVENOR: ___
PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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To order an electronic transcript, please provide an email address and sign below:

Email: _____

To order an electronic **confidential transcript**, please check the box and sign below:

Yes, I have signed the Confidentiality Agreement.

SIGNATURE: Mark R. Alson

(Signature required for distribution of ALL transcripts)

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 12/2/2019 DOCKET NO.: W-354 Sub 364

ATTORNEY NAME and TITLE: Brady Allen

FIRM NAME: The Allen Law Offices, PLLC

ADDRESS: 1514 Glenwood Ave Suite 200

CITY: Raleigh STATE: NC ZIP CODE: 27604

APPEARING FOR: Corolla Light Community Association, ~~Inc~~ Inc

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR:
PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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To order an electronic transcript, please provide an email address and sign below:

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To order an electronic **confidential transcript**, please check the box and sign below:

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SIGNATURE: _____

(Signature required for distribution of ALL transcripts)

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE December 2, 2019 DOCKET #: W-354, Sub 364

PUBLIC STAFF MEMBER William E. Grantmyre

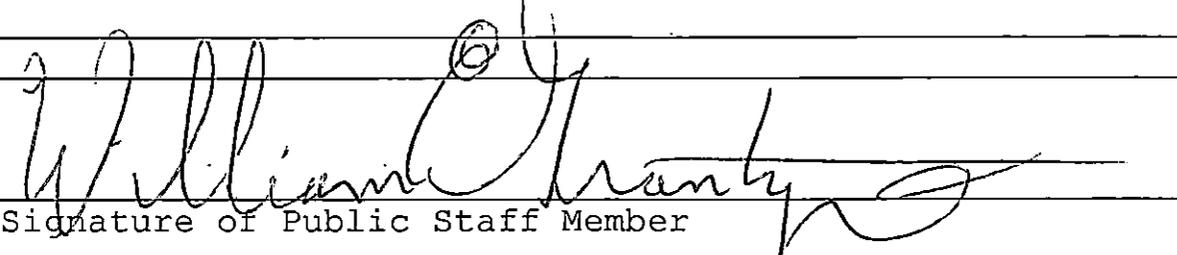
ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS YOUR EMAIL ADDRESS BELOW:

ACCOUNTING _____
WATER _____
COMMUNICATIONS _____
ELECTRIC _____
GAS _____
TRANSPORTATION _____
ECONOMICS _____
LEGAL william.grantmyre@psncuc.nc.gov
CONSUMER SERVICES _____

PLEASE NOTE: Non-confidential transcripts may be accessed by visiting the Commission's website at <https://ncuc.net>. Hover over the Dockets tab, select Docket Search from the drop-down menu, and enter the docket number.

1 Number of copies of confidential portion of regular transcript (assuming a confidentiality agreement has been signed). Confidential pages will still be received in paper copies.

***PLEASE INDICATE BELOW WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT. IF YOU DO NOT SIGN, YOU WILL NOT RECEIVE THE CONFIDENTIAL PORTIONS!!!!



Signature of Public Staff Member

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE December 2, 2019 DOCKET #: W-354, Sub 364

PUBLIC STAFF MEMBER Gina Holt

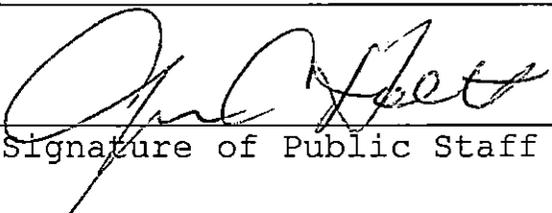
ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS YOUR EMAIL ADDRESS BELOW:

ACCOUNTING _____
WATER _____
COMMUNICATIONS _____
ELECTRIC _____
GAS _____
TRANSPORTATION _____
ECONOMICS _____
LEGAL gina.holt@psncuc.nc.gov
CONSUMER SERVICES _____

PLEASE NOTE: Non-confidential transcripts may be accessed by visiting the Commission's website at <https://ncuc.net>. Hover over the Dockets tab, select Docket Search from the drop-down menu, and enter the docket number.

_____ Number of copies of confidential portion of regular transcript (assuming a confidentiality agreement has been signed). Confidential pages will still be received in paper copies.

***PLEASE INDICATE BELOW WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT. IF YOU DO NOT SIGN, YOU WILL NOT RECEIVE THE CONFIDENTIAL PORTIONS!!!!



Signature of Public Staff Member

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 10/2/19 DOCKET NO.: D-354, Sub 361

ATTORNEY NAME and TITLE: John L. Hrb, NC Public Staff

FIRM NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

APPEARING FOR: North Carolina Public Staff

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: ___

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

PLEASE NOTE: Non-confidential transcripts may be accessed by visiting the Commission's website at <https://ncuc.net>. Hover over the Dockets tab, select Docket Search from the drop-down menu, and enter the docket number.

Electronic transcripts are available at a charge of \$5.00 per transcript

To order an electronic transcript, please provide an email address and sign below:

Email: john.l.hrb@psncuc.nc.gov

To order an electronic **confidential transcript**, please check the box and sign below:

Yes, I have signed the Confidentiality Agreement.

SIGNATURE: John L. Hrb

(Signature required for distribution of ALL transcripts)

I/A

CAROLINA WATER SERVICE, INC. OF NC
 Docket No. W-354, Sub 364
**CALCULATION OF DEFERRED POST-IN SERVICE
 DEPRECIATION AND FINANCING COSTS
 RELATING TO MAJOR NEW PROJECTS**
 For The Test Year Ended March 31, 2019

Public Staff
 Henry Exhibit I
 Schedule 1

Line No.	Item	Connehee Falls WWTP	Nags Head WWTP
1	Plant additions	\$7,177,326 [1]	\$6,876,116 [1]
2	Less retirements	(400,000) [1]	(844,571) [1]
3	Net plant additions (L1 + L2)	6,777,326	6,031,545
4	Less accumulated depreciation (L3 x 2.50%)	(169,433)	(150,789)
5	Less accumulated deferred income taxes	(23,758) [2]	(21,144) [2]
6	Original cost rate base (L3 + L4 + L5)	6,584,135	5,859,612
7	Pre tax rate of return	9.26% [3]	9.26% [3]
8	Return on plant in service	609,691	542,600
9	Annual depreciation expense (L3 x 2.50%)	169,433	150,789
10	Revenue requirement before regulatory fee	779,124	693,389
11	Regulatory fee gross factor (1 - .0014)	99.86%	99.86%
12	Annual revenue requirement (L10 / L11)	780,216	694,361
13	Months in service to final order	8 [4]	10 [6]
14	Deferred carrying costs	520,144	578,634
15	Amortization period in years	5	5
16	Annual amortization	<u>\$104,029</u>	<u>\$115,727</u>
17	Adjustment to accumulated depreciation	<u>(\$112,955) [5]</u>	<u>(\$125,658) [5]</u>

- [1] Provided by Public Staff Accountant Feasel.
- [2] Calculated by the Public Staff based on book depreciation less tax depreciation.
- [3] Calculated based on amounts approved in Sub 360 rate case.
- [4] Number of months from August 2019 through March 2020.
- [5] Line 4 divided 12 months multiplied by Line 13.
- [6] Number of months from June 2019 through March 2020.

I/A

CAROLINA WATER SERVICE, INC. OF NC
 Docket No. W-354, Sub 364
**CALCULATION OF DEFERRED POST-IN SERVICE
 DEPRECIATION AND FINANCING COSTS
 RELATING TO MAJOR NEW PROJECTS**
 For The Test Year Ended March 31, 2019

Public Staff
 Henry Exhibit I
 Schedule 1
 Revised

Line No.	Item	Connetsee Falls WWTP	Nags Head WWTP
1	Plant additions	\$7,177,326 [1]	\$6,876,116 [1]
2	Less retirements	(400,000) [1]	(844,571) [1]
3	Net plant additions (L1 + L2)	<u>6,777,326</u>	<u>6,031,545</u>
4	Less accumulated depreciation (L3 x 2.50%)	(169,433)	(150,789)
5	Less accumulated deferred income taxes	<u>(23,758) [2]</u>	<u>(21,144) [2]</u>
6	Original cost rate base (L3 + L4 + L5)	<u>6,584,135</u>	<u>5,859,612</u>
7	Pre tax rate of return	<u>9.26% [3]</u>	<u>9.26% [3]</u>
8	Return on plant in service	609,691	542,600
9	Annual depreciation expense (L3 x 2.50%)	<u>169,433</u>	<u>150,789</u>
10	Revenue requirement before regulatory fee	<u>779,124</u>	<u>693,389</u>
11	Regulatory fee gross factor (1 - .0014)	<u>99.86%</u>	<u>99.86%</u>
12	Annual revenue requirement (L10 / L11)	<u>780,216</u>	<u>694,361</u>
13	Months in service to final order	<u>8 [4]</u>	<u>10 [6]</u>
14	Deferred carrying costs	<u>520,144</u>	<u>578,634</u>
15	Amortization period in years	<u>5</u>	<u>5</u>
16	Annual amortization	<u>\$104,029</u>	<u>\$115,727</u>
17	Adjustment to accumulated depreciation	<u>(\$14,119) [5]</u>	<u>(\$37,697) [7]</u>

- [1] Provided by Public Staff Accountant Feasel.
- [2] Calculated by the Public Staff based on book depreciation less tax depreciation.
- [3] Calculated based on amounts approved in Sub 360 rate case.
- [4] Number of months from August 2019 through March 2020.
- [5] Line 4 divided 12 months multiplied by 1 month.
- [6] Number of months from June 2019 through March 2020.
- [7] Line 4 divided 12 months multiplied by 3 months.

±/A

Carolina Water Service, Inc. of NC
Docket No. W-354, Sub 364
Public Staff Data Request # 76
Date Requested: October 3, 2019
Date Due: October 11, 2019

Public Staff Technical Contact: Charles Junis
Phone #: (919) 733-0891
Email: charles.junis@psncuc.nc.gov

Public Staff Legal Contact: John Little
Phone #: (919) 733-0976
Email: john.little@psncuc.nc.gov

Subject of Data Request: Consumption Adjustment Mechanism

Please provide any available responses electronically in a searchable format. If in Excel format, be sure to include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title.

1. Pertaining to the requested water and wastewater customer usage tracking rate adjustment mechanism described in the Supplemental Direct Testimony and Amended Exhibit of Dante M. DeStefano, please provide the following:
 - a. Please provide the basis for including purchased water and sewer systems in the proposed CAM.
 - b. Please provide the basis for the different volumetric rate customers, such as Volumetric – Uniform Water and Volumetric – Irrigation, being grouped together to calculate the average usage per customer per month.
 - c. Please provide the basis for grouping residential and commercial customers within each Rate Group.
 - d. On page 4, line 12, please provide the basis for using the weighted approved volumetric rate for the Rate Division.
 - e. On page 4, line 13, please explain whether EOP customers is the number of EOP customers as approved in the most recent general rate case or the 12-month period subsequent to the Commission's Order.
 - f. On page 4, lines 15-17, please provide the basis for using a percent-of-bill based charge instead of an increment to the usage or commodity rate.
 - g. Is it the Company's intent to apply interest equal to the Company's authorized overall rate of return to the deferred balance?

When preparing your responses, please produce all documents which you relied upon, including, but not limited to, all workpapers and/or analysis prepared by Mr. DeStefano or the Company that relate to this Request.

RESPONSE:

- a.) The Company included purchased water and sewer usage so as to include all volumetric activity that can be impacted by conservation efforts and price signaling.
- b.) The Company proposes a weighted average of the consumption of the various rate groups in order to produce a consolidated rate adjustment. Using a weighted average for usage per customer stabilizes the potential rate impact by mitigating large swings in a particular rate group's usage activity during the reconciliation period.
- c.) See response to B above.
- d.) This method is consistent with the weighted usage method described in B above.
- e.) EOP customers authorized in the rate case for comparison of actual and authorized consumption per customer.
- f.) The Company proposes a percent-of-bill basis for surcharges in order to send a conservation price signal to high-use (and generally larger metered) customers and mitigate the impact of a surcharge on low-use customers. The percent-of-bill basis is also used for the current CWSNC WSIC/SSIC surcharges and therefore is already familiar to customers.
- g.) The Company has not proposed an interest rate on any deferred debit or credit balance generated by the CAM. However, should an interest rate be authorized for the CAM deferral, the Company would propose the LIBOR 12-month rate, currently at 1.896% as of 10/10/19 (to be adjusted annually) be applied to any net debit/credit deferral balance. This rate is proposed as the deferral will be refunded/surcharged within approximately one year of accrual.

Water Testing Summary for Current Rates

Drinking Water Testing	Carolina Water Service Areas (Less Riverbend Estates, Fairfield Harbour & Binford - see separate tables below)	Frequency	Per Year	Cost	Annual	Public Staff Adj.	Laboratory	(See Notes)
Water Analytes	# of Samples Required	Monthly	588	\$20.00	\$11,760			
Bacteriological	12	Monthly	144	\$21.00	\$3,024			1
Bacteriological	2	Monthly	24	\$80.00	\$1,920			
Bacteriological	28	Monthly	336	\$25.00	\$8,400			
Bacteriological	17	Monthly	204	\$26.25	\$5,355			
Bacteriological	7	Monthly	84	\$30.00	\$2,520			
Bacteriological	7	Monthly	84	\$35.00	\$2,940			
Bacteriological	0	Monthly	0	\$45.00	\$0			
Bacteriological	7	Monthly	84	\$40.00	\$3,360			
Bacteriological	7	Monthly	84	\$50.00	\$4,200			
HPC	5	Monthly	60	\$25.00	\$1,500			
DBP Stage 2	33	Every 3 yrs	11.00	\$153.81	\$1,692			E1
DBP Stage 2	21	Every 3 yrs	7.00	\$112.00	\$784			ENCO
DBP Stage 2	39	Annual	33.00	\$153.81	\$5,099			E1
DBP Stage 2	14	Annual	14.00	\$12.00	\$1,680			ENCO
DBP Stage 2	13	Quarterly	52.00	\$153.81	\$7,888			E1
Lead/Copper	13	Quarterly	52.00	\$112.00	\$5,824			ENCO
Lead/Copper	385	Every 3 yrs	128.33	\$24.25	\$3,112			E1
Lead/Copper	235	Every 3 yrs	78.33	\$20.00	\$1,567			ENCO
Lead/Copper	85	Every 3 yrs	31.67	\$28.00	\$887			Water Quality Lab
Lead/Copper	20	6 months	40.00	\$20.00	\$800			ENCO
Asbestos	50	Every 6 yrs	5.56	\$148.00	\$822			EMSL
Inorganics	181	Every 6 yrs	53.67	\$202.13	\$10,848			E1
Inorganics	52	Every 3 yrs	17.33	\$150.00	\$2,600			ENCO
Chloride	2	Annual	2.00	\$18.15	\$32			E1
Nitrate	159	Annual	159.00	\$13.00	\$2,067			E1
Nitrate	45	Annual	45.00	\$15.00	\$675			ENCO
Nitrate	2	Quarterly	8.00	\$13.00	\$104			E1
Nitrate	138	Every 3 yrs	46.33	\$105.10	\$4,870			ENCO
VOC	43	Every 3 yrs	14.33	\$87.00	\$1,243			ENCO
VOC	15	Annual	15.00	\$105.10	\$1,577			E1
VOC	5	Annual	5.00	\$87.00	\$435			ENCO
VOC	7	Quarterly	28.00	\$105.10	\$2,943			E1
VOC	4	Quarterly	16.00	\$87.00	\$1,412			ENCO
SOC - Complete	181	Every 3 yrs	60.33	\$813.72	\$49,728			E1
SOC (505, 506 & 550)	52	Every 3 yrs	17.33	\$505.00	\$8,753			ENCO
SOC (505, 506 & 550)	3	Annual	3.00	\$86.73	\$260			E1
SOC (505, 506 & 550)	2	Annual	2.00	\$78.00	\$152			ENCO
SOC 615	1	Annual	1.00	\$83.34	\$83			E1
SOC (505, 506 & 550)	1	Quarterly	4.00	\$80.73	\$323			E1
Radi-Cross Alpha	132	Every 6 yrs	14.67	\$55.00	\$807			E1
Radi-Cross Alpha	27	Every 6 yrs	3.00	\$75.00	\$203			ENCO
Radi-Cross Alpha	25	Every 6 yrs	4.17	\$55.00	\$229			E1
Radi-Cross Alpha	18	Every 6 yrs	2.87	\$25.00	\$72			ENCO
Radi-Cross Alpha	3	Every 3 yrs	1.00	\$55.00	\$55			E1
Radi-Cross Alpha	3	Every 3 yrs	1.00	\$25.00	\$25			ENCO
Radi-Cross Alpha	0	Annual	0.00	\$55.00	\$0			E1
Radi-Cross Alpha	4	Annual	4.00	\$25.00	\$100			ENCO
Radi-Cross Alpha	1	Quarterly	4.00	\$22.00	\$88			E1
Radi-Uranium	112	Every 9 yrs	12.44	\$50.00	\$622			E1
Radi-Uranium	25	Every 9 yrs	2.78	\$15.00	\$42			ENCO
Radi-Uranium	40	Every 9 yrs	4.87	\$50.00	\$243			E1
Radi-Uranium	15	Every 9 yrs	2.50	\$15.00	\$38			ENCO
Radi-Uranium	8	Every 3 yrs	2.00	\$50.00	\$100			E1
Radi-Uranium	4	Every 3 yrs	1.33	\$15.00	\$20			ENCO
Radi-Uranium	1	Annual	1.00	\$50.00	\$50			E1
Radi-Uranium	4	Annual	4.00	\$15.00	\$60			ENCO
Radi-Uranium	2	Quarterly	8.00	\$50.00	\$400			E1
Combined Rad (228 & 229)	132	Every 9 yrs	14.67	\$170.00	\$2,493			E1
Combined Rad (228 & 229)	24	Every 9 yrs	2.67	\$192.00	\$483			ENCO
Combined Rad (228 & 229)	21	Every 9 yrs	3.50	\$170.00	\$595			E1
Combined Rad (228 & 229)	10	Every 9 yrs	1.67	\$192.00	\$320			ENCO
Combined Rad (228 & 229)	5	Every 3 yrs	1.67	\$170.00	\$283			E1
Combined Rad (228 & 229)	8	Annual	8.00	\$170.00	\$1,360			ENCO
Combined Rad (228 & 229)	3	Quarterly	12.00	\$192.00	\$2,304			E1
Combined Rad (228 & 229)	4	Quarterly	16.00	\$115.00	\$1,840			ENCO
Combined Rad (228 & 229)	18	Quarterly	18.00	\$115.00	\$2,070			E1
Combined Rad (228 & 229)	16	Quarterly	16.00	\$115.00	\$1,840			ENCO
Combined Rad (228 & 229)	4	Quarterly	4.00	\$192.00	\$768			E1
Combined Rad (228 & 229)	3	Annual	3.00	\$192.00	\$576			ENCO
Combined Rad (228 & 229)	2	Annual	2.00	\$192.00	\$384			E1
Combined Rad (228 & 229)	0	Annual	0.00	\$170.00	\$0			ENCO
Combined Rad (228 & 229)	4	Annual	4.00	\$170.00	\$680			E1
Combined Rad (228 & 229)	3	Annual	3.00	\$170.00	\$510			ENCO
Combined Rad (228 & 229)	8	Annual	8.00	\$170.00	\$1,360			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			ENCO
Combined Rad (228 & 229)	12	Annual	12.00	\$170.00	\$2,040			E1
Combined Rad (228 & 229)	12	Annual	12.00	\$17				

Water Testing Summary for Current Rates

Riverbend Estates

Water Analysis	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Laboratory	Public Staff Adj. (See Notes)
Bacteriological	1	Monthly	12.00	\$20.00	\$240	E1	
DBP stage 2	2	Annual	2.00	\$153.81	\$307	E1	
Lead/Copper	5	Every 3 yrs	1.67	\$24.25	\$40	E1	
Asbestos	1	Every 9 yrs	0.11	\$141.00	\$16	E1	

Total Riverbend Estates: \$603

Total Uniform Water: \$159,246

Treasure Cove

Water Analysis	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Laboratory	Public Staff Adj. (See Notes)
Bacteriological	1	Monthly	12.00	\$25.00	\$300	E1	
DBP stage 2	1	Annual	1.00	\$153.81	\$154	E1	
Lead/Copper	10	Every 3 yrs	3.33	\$24.25	\$81	E1	
Asbestos	1	Every 9 yrs	0.11	\$141.00	\$16	E1	
Inorganics	2	Every 3 yrs	0.67	\$202.13	\$135	E1	2
Nitrate	2	Annual	2.00	\$13.00	\$26	E1	
VOC	2	Every 3 yrs	0.67	\$105.10	\$70	E1	
SOC - Complete	2	Every 3 yrs	0.67	\$613.72	\$409	E1	
Rads-Gross Alpha	2	Every 9 yrs	0.22	\$55.00	\$12	E1	
Rads-Uranium	2	Every 9 yrs	0.22	\$50.00	\$11	E1	
Combined Rad (228 & 226)	2	Every 9 yrs	0.22	\$170.00	\$38	E1	

Total Treasure Cove: \$1,251

Fairfield Harbour

Water Analysis	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Laboratory	Public Staff Adj. (See Notes)
Bacteriological	5	Monthly	60.00	\$22.00	\$1,320	E1	
DBP stage 2	2	Quarterly	8.00	\$153.81	\$1,220	E1	
Lead/Copper	20	Every 3 yrs	6.67	\$24.25	\$162	E1	
Asbestos	1	Every 9 yrs	0.11	\$141.00	\$16	E1	
Inorganics	1	Every 3 yrs	0.33	\$202.13	\$67	E1	2
Chloride	3	Annual	3.00	\$13.00	\$39	E1	
Nitrate	1	Annual	1.00	\$13.00	\$13	E1	
VOC	1	Every 3 yrs	0.33	\$105.10	\$35	E1	
SOC - Complete	2	Every 3 yrs	0.67	\$613.72	\$409	E1	
Rads-Gross Alpha	1	Every 9 yrs	0.11	\$55.00	\$6	E1	
Rads-Uranium	1	Every 9 yrs	0.11	\$50.00	\$6	E1	
Combined Rad (228 & 226)	1	Every 9 yrs	0.11	\$170.00	\$19	E1	

Total Fairfield Harbour: \$3,320

Bradfield Farms

Water Analysis	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Laboratory	Public Staff Adj. (See Notes)
Bacteriological	3	Monthly	36.00	\$21.00	\$756	K&W	
DBP stage 2	1	Annual	1.00	\$153.81	\$154	E1	
Lead/Copper	10	Every 3 yrs	3.33	\$24.25	\$81	E1	
Asbestos	1	Every 9 yrs	0.11	\$141.00	\$16	E1	
Inorganics	8	Every 3 yrs	2.00	\$202.13	\$404	E1	2
Nitrate	6	Annual	6.00	\$13.00	\$78	E1	
VOC	6	Every 3 yrs	2.00	\$105.10	\$210	E1	
SOC - Complete	8	Every 3 yrs	2.00	\$613.72	\$1,227	E1	
Rads-Gross Alpha	3	Every 9 yrs	0.33	\$55.00	\$18	E1	
Rads-Gross Alpha	3	Every 6 yrs	0.50	\$55.00	\$28	E1	
Rads-Uranium	3	Every 9 yrs	0.33	\$50.00	\$17	E1	
Rads-Uranium	3	Every 6 yrs	0.50	\$50.00	\$25	E1	
Combined Rad (228 & 226)	4	Every 9 yrs	0.44	\$170.00	\$76	E1	
Combined Rad (228 & 226)	2	Every 6 yrs	0.33	\$170.00	\$57	E1	

Total Bradfield Farms: \$3,146

Total BF/H/C Water: \$7,717

Notes:

1. Cost per Test updated per documentation provided by Company Staff.
2. Cost per Test updated per most recent Price Sheet for the laboratory provided by the Company.
3. Exhibit adapted from W-10, Schedule 27 provided by the Company.

Sewer Testing Summary for Current Rates

Sewer Testing	Testing Costs 10	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)	
Abington	BOD	1	Weekly	52	\$ 25.00	\$ 1,300		
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 15.00	\$ 780		
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 15.00	\$ 780		
	Fecal Coliform	1	Weekly	52	\$ 20.00	\$ 1,040		
	Total Nitrogen (NN/TKN) (Qtrly)	4	Annually	4	\$ 40.00	\$ 160		
	Total Phosphorus (Qtrly)	4	Annually	4	\$ 16.00	\$ 64	1	
Amherst	BOD	1	Weekly	52	\$ 25.00	\$ 1,300		
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 15.00	\$ 780		
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988		
	Fecal Coliform	1	Weekly	52	\$ 25.00	\$ 1,300		
	Total Nitrogen (NN/TKN)	2	Monthly	24	\$ 41.00	\$ 984		
	Total Phosphorus	2	Monthly	24	\$ 19.00	\$ 456		
	Sludge Testing (for land application)	1	Annually	1	\$ 1,953.34	\$ 1,953		
Ashley Hills 2019: No longer collecting Plant BOD samples 2017: No longer collecting influent samples.	BOD (3/week effluent)	3	Weekly	156	\$ 25.00	\$ 3,900		
	BOD (1 @ each of 3 plants once per month)	0	Monthly	0	\$ 22.31	\$ -		
	BOD (influent)	0	Monthly	0	\$ 22.31	\$ -		
	Total Suspended Solids (TSS)	3	Weekly	156	\$ 15.00	\$ 2,340		
	Total Suspended Solids (TSS) (Influent)	0	Monthly	0	\$ 12.61	\$ -		
	Ammonia Nitrogen (NH ₃ as N)	3	Weekly	156	\$ 19.00	\$ 2,964		
	Ammonia Nitrogen (NH ₃ as N) (Influent)	0	Monthly	0	\$ 17.46	\$ -		
	Fecal Coliform	3	Weekly	156	\$ 25.00	\$ 3,900		
	Total Nitrogen (NN/TKN)	1	Weekly	52	\$ 41.00	\$ 2,132		
	Total Nitrogen (NN/TKN) (Influent)	0	Monthly	0	\$ 33.95	\$ -		
	Total Phosphorus	2	Monthly	24	\$ 19.00	\$ 456		
	Total Phosphorus (Influent)	0	Monthly	0	\$ 17.46	\$ -		
	2019: resumed sludge testing	Sludge Testing (for land application)	1	Annually	1	\$ 1,953.34	\$ 1,953	
	Bear Paw	BOD	1	Weekly	52	\$ 25.00	\$ 1,300	
Total Suspended Solids (TSS)		1	Weekly	52	\$ 15.00	\$ 780		
Ammonia Nitrogen (NH ₃ as N)		2	Monthly	24	\$ 20.00	\$ 480		
Total Nitrogen (NN/TKN)		2	Annually	2	\$ 50.00	\$ 100		
Total Phosphorus		2	Annually	2	\$ 30.00	\$ 60		
Belvedere	WWTF Effluent: BOD (2/wk)	2	Weekly	104	\$ 25.00	\$ 2,600		
	WWTF Effluent: Fecal Coliform (2/wk)	2	Weekly	104	\$ 25.00	\$ 2,600		
	WWTF Effluent: Ammonia Nitrogen (2/wk)	2	Weekly	104	\$ 20.00	\$ 2,080		
	WWTF Effluent: Total Nitrogen (NN/TKN) (2/wk)	2	Weekly	104	\$ 55.00	\$ 5,720		
	WWTF Effluent: Total Phosphorus (2/wk)	2	Weekly	104	\$ 25.00	\$ 2,600		
	WWTF Effluent: TSS (2/wk)	2	Weekly	104	\$ 20.00	\$ 2,080		
	WWTF Effluent: Chloride (3/yr)	3	Annually	3	\$ 20.00	\$ 60		
	WWTF Effluent: TDS (3/yr)	3	Annually	3	\$ 20.00	\$ 60		
	GWLS Eff: BOD (1/wk)	1	Weekly	52	\$ 25.00	\$ 1,300		
	GWLS Eff: Fecal Coliform (1/wk)	1	Weekly	52	\$ 25.00	\$ 1,300		
	GWLS Eff: Ammonia Nitrogen (1/wk)	1	Weekly	52	\$ 20.00	\$ 1,040		
	GWLS Eff: Total Nitrogen (NN/TKN) (1/wk)	1	Weekly	52	\$ 55.00	\$ 2,860		
	GWLS Eff: Total Phosphorus (1/wk)	1	Weekly	52	\$ 20.00	\$ 1,040		
	GWLS Eff: Chloride (3/yr)	3	Annually	3	\$ 20.00	\$ 60		
	GWLS Eff: TDS (3/yr)	3	Annually	3	\$ 20.00	\$ 60		
	2018: No longer collecting influent samples	Influent: BOD (3/yr)	0	Annually	0	\$ 25.00	\$ -	
	Influent: Ammonia Nitrogen (3/yr)	0	Annually	0	\$ 20.00	\$ -		
	Influent: Total Nitrogen (NN/TKN) (3/yr)	0	Annually	0	\$ 55.00	\$ -		
	Influent: Total Phosphorus (3/yr)	0	Annually	0	\$ 20.00	\$ -		
	Influent: Chloride (3/yr)	0	Annually	0	\$ 20.00	\$ -		

7/19

Sewer Testing Summary for Current Rates

Testing Costs 10		# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)
Wastewater Analysis							
	Influent: TDS (3/yr)	0	Annually	0	\$ 20.00	\$ -	
	Lab (Env Chemists) Sample Pick up fee (2/mk)	2	Weekly	104	\$ 10.00	\$ 1,040	
	Monitoring Wells (9 total - 3/yr) Depth, Ammonia Nitrogen, Gallons, Odor, TDS, Temp, Chloride, pH, Total Phosphorus, Fecal Coliform, Nitrate Nitrogen	27	Annually	27	\$ 230.00	\$ 6,210	
	Sludge Testing	1	Annually	1	\$ 375.00	\$ 375	
Bent Creek	BOD	1	Weekly	52	\$ 16.00	\$ 832	
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 9.00	\$ 468	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 16.00	\$ 832	
	Fecal Coliform	1	Weekly	52	\$ 20.00	\$ 1,040	
	Total Nitrogen (NN/TKN)	2	Annually	2	\$ 45.00	\$ 90	
	Total Phosphorus	2	Annually	2	\$ 22.00	\$ 44	
Brandywine Bay	Effluent: BOD (2/mth)	2	Monthly	24	\$ 26.60	\$ 638	
	Effluent: Fecal Coliform (2/mth)	2	Monthly	24	\$ 20.90	\$ 502	
	Effluent: Ammonia Nitrogen (2/mth)	2	Monthly	24	\$ 19.00	\$ 456	
	Effluent: Nitrate Nitrogen (2/mth)	2	Monthly	24	\$ 19.00	\$ 456	
	Effluent: TSS (2/mth)	2	Monthly	24	\$ 15.20	\$ 365	
	Effluent: Chloride (3/yr)	3	Annually	3	\$ 16.15	\$ 48	
	Effluent: TOC (3/yr)	3	Annually	3	\$ 38.95	\$ 117	
	Effluent: TDS (3/yr)	3	Annually	3	\$ 19.00	\$ 57	
	Influent: Chloride (3/yr)	3	Annually	3	\$ 16.15	\$ 48	
	Influent: TOC (3/yr)	3	Annually	3	\$ 38.95	\$ 117	
	Influent: TDS (3/yr)	3	Annually	3	\$ 19.00	\$ 57	
	Monitoring Wells (6 total - 3/yr) TOC, Chloride, Fecal Coliform, Nitrate Nitrogen, pH, Total Phosphorus, TDS, Static Water Level, Gallions Baffled, Well Depth	18	Annually	18	\$ 142.50	\$ 2,565	
	VOC (Monitoring Wells; 6 total - 1/yr)	6	Annually	6	\$ 105.11	\$ 631	2
	E1 Monitoring Well Sample Collection Fee (3/yr)	3	Annually	3	\$ 360.00	\$ 1,080	1
	Lab (Env Chemists) Sample Pick up fee	2	Monthly	24		\$ -	
	Field Lab Certification Testing (July)	1	Annually	1	\$ 683.29	\$ 683	
	Field Lab Certification Testing (Sept) Low level TRC only	1	Annually	1	\$ 170.10	\$ 170	
	Sludge Testing (for land application)	1	Annually	1	\$ 375.00	\$ 375	
Carolina Pines	BOD	1	Weekly	52	\$ 26.60	\$ 1,383	
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 15.20	\$ 790	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988	
	Total Nitrogen (NN/TKN)	1	Weekly	52	\$ 42.75	\$ 2,223	
	Total Phosphorus	1	Weekly	52	\$ 23.75	\$ 1,235	
	Enterococci	1	Weekly	52	\$ 33.25	\$ 1,729	
	Sludge Testing (for land application)	1	Annually	1	\$ 375.00	\$ 375	
Danby/Lamplighter South	BOD	1	Weekly	52	\$ 28.00	\$ 1,456	2
Prism lab used instead of K&W	Total Suspended Solids (TSS)	1	Weekly	52	\$ 11.00	\$ 572	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 28.00	\$ 1,456	
	Fecal Coliform	0	Weekly	0	\$ 25.00	\$ -	
	E. Coli	2	Weekly	104	\$ 55.00	\$ 5,720	
	Total Phosphorus (permit change from 1/mk to 1/mth)	1	Monthly	12	\$ 28.00	\$ 336	
	Lab (Prism) Environmental Fee for Sample Disposal	1	Weekly	52	\$ 3.00	\$ 156	
	Field Lab Certification (SC)	1	Annually	1	\$ 395.64	\$ 396	
	Instream Biological Assessment	1	Every 5 yrs	0.2	\$ 1,680.00	\$ 336	
Hemby	BOD	1	Weekly	52	\$ 20.00	\$ 1,040	
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 12.00	\$ 624	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988	
	Fecal Coliform (Effluent, Upstream & Downstream)	3	Weekly	156	\$ 20.00	\$ 3,120	
	Total Nitrogen (NN/TKN) (Qty)	4	Annually	4	\$ 52.00	\$ 208	

Sewer Testing Summary for Current Rates

Testing Costs 10		# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)	
Wastewater Analysis								
Sludge testing no longer required.	Total Phosphorus (Qtrly)	4	Annually	4	\$ 26.00	\$ 104		
	Sludge Testing (for land application)	0	Every 3 yrs	0.00	\$ 704.00	\$ -		
	Field Lab Certification Testing	1	Annually	1	\$ 395.64	\$ 396		
Heston Park	Effluent: BOD (1/mth)	1	Monthly	12	\$ 26.60	\$ 319		
	Effluent: Fecal Coliform (1/mth)	1	Monthly	12	\$ 20.90	\$ 251		
	Effluent: Ammonia Nitrogen (1/mth)	1	Monthly	12	\$ 19.00	\$ 228		
	Effluent: Nitrate Nitrogen (1/mth)	1	Monthly	12	\$ 19.00	\$ 228		
	Effluent: TSS (1/mth)	1	Monthly	12	\$ 16.20	\$ 182		
	Effluent: TDS (3/yr)	3	Annually	36	\$ 19.00	\$ 684		
	Effluent: Chloride (3/yr)	3	Annually	36	\$ 16.15	\$ 581		
	Influent: TDS (3/yr)	3	Annually	3	\$ 19.00	\$ 57		
	Influent: Chloride (3/yr)	3	Annually	3	\$ 16.15	\$ 48		
	Monitoring Wells (5 total - 3/yr) TOC, Chloride, Fecal Coliform, Nitrate Nitrogen, pH, Total Phosphorus, TDS, Static Water Level, Gallons Billed, Well Depth, Ammonia Nitrogen (Mar, Jul, Nov)	15	Annually	15	\$ 161.50	\$ 2,423		
	VOC (Monitoring wells; 5 total - 1/yr November)	5	Annually	5	\$ 105.11	\$ 526	2	
	E1 Monitoring Well Sample Collection Fee (3/yr)	3	Annually	3	\$ 360.00	\$ 1,080	1	
	Sludge Testing (for land application)	1	Annually	1	\$ 375.00	\$ 375		
Lab (Env Chemists) Sample Pick up fee	1	Monthly	12		\$ -			
Hound Ears	BOD	1	Weekly	52	\$ 16.00	\$ 832		
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 9.60	\$ 499		
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 14.40	\$ 749		
	Fecal Coliform	1	Weekly	52	\$ 13.60	\$ 707		
	Oil and Grease (2/mth)	2	Monthly	24	\$ 35.00	\$ 840		
	Total Kjeldahl Nitrogen (TKN)	2	Annually	2	\$ 44.00	\$ 88		
	Total Phosphorus	2	Annually	2	\$ 35.00	\$ 70		
	BOD	1	Weekly	52	\$ 25.00	\$ 1,300		
Kings Grant (Raleigh)	Total Suspended Solids (TSS)	1	Weekly	52	\$ 15.00	\$ 780		
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988		
	Fecal Coliform	1	Weekly	52	\$ 25.00	\$ 1,300		
	Total Nitrogen (NN/TKN)	1	Weekly	52	\$ 41.00	\$ 2,132		
	Total Phosphorus	2	Monthly	24	\$ 19.00	\$ 456		
	Chronic Toxicity (Qtrly)	4	Annually	4	\$ 385.00	\$ 1,540	1	
	Sludge Testing (for land application)	1	Annually	1	\$ 1,953.34	\$ 1,953		
	Olde Point	Effluent: BOD (2/mth Apr-Oct)	2	Monthly	14	\$ 25.00	\$ 350	
		Effluent: BOD (1/mth Nov-Mar)	1	Monthly	5	\$ 25.00	\$ 125	
		Effluent: TSS (2/mth Apr-Oct)	2	Monthly	14	\$ 20.00	\$ 280	
Effluent: TSS (1/mth Nov-Mar)		1	Monthly	5	\$ 20.00	\$ 100		
Effluent: Ammonia Nitrogen (2/mth Apr-Oct)		2	Monthly	14	\$ 20.00	\$ 280		
Effluent: Ammonia Nitrogen (1/mth Nov-Mar)		1	Monthly	5	\$ 20.00	\$ 100		
Effluent: Fecal Coliform (2/mth Apr-Oct)		2	Monthly	14	\$ 25.00	\$ 350		
Effluent: Fecal Coliform (1/mth Nov-Mar)		1	Monthly	5	\$ 25.00	\$ 125		
Effluent: Chloride (3/yr)		3	Annually	3	\$ 20.00	\$ 60		
Effluent: Nitrate Nitrogen (3/yr)		3	Annually	3	\$ 25.00	\$ 75		
Effluent: TDS (3/yr)		3	Annually	3	\$ 20.00	\$ 60		
Effluent: TOC (3/yr)		3	Annually	3	\$ 35.00	\$ 105		
Influent: Chloride (3/yr)		3	Annually	3	\$ 20.00	\$ 60		
Influent: Nitrate Nitrogen (3/yr)		3	Annually	3	\$ 25.00	\$ 75		
Influent: TDS (3/yr)		3	Annually	3	\$ 20.00	\$ 60		
Influent: TOC (3/yr)		3	Annually	3	\$ 20.00	\$ 60		
Influent: Enterococci (3/yr)	3	Annually	3	\$ 40.00	\$ 120			

Sewer Testing Summary for Current Rates

Testing Costs 10		# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)		
Wastewater Analysis									
Olde Point	Monitoring Wells (3 total - 3/yr) Depth, Gallons, Temp, pH, Color, Odor, TDS, Chloride, Orthophosphate, TOC, Fecal Coliform, Nitrate Nitrogen, Ammonia Nitrogen	9	Annually	9	\$ 270.00	\$ 2,430			
	VOC (Monitoring wells: 3 total - 1/yr)	3	Annually	3	\$ 110.00	\$ 330			
	Lab (Env Chemists) Sample Pick up fee (2/mth Apr-Oct)	2	Monthly	14	\$ 10.00	\$ 140			
	Lab (Env Chemists) Sample Pick up fee (1/mth Nov-Mar)	1	Monthly	6	\$ 10.00	\$ 50			
	Sludge Testing (for land application)	1	Annually	1	\$ 500.00	\$ 500			
The Harbour/The Point (3 Drinking water discharges)	Chloride (1/mth per discharge)	3	Monthly	36	\$ 19.80	\$ 713			
	Lead (1/mth per discharge)	3	Monthly	36	\$ 11.00	\$ 396			
	Manganese (1/mth per discharge)	3	Monthly	36	\$ 11.00	\$ 396			
	Turbidity (1/mth per discharge)	3	Monthly	36	\$ 19.80	\$ 713			
	Salinity (1/mth per discharge)	3	Monthly	36	\$ 19.00	\$ 684			
	Conductivity (1/mth per discharge)	3	Monthly	36	\$ 18.00	\$ 648			
	Coulor fee (1/mth per discharge)	3	Monthly	36	\$ 15.00	\$ 540			
	TDS (2/mth per discharge)	6	Monthly	72	\$ 11.00	\$ 792			
	TSS (2/mth per discharge)	6	Monthly	72	\$ 11.00	\$ 792			
	Processing & Disposal Fee (2/month per discharge)	6	Monthly	72	\$ 3.00	\$ 216			
	Copper (1/qtr per discharge)	12	Annually	12	\$ 22.00	\$ 264			
	Iron (1/qtr per discharge)	12	Annually	12	\$ 22.00	\$ 264			
	Zinc (1/qtr per discharge)	12	Annually	12	\$ 11.00	\$ 132			
	Chronic Toxicity (1/qtr per discharge) (cost includes \$50/sample courier fee)	12	Annually	12	\$ 484.50	\$ 5,814			
	Hardness (1/mth per discharge)	3	Monthly	36	\$ 14.30	\$ 516			
	Ammonia (1/mth Well #1&2 discharge only)	1	Monthly	12	\$ 28.00	\$ 336			
	Nov 2018 permit change Nov 2018 permit change	BOD	1	Weekly	52	\$ 20.00	\$ 1,040		
		Total Suspended Solids (TSS)	1	Weekly	52	\$ 12.00	\$ 624		
		Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988		
		Fecal Coliform	1	Weekly	52	\$ 20.00	\$ 1,040		
Total Nitrogen (NN/TKN) (Qtrly)		4	Annually	4	\$ 52.00	\$ 208			
Total Phosphorus (Qtrly)		4	Annually	4	\$ 26.00	\$ 104			
Sample Pick-up Fee (Weekly)		1	Weekly	52	\$ 15.00	\$ 780			
Queens Harbor		BOD	3	Weekly	156	\$ 1,300.00	\$ 15,600		
		Total Suspended Solids (TSS)	3	Weekly	156				
		Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52				
	Enterococci	3	Weekly	156					
	Total Nitrogen (NN/TKN) (Qtrly)	4	Annually	4					
	Total Phosphorus	1	Weekly	52					
	Sludge Testing (for land application)	1	Annually	1	\$ 375.00			\$ 375	
	Regalwood	BOD	1	Weekly	52			\$ 20.00	\$ 1,040
Total Suspended Solids (TSS)		1	Weekly	52	\$ 12.00	\$ 624			
Ammonia Nitrogen (NH ₃ as N)		2	Monthly	24	\$ 19.00	\$ 456			
Fecal Coliform		1	Weekly	52	\$ 20.00	\$ 1,040			
Total Nitrogen (NN/TKN) (Qtrly)		4	Annually	4	\$ 52.00	\$ 208			
Total Phosphorus (Qtrly)		4	Annually	4	\$ 26.00	\$ 104			
Sample Pick-up Fee (Weekly)		0	Weekly	0	\$ 15.00	\$ -			
See Queens Harbor		BOD	1	Weekly	52	\$ 20.00	\$ 1,040		
		Total Suspended Solids (TSS)	1	Weekly	52	\$ 12.00	\$ 624		
		Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988		
	Fecal Coliform	1	Weekly	52	\$ 20.00	\$ 1,040			
	Sample Pick-up Fee (Weekly)	0	Weekly	0	\$ 15.00	\$ -			
Saddlewood	BOD	3	Weekly	156	\$ 16.00	\$ 2,496			
	Total Suspended Solids (TSS)	3	Weekly	156	\$ 9.60	\$ 1,498			
	Ammonia Nitrogen (NH ₃ as N)	3	Weekly	156	\$ 14.40	\$ 2,246			
See Queens Harbor	BOD	3	Weekly	156	\$ 16.00	\$ 2,496			
	Total Suspended Solids (TSS)	3	Weekly	156	\$ 9.60	\$ 1,498			
	Ammonia Nitrogen (NH ₃ as N)	3	Weekly	156	\$ 14.40	\$ 2,246			
Sugar Mountain	BOD	3	Weekly	156	\$ 16.00	\$ 2,496			
	Total Suspended Solids (TSS)	3	Weekly	156	\$ 9.60	\$ 1,498			
	Ammonia Nitrogen (NH ₃ as N)	3	Weekly	156	\$ 14.40	\$ 2,246			

Sewer Testing Summary for Current Rates

Testing Costs 10	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)
Wastewater Analysis						
Fecal Coliform	3	Weekly	156	\$ 13.60	\$ 2,122	
Total Nitrogen (NN/TKN) (2/yr)	2	Annually	2	\$ 44.00	\$ 88	
Total Phosphorus (2/yr)	2	Annually	2	\$ 35.00	\$ 70	
Chronic Toxicity (Qtrly)	4	Annually	4	\$ 375.00	\$ 1,500	
Field Lab Certification Testing	1	Annually	1	\$ 349.45	\$ 349	
White Oak East						
BOD	3	Weekly	156	\$ 1,300.00	\$ 15,600	
Total Suspended Solids (TSS)	3	Weekly	156			
Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52			
Enterococci	3	Weekly	156			
Total Nitrogen (NN/TKN) (Qtrly)	4	Annually	4			
Total Phosphorus	1	Weekly	52			
Sludge Testing (for land application)	1	Annually	1			\$ 375.00
Willowbrook						
BOD	1	Weekly	52	\$ 25.00	\$ 1,300	2
Total Suspended Solids (TSS)	1	Weekly	52	\$ 15.00	\$ 780	2
Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 15.00	\$ 780	2
Fecal Coliform	1	Weekly	52	\$ 25.00	\$ 1,300	2
Total Nitrogen (NN/TKN)	1	Weekly	52	\$ 41.00	\$ 2,132	2
Total Phosphorus	2	Monthly	24	\$ 19.00	\$ 456	2
Chronic Toxicity (Qtrly)	4	Annually	4	\$ 385.00	\$ 1,540	1
Gross Alpha (Qtrly)	4	Annually	4	\$ 25.00	\$ 100	
Combined Radium (Qtrly)	4	Annually	4	\$ 132.00	\$ 528	
Gross Beta (Qtrly)	4	Annually	4	\$ 25.00	\$ 100	
Uranium (Qtrly)	4	Annually	4	\$ 15.00	\$ 60	
Sludge Testing (for land application)	1	Annually	1	\$ 1,953.34	\$ 1,953	
Wolf Laurel						
BOD	1	Weekly	52	\$ 16.00	\$ 832	
Total Suspended Solids (TSS)	1	Weekly	52	\$ 9.60	\$ 499	
Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 14.40	\$ 749	
Fecal Coliform	1	Weekly	52	\$ 13.60	\$ 707	
Turbidity (Effluent)	1	Weekly	52	\$ 10.00	\$ 520	
Turbidity (upstream)	1	Weekly	52	\$ 10.00	\$ 520	
Turbidity (downstream)	1	Weekly	52	\$ 10.00	\$ 520	
Jan 2018: began upstream & downstream turbidity sampling to meet permit requirements						
Nags Head						
Effluent: BOD (1/wk) May-Aug	1	Weekly	16	\$ 25.00	\$ 400	
Effluent: BOD (2/mth) Sep-Apr	2	Monthly	16	\$ 25.00	\$ 400	
Effluent: Fecal Coliform (1/wk) May-Aug	1	Weekly	16	\$ 25.00	\$ 400	
Effluent: Fecal Coliform (2/mth) Sep-Apr	2	Monthly	16	\$ 25.00	\$ 400	
Effluent: Ammonia Nitrogen (1/wk) May-Aug	1	Weekly	16	\$ 20.00	\$ 320	
Effluent: Ammonia Nitrogen (2/mth) Sep-Apr	2	Monthly	16	\$ 20.00	\$ 320	
Effluent: Total Nitrogen (NN/TKN) (1/wk) May-Aug	1	Weekly	16	\$ 55.00	\$ 880	
Effluent: Total Nitrogen (NN/TKN) (2/mth) Sep-Apr	2	Monthly	16	\$ 55.00	\$ 880	
Effluent: TSS (1/wk) May-Aug	1	Weekly	16	\$ 20.00	\$ 320	
Effluent: TSS (2/mth) Sep-Apr	2	Monthly	16	\$ 20.00	\$ 320	
Effluent: Total Phosphorus (1/wk) May-Aug	1	Weekly	16	\$ 25.00	\$ 400	
Effluent: Total Phosphorus (2/mth) Sep-Apr	2	Monthly	16	\$ 25.00	\$ 400	
Effluent: Chloride (3/yr)	3	Annually	3	\$ 20.00	\$ 60	
Effluent: TDS (3/yr)	3	Annually	3	\$ 20.00	\$ 60	
Effluent: TOC (3/yr)	3	Annually	3	\$ 35.00	\$ 105	
Influent: Chlorides (3/yr)	3	Annually	3	\$ 20.00	\$ 60	
Influent: TDS (3/yr)	3	Annually	3	\$ 20.00	\$ 60	
Influent: TOC (3/yr)	3	Annually	3	\$ 35.00	\$ 105	
Influent: Nitrate Nitrogen (3/yr)	3	Annually	3	\$ 25.00	\$ 75	
Monitoring Wells (4 total - 3/yr) Color, Depth, Ammonia Nitrogen, Gallons, Odor, TOC, TDS, Chloride, fecal Coliform, Nitrate Nitrogen, Temp, pH, Total Phosphorus (added 2019)	12	Annually	12	\$ 250.00	\$ 3,000	

Sewer Testing Summary for Current Rates

Testing Costs 10	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)
Wastewater Analysis						
VOC (4 Monitoring wells - 1/yr)	4	Annually	4	\$ 150.00	\$ 600	
Sludge Testing (for land application)	1	Annually	1	\$ 1,700.00	\$ 1,700	
Corolla Light						
*Plant #1 Effluent: BOD, Fecal Coliform, Ammonia Nitrogen, Total Nitrogen, Total Phosphorus, TSS (1/week May-Aug)	1	Weekly	16	\$ 165.00	\$ 2,640	
Monitoring revisions per permit issued November 2016: *From 1/wk May-Sept to 1/wk May-Aug Total Nitrogen & Total Phosphorus added. ** From 1/mth Oct-Apr to 2/mth Sep-Apr Total Nitrogen & Total Phosphorus added. *** From 4/yr to 3/yr. Less Total Phosphorus (see above)	2	Monthly	16	\$ 165.00	\$ 2,640	
***Plant #1 Effluent: TOC, Chlorides, TDS (3/yr)	3	Annually	3	\$ 60.00	\$ 180	
Plant #1 Influent: TOC, Chlorides, Nitrate Nitrogen, TDS (3/yr) (decrease from 4/yr. Added Nitrates, dropped Total Phosphorus)	3	Annually	3	\$ 85.00	\$ 255	
Monitoring Wells (Plant #1) (7 total - 3/yr) Color, Depth, Gallons, TDS, Temperature, Chloride, pH, TOC, Ammonia Nitrogen, Fecal Coliform, Odor (decrease from 4/yr)	21	Annually	21	\$ 240.00	\$ 5,040	
VOC (Monitoring wells; Plant #1; 7 total - 1/yr)	7	Annually	7	\$ 110.00	\$ 770	
Plant #1 Sludge Testing (for land application)	1	Annually	1	\$ 500.00	\$ 500	
Plant #2 no longer in service						
Plant #2 Effluent & Influent: BOD (2), TSS (2), Fecal Coliform (1), (2/month, June-Sept)	0	Annually	0	\$ 90.00	\$ -	
Plant #2 monitoring wells abandoned.						
Monitoring Wells (Plant #2) (5 total - 2/yr) Color, Depth, Gallons, TDS, Temperature, Chloride, pH, TOC, Ammonia Nitrogen, Total Coliforms, Nitrate Nitrogen, Orthophosphate, TSS	0	Annually	0	\$ 225.00	\$ -	
Monitoring Wells (Plant #2) (5 total - 1/yr November only) Color, Depth, Gallons, TDS, Temperature, Chloride, pH, TOC, Ammonia Nitrogen, Total Coliforms, Nitrate Nitrogen, Orthophosphate, TSS, TOX	0	Annually	0	\$ 335.00	\$ -	
Plant #2 no longer in service						
Plant #2 Sludge Testing (for land application)	0	Annually	0	\$ 500.00	\$ -	
Monterey Shores						
*Effluent: BOD, Ammonia Nitrogen, Total Nitrogen, Total Phosphorus, TSS, Fecal Coliform	1	Weekly	52	\$ -	\$ -	
*Effluent: BOD	1	Weekly	52	\$ 25.00	\$ 1,300	
*Effluent: Ammonia Nitrogen	1	Weekly	52	\$ 20.00	\$ 1,040	
*Effluent: Total Nitrogen	1	Weekly	52	\$ 55.00	\$ 2,860	
*Effluent: Total Phosphorus	1	Weekly	52	\$ 25.00	\$ 1,300	
*Effluent: TSS	1	Weekly	52	\$ 20.00	\$ 1,040	
*Effluent: Fecal Coliform	1	Weekly	52	\$ 25.00	\$ 1,300	
Effluent: Chlorides, TDS	3	Annually	3	\$ -	\$ -	
Effluent: Chlorides	3	Annually	3	\$ 20.00	\$ 60	
Effluent: TDS	3	Annually	3	\$ 20.00	\$ 60	
Influent: TOC, TDS, Chlorides, Nitrate Nitrogen	3	Annually	3	\$ -	\$ -	
Influent: TOC	3	Annually	3	\$ 35.00	\$ 105	
Influent: TDS	3	Annually	3	\$ 20.00	\$ 60	
Influent: Chlorides	3	Annually	3	\$ 20.00	\$ 60	
Influent: Nitrate Nitrogen	3	Annually	3	\$ 25.00	\$ 75	
GWLS Effluent: BOD, Ammonia Nitrogen, Fecal Coliform, Total Nitrogen, Total Phosphorus	1	Weekly	52	\$ -	\$ -	
GWLS Effluent: BOD	1	Weekly	52	\$ 25.00	\$ 1,300	
GWLS Effluent: Ammonia Nitrogen	1	Weekly	52	\$ 20.00	\$ 1,040	
GWLS Effluent: Fecal Coliform	1	Weekly	52	\$ 25.00	\$ 1,300	
GWLS Effluent: Total Nitrogen	1	Weekly	52	\$ 55.00	\$ 2,860	
GWLS Effluent: Total Phosphorus	1	Weekly	52	\$ 25.00	\$ 1,300	
Monterey Shores						
GWLS Effluent: TDS, Chlorides, TOC	3	Annually	3	\$ -	\$ -	
GWLS Effluent: TDS	3	Annually	3	\$ 20.00	\$ 60	
GWLS Effluent: Chlorides	3	Annually	3	\$ 20.00	\$ 60	
GWLS Effluent: TOC	3	Annually	3	\$ 35.00	\$ 105	
VOC monitoring no longer required	0	Annually	0	\$ 110.00	\$ -	

Sewer Testing Summary for Current Rates

	Testing Costs 10						
	Wastewater Analysis	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)
	Monitoring Wells (2 total - 3 per yr) Color, Depth, Ammonia Nitrogen, Gallons, TDS, Temp, Chloride, pH, Total Phosphorus, TOC, Nitrate Nitrogen, Fecal Coliform	6	Annually	6	\$ 250.00	\$ 1,500	
	VOC (Monitoring wells; Plant #1: 2 total - 1/yr)	2	Annually	2	\$ 110.00	\$ 220	
	Sludge testing (for land application)	1	Annually	1	\$ 500.00	\$ 500	
Fairfield Sapphire Valley	BOD	1	Weekly	52			
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 235.00	\$ 2,820	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52			
	Fecal Coliform	1	Weekly	52			
	Total Nitrogen (NN/TKN)	2	Annually	2	\$ 45.00	\$ 90	
	Total Phosphorus	2	Annually	2	\$ 25.00	\$ 50	
Carolina Trace	BOD	3	Weekly	156	\$ 25.00	\$ 3,900	
	Total Suspended Solids (TSS)	3	Weekly	156	\$ 15.00	\$ 2,340	
	Ammonia Nitrogen (NH ₃ as N)	3	Weekly	156	\$ 19.00	\$ 2,964	
	Fecal Coliform (effluent)	3	Weekly	156	\$ 25.00	\$ 3,900	
	Fecal Coliform (upstream/downstream) Sampling performed by others						
	*Total Nitrogen (NN/TKN)	1	Monthly	12	\$ 41.00	\$ 492	
	*Total Phosphorus	1	Monthly	12	\$ 19.00	\$ 228	
	Chronic Toxicity (Qtrly)	4	Annually	4	\$ 385.00	\$ 1,540	1
	Field Lab Certification Testing	1	Annually	1	\$ 506.37	\$ 506	
Connetsee Falls	Plant #1: BOD (1/wk)	1	Weekly	52	\$ 16.00	\$ 832	
	Plant #1: TSS (1/wk)	1	Weekly	52	\$ 9.00	\$ 468	
	Plant #1: Fecal Coliform (1/wk)	1	Weekly	52	\$ 20.00	\$ 1,040	
	Plant #1: Ammonia Nitrogen (2/mth)	2	Monthly	24	\$ 16.00	\$ 384	
	Plant #1: Total Phosphorus (2/yr)	2	Annually	2	\$ 22.00	\$ 44	
	Plant #1: Total Nitrogen (NN/TKN) (2/yr)	2	Annually	2	\$ 45.00	\$ 90	
	Plant #2: BOD (1/wk)	1	Weekly	52	\$ 16.00	\$ 832	
	Plant #2: TSS (1/wk)	1	Weekly	52	\$ 9.00	\$ 468	
	Plant #2: Fecal Coliform (1/wk)	1	Weekly	52	\$ 20.00	\$ 1,040	
	Plant #2: Ammonia Nitrogen (2/mth)	2	Monthly	24	\$ 16.00	\$ 384	
Elk River	BOD	1	Weekly	52	\$ 16.00	\$ 832	
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 9.60	\$ 499	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 14.40	\$ 749	
	Fecal Coliform	1	Weekly	52	\$ 13.60	\$ 707	
	Total Nitrogen (NN/TKN)	2	Annually	2	\$ 44.00	\$ 88	
	Total Phosphorus	2	Annually	2	\$ 35.00	\$ 70	

Total Uniform Sewer \$ 282,700

Sewer Testing Summary for Current Rates

	Testing Costs 10						
	Wastewater Analysis	# of Samples Required	Frequency	Tests Per Year	Cost Per Test	Annual Cost	Public Staff Adj. (See Notes)
Fairfield Harbour	BOD	3	Weekly	156	\$ 27.16	\$ 4,237	
	Total Suspended Solids (TSS)	3	Weekly	156	\$ 15.52	\$ 2,421	
	Ammonia Nitrogen (NH ₃ as N)	3	Weekly	156	\$ 19.40	\$ 3,026	
	Enterococci	3	Weekly	156	\$ 33.95	\$ 5,296	
	Total Nitrogen (NN/TKN)	1	Weekly	52	\$ 43.65	\$ 2,270	
	Total Phosphorus (Qtrly)	1	Weekly	52	\$ 24.25	\$ 1,261	
	2018: Annual sludge testing required	Sludge Testing (for land application)	1	Annual	1	\$ 375.00	\$ 375
						Total Fairfield Harbour	\$ 18,511
Bradfield Farms	BOD	1	Weekly	52	\$ 20.00	\$ 1,040	
	Total Suspended Solids (TSS)	1	Weekly	52	\$ 12.00	\$ 624	
	Ammonia Nitrogen (NH ₃ as N)	1	Weekly	52	\$ 19.00	\$ 988	
	Fecal Coliform (Eff, U,D)	3	Weekly	156	\$ 20.00	\$ 3,120	
	Total Nitrogen (NN/TKN)	4	Annual	4	\$ 52.00	\$ 208	
	Total Phosphorus	4	Annual	4	\$ 26.00	\$ 104	
						Total 191	\$ 6,084

Total BF/FH/TC Sewer \$ 24,595

Notes:

1. Cost per Test updated per documentation provided by Company Staff.
2. Cost per Test updated per most recent Price Sheet for the laboratory provided by the Company.
3. Exhibit adapted from W-10, Schedule 27 provided by the Company.

I/A

Sludge Hauling

CWSNC - Uniform Sewer

Bus. Unit	Service Area	Sub 336	Sub 344	Sub 356	Sub 360	Sub 364	Adjusted average	
		2011/12 Amount	2014 Amount	2015 Amount	2016 Amount	2017 Amount		2018/19 Amount
182101	Kynwood Abington	15,056	15,712	24,436	14,436	22,333	24,325	20,365
102	Brandybay Wine/Spooners Cr.	10,558	13,500	14,580	9,030	28,380	9,180	15,530
107	Sugar Mountain	14,455	14,560	10,640	15,120	18,410	18,470	17,333
110	Saddlewood	1,120	1,996	432	756	5,262	1,290	2,436
115	Ashley Hills	19,273	44,013	43,446	49,313	52,643	21,393	41,116
117	Corolla Light	18,525	13,500	17,450	7,390	13,350	13,950	11,563
120	Hestron Park	6,570	3,780	4,320	3,090	4,320	5,400	4,270
123	Hounds Ear	2,240	-	-	2,800	500	1,435	1,578
126	Willowbrook	5,736	5,856	9,150	9,516	9,846	8,767	9,376
130	Wolf Laurel	720	920	3,920	3,000	1,080	9,475	4,518
136	Kings Grant - Raleigh	4,312	2,186	5,876	1,830	2,562	2,916	2,436
138	Bent Creek	9,470	12,950	12,630	30,410	14,000	13,325	19,245
149	Bear Paw Resort	-	-	-	200	4,500	-	1,567
155	Kings Grant Charlotte	9,572	-	-	370	-	-	123
160	College Park	2,135	1,890	-	-	-	-	-
173	Monteray Shores	27,900	35,815	32,850	28,650	51,850	50,730	43,743
176	Olde Point	1,033	1,575	1,960	875	1,575	2,205	1,552
178	Independent/Hemby	17,935	11,687	22,045	22,121	28,162	26,198	25,494
190	Danby	41,116	25,797	17,819	31,190	40,422	33,438	35,017
197	Queens harbor	2,120	16,153	4,050	6,048	3,100	1,375	3,508
209	Nags Head	22,000	29,800	40,065	46,120	15,845	32,170	31,378
217	Regalwood	20,391	9,720	10,260	9,180	9,270	7,020	8,490
218	White Oak Estates	15,450	21,450	22,680	23,250	25,380	16,200	21,610
233	Belvedere Middle Point	13,170	9,981	18,130	25,166	24,570	18,750	22,829
236	Riverpointe	4,345	9,652	3,348	5,805	5,373	7,102	6,093
241	Carolina Pines	3,922	11,340	12,960	12,960	11,430	4,170	9,520
243	Nero	6,055	6,605	5,124	3,680	4,372	6,557	4,870
2247	Ridges at Mountain Harbor	-	-	-	555	-	-	185
181101	Elk River	n/a	5,315	10,080	10,018	5,160	4,755	6,644
183102	Sapphire Valley (See Note 1)	n/a	10,099	4,665	5,829	17,377	20,876	14,694
183109	Fairfield Mountain	n/a	425	-	-	-	-	-
183115	Ashley Hills North	n/a	n/a	n/a	n/a	n/a	41,614	41,614
187101	Carolina Trace	n/a	47,239	38,641	44,796	41,732	34,962	40,497
188101	Transylvania	n/a	14,960	15,050	19,600	17,325	16,750	17,892
Total CWSNC - Uniform Sewer			\$398,477	\$406,607	\$443,104	\$480,129	\$454,798	\$ 487,086

Sludge Hauling

Bradfield Farms/Fairfield Harbor/Turtle Cove

Bus.	Unit	Service Area	Sub 336	Sub 344	Sub 356	Sub 360	Sub 364	Adjusted average	
			2011/12 Amount	2014 Amount	2015 Amount	2016 Amount	2017 Amount		2018/19 Amount
	191101	Bradfield Farms	n/a	29,014	33,122	31,037	57,935	38,299	42,424
	183106	Fairfield Harbor	n/a	19,844	24,664	25,067	22,498	31,410	26,325
Total BF/FH/TC				\$ 48,858	\$ 57,786	\$ 56,104	\$ 80,433	\$ 69,709	\$ 68,749

Notes:

- Sub 364 Sapphire Valley sludge hauling expense of \$39,506 included \$31,050 for pond cleaning. CWS states the cleaning is to occur every 2-3 years. The pond cleaning cost was annualized over 2.5 years and adjusted to \$12,420/year. This adjustment is reflected in the reduced annualized sludge hauling expense of \$20,876.

Purchased Water Adjustment for Current Rates

Account No.	Service Area	Bulk Provider	Type of Purchase System	Total Gallons Purchased	Total Gallons Sold	Loss (gallons)	Acual Loss (%)	P.S. ¹ Allowable Loss (%)	Loss at 15% or 20% (gallons)	Sold Plus 15% or 20% loss (gallons)	Usage Rate (per k-gal)	Avg Annual Usage Rate Expense	Current Base Rate	Annual Base Rate Expense	Annual CIP Expense	Total Expense
182104	The Pointe	Town of Mooresville	Partial	47,882,300	200,327,005	-	-	-	-	-	\$3.72	\$178,048	\$1,137.80	\$13,651	\$	\$ 191,688.90
182114	Zenosa Acres	City of Concord	Full	18,686,000	11,728,798	6,937,284	37.17	15	2,069,777	13,708,513	\$5.41	\$74,850	\$51.11	\$613	\$	\$ 75,263.28
182125	Willow Brook	Johnston County	Partial	5,172,840	5,662,879	-	-	-	-	-	\$2.65	\$19,708	\$0.00	\$	\$	\$ 13,708.03
182132	Tanglewood	PWC City of Fayetteville	Partial	11,199,270	10,471,417	-	-	-	-	-	\$5.43	\$80,612	\$896.10	\$8,253	\$	\$ 68,185.24
182133	White Oak	Johnston County	Full	29,171,420	28,283,097	2,888,323	9.90	-	-	-	\$2.65	\$77,304	\$0.00	\$	\$	\$ 77,304.28
182137	Bent Creek	City of Asheville	Partial	9,219,100	11,700,288	-	-	-	-	-	\$2.86	\$27,289	\$0.34	\$19	\$4,092	\$ 31,399.56
182141	Whispering Pines	Town of Southern Pines	Full	125,703,812	94,050,995	31,652,817	25.18	15	16,507,234	110,648,229	\$3.28	\$382,928	\$0.00	\$	\$	\$ 382,928.19
182152	Carolina Forest	Montgomery County	Full	13,811,260	6,860,122	6,951,138	51.07	15	1,175,316	7,835,438	\$3.19	\$24,995	\$0.00	\$0	\$	\$ 24,995.05
182153	Woodrun	Montgomery County	Full	24,908,300	18,284,751	6,623,549	28.59	15	3,228,721	21,511,472	\$3.19	\$88,822	\$0.00	\$0	\$	\$ 88,821.59
182154	Kings Grant	City of Gastonia	Partial	1,014,700	8,385,730	-	-	-	-	-	\$6.05	\$8,139	\$149.05	\$1,769	\$	\$ 7,927.54
182170	Yorktown	City of Winston-Salem	Full	3,643,433	3,544,045	99,388	2.73	-	-	-	\$5.79	\$21,095	\$228.62	\$2,719	\$	\$ 23,814.92
182189	Danby	LCWSD Lancaster County	Partial	29,561,920	64,544,138	-	-	-	-	-	\$4.10	\$121,204	\$485.00	\$5,820	\$	\$ 127,023.87
182214	High Vista Estates	City of Hendersonville	Full	18,008,800	11,320,518	4,688,282	29.28	20	2,830,130	14,150,648	\$3.40	\$48,112	\$47.05	\$575	\$	\$ 48,887.60
182235	Riverpointe	City of Charlotte	Full	15,908,464	14,901,410	1,007,054	6.33	-	-	-	\$6.48	\$103,087	\$38.30	\$460	\$	\$ 103,548.45
187100	Carolina Trace	City of Sanford	Full	72,286,889	65,901,224	6,385,765	8.83	-	-	-	\$2.21	\$159,754	\$0.00	\$	\$	\$ 159,754.25
198100	River Bend	Town of Franklin	Full	6,867,120	6,872,410	984,704	14.48	-	-	-	\$7.50	\$51,503	\$283.50	\$7,062	\$	\$ 59,465.40
Total Purchase Water Expense: \$																1,445,302.16

Notes:

1. The Public Staff determines an appropriate amount of water loss based on system specific criteria, such as geographical location, unusual circumstances, etc. For the systems shown above, the standard allowable water loss is 20% for systems located in the mountain region and 15% for systems not located in the mountain region.

7/19

Purchased Sewer Summary

Acct #	Service Area	Bulk Provider	Total Gallons Purchased	Usage Rate (per k-gal)	Avg Annual Usage Rate Expense	Current Base Rate	Annual Base Rate Expense	Admin Fee	Annual Admin Fee	Total Expense
182160	College Park	Town of Dallas	3,371,000	\$ 7.33	\$ 24,709.43	\$ -	\$ -	\$ -	\$ -	\$ 24,709.43
182155	Kings Grant	Two Rivers Utilities	9,081,000	\$ 3.98	\$ 36,142.38	\$ 335.40	\$ 4,024.80	\$ -	\$ -	\$ 40,167.18
183109	Fairfield Mt. ¹	Town of Lake Lure								\$ 401,082.00
182140	Mt. Carmel	MSD of Buncombe Co.	15,332,781	\$ 6.18	\$ 94,756.59	\$ 7.11	\$ 33,786.72	\$ 2.40	\$ 14.40	\$ 128,557.71
182247	Ridges at Mtn. Har. ²	Clay Co. Water & Sewer Dist.								\$ 9,727.44
182134	White Oak	Johnston County	24,074,900	\$ 5.57	\$ 134,097.19	\$ 200.00	\$ 2,400.00			\$ 136,497.19
Total Purchased Sewer:									\$	740,740.95

1. Fairfield Mountain has a Flat-Rate of \$66,847 billed bi-monthly
2. Ridges at Mountain Harbour has a Flat-Rate of \$1,621.24 billed bi-monthly

2/1/19

Carolina Water Service, Inc. of NC
Docket No. W-354, Sub 364
ADJUSTMENT TO FLOWBACK PROTECTED EDIT DUE
TO TAX CUTS AND JOBS ACT
For the Test Year Ended March 31, 2019

Boswell Exhibit 1

Line No.	Item	Amount
1	<u>Income statement</u>	
2	Regulatory liability for federal tax change related to protected EDIT - NC retail	\$3,941,344 ^{1/}
3	RSGM life of asset	<u>43.92 ^{2/}</u>
4	Annual amortization of protected EDIT - NC retail (L2 / L3)	89,746
5	Income tax impact	<u>(20,619) ^{3/}</u>
6	Annual amortization of protected EDIT - NC retail, net of tax (L4 + L5)	<u><u>\$69,127</u></u>
7	<u>Rate base</u>	
8	Adjustment to regulatory assets and liabilities (L4)	(\$89,746)
9	Composite income tax rate	<u>22.9750%</u>
10	Impact to accumulated deferred income taxes (L8 x L9)	<u>20,619</u>
11	Adjustment to rate base (L8 + L10)	<u><u>(\$69,127)</u></u>

1/ Per Company Schedule W1-10, Schedule 10, Total Column, Line 13.

2/ Per Company Schedule W1-10, Schedule 10, Line 14.

3/ Line 4 times composite income tax rate on Line 9.

7/19

Carolina Water Service, Inc. of NC
Docket No. W-354, Sub 364
CALCULATION OF ANNUITY FACTOR FOR EDIT
LIABILITY RIDER
For the Test Year Ended March 31, 2019

Boswell Exhibit I
Schedule 2(a)

Line No.	Item	Amount
<u>Annuity Factor</u>		
1	Number of years	2 ^{1/}
2	Payment per period	1
3	After tax rate of return (L9)	6.519%
4	Present value of 1 dollar over number of years with with 1 payment per year	1.8201
5	1 plus (interest rate divided by two)	<u>1.0326</u>
6	Annuity factor (L4 x L5)	<u><u>1.8794</u></u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{6/} (c)	Net of Tax Rate (d)
<u>After Tax Rate of Return</u>				
7	50.90% ^{2/}	5.36% ^{4/}	2.73%	2.10% ^{7/}
8	<u>49.10% ^{3/}</u>	<u>9.00% ^{5/}</u>	<u>4.42%</u>	<u>4.419% ^{8/}</u>
9	<u>100.00%</u>		<u>7.15%</u>	<u>6.519%</u>

- 1/ Rider period requested by the Company.
- 2/ Feasel Exhibit I, Schedule 1(a), Column (a), Line 7.
- 3/ Feasel Exhibit I, Schedule 1(a), Column (a), Line 8.
- 4/ Feasel Exhibit I, Schedule 1(a), Column (c), Line 7.
- 5/ Feasel Exhibit I, Schedule 1(a), Column (c), Line 8.
- 6/ Column (a) times Column (b).
- 7/ Column (c) times 1 minus the combined income tax rate of 22.975%.
- 8/ Amount from Column (c).

Carolina Water Service, Inc. of NC
Docket No. W-354 Sub 354
**CALCULATION OF LEVELIZED FEDERAL
UNPROTECTED EDIT RIDER CREDIT**
For the Test Year Ended March 31, 2019

Boswell Exhibit 2

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Total Revenue Requirement (c)
	Annuity Factor			
1	Number of years	2 ^{1/}		
2	Payment per period	1		
3	After tax rate of return	6.519% ^{2/}		
4	Present value of 1 dollar over number of years with			
5	with 1 payment per year	1.6201		
6	1 plus (interest rate divided by two)	1.0326		
7	Annuity factor (L4 x L5)	<u>1.8794</u>		
8	Total NC retail regulatory liability to be amortized	\$693,114 ^{3/}	\$693,114 ^{3/}	
9	Annuity factor (L7)	1.8794	1.8794	
10	Levelized rider federal EDIT regulatory liability (L8 / L9)	<u>368,796</u>	<u>368,796</u>	737,592 ^{6/}
11	One minus composite income tax rate	<u>77.03% ^{4/}</u>	<u>77.03% ^{4/}</u>	<u>77.03% ^{4/}</u>
12	Net operating income effect (L10 x L11)	<u>284,065</u>	<u>284,065</u>	<u>568,130</u>
13	Retention factor	0.769248 ^{5/}	0.769248 ^{5/}	0.769248 ^{5/}
14	Levelized rider federal EDIT credit (L5 / L6)	<u>\$369,276</u>	<u>\$369,276</u>	<u>\$738,552</u>

- 1/ Rider period recommended by Public Staff.
2/ Boswell Exhibit 1, Schedule 2(a), Line 3.
3/ Per Company Workpaper W1-10, Schedule 10, Page 1, Column Total, Line 21, updated for calculation error.
4/ One minus the composite income tax rate of 22.975%.
5/ Net income retention factor.
6/ Sum of Columns (a) through Column (b).

I/A

I/A

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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [4] (e)
Present Rates:						
1	Debt	50.90%	\$32,139,038 [2]	5.36% [1]	2.73%	\$1,722,652 [8]
2	Equity	49.10%	31,002,490 [2]	7.70% [6]	3.78%	2,388,738 [9]
3	Total	100.00%	\$63,141,528 [3]		6.51%	\$4,111,388 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$32,139,038 [4]	5.36% [1]	2.73%	\$1,722,652 [8]
5	Equity	49.10%	31,002,490 [4]	14.38% [6]	7.06%	4,457,144 [11]
6	Total	100.00%	\$63,141,528 [3]		9.79%	\$6,179,798 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$32,139,038 [5]	5.36% [1]	2.73%	\$1,722,652 [8]
8	Equity	49.10%	31,002,490 [5]	9.00% [1]	4.42%	2,790,224 [13]
9	Total	100.00%	\$63,141,528 [3]		7.15%	\$4,512,876 [14]

[1] Per Public Staff Financial Analyst Hilton.
[2] Column (a) multiplied by Line 3, Column (b).
[3] Feasel Exhibit I, Schedule 2(a), Column (c), Line 18.
[4] Column (a) multiplied by Line 6, Column (b).
[5] Column (a) multiplied by Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).
[9] Line 3 minus Line 1, Column (e).
[10] Feasel Exhibit I, Schedule 3(a), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exhibit I, Schedule 3(a), Column (e), Line 38.
[13] Line 8 minus Line 7, Column (e).
[14] Feasel Exhibit I, Schedule 3(a), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	50.90%	\$33,012,828 [2]	5.36% [1]	2.73%	\$1,769,487 [8]
2	Equity	49.10%	31,845,378 [2]	2.23% [6]	1.09%	710,085 [9]
3	Total	100.00%	\$64,858,204 [3]		3.82%	\$2,479,552 [10]
Company Proposed Rates:						
4	Debt	50.90%	\$33,012,828 [4]	5.36% [1]	2.73%	\$1,769,487 [8]
5	Equity	49.10%	31,845,378 [4]	11.81% [6]	5.80%	3,759,868 [11]
6	Total	100.00%	\$64,858,204 [3]		8.53%	\$5,529,355 [12]
Public Staff Recommended Rates:						
7	Debt	50.90%	\$33,012,828 [5]	5.36% [1]	2.73%	\$1,769,487 [8]
8	Equity	49.10%	31,845,378 [5]	9.00% [1]	4.42%	2,866,084 [13]
9	Total	100.00%	\$64,858,204 [3]		7.15%	\$4,635,571 [14]

[1] Per Public Staff Financial Analyst Hilton.
[2] Column (a) multiplied by Line 3, Column (b).
[3] Feasel Exhibit I, Schedule 2(b), Column (c), Line 18.
[4] Column (a) multiplied by Line 6, Column (b).
[5] Column (a) multiplied by Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).
[9] Line 3 minus Line 1, Column (e).
[10] Feasel Exhibit I, Schedule 3(b), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exhibit I, Schedule 3(b), Column (e), Line 38.
[13] Line 9 minus Line 7, Column (e).
[14] Feasel Exhibit I, Schedule 3(b), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	50.80%	\$1,515,157 [2]	5.36% [1]	2.73%	\$81,212 [8]
2	Equity	49.10%	1,461,575 [2]	11.25% [6]	5.52%	164,475 [9]
3	Total	100.00%	\$2,976,732 [3]		8.25%	\$245,687 [10]
Company Proposed Rates:						
4	Debt	50.80%	\$1,515,157 [4]	5.36% [1]	2.73%	\$81,212 [8]
5	Equity	49.10%	1,461,575 [4]	21.12% [6]	10.37%	308,613 [11]
6	Total	100.00%	\$2,976,732 [3]		13.10%	\$389,825 [12]
Public Staff Recommended Rates:						
7	Debt	50.80%	\$1,515,157 [5]	5.36% [1]	2.73%	\$81,212 [8]
8	Equity	49.10%	1,461,575 [5]	9.00% [1]	4.42%	131,542 [13]
9	Total	100.00%	\$2,976,732 [3]		7.15%	\$212,754 [14]

[1] Per Public Staff Financial Analyst Hilton.
[2] Column (a) multiplied by Line 3, Column (b).
[3] Feasel Exhibit I, Schedule 2(c), Column (c), Line 18.
[4] Column (a) multiplied by Line 6, Column (b).
[5] Column (a) multiplied by Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).
[9] Line 3 minus Line 1, Column (e).
[10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exhibit I, Schedule 3(c), Column (e), Line 38.
[13] Line 9 minus Line 7, Column (e).
[14] Feasel Exhibit I, Schedule 3(c), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2018

Public Staff
Feasel Exhibit I
Schedule 1(d)

BF/PH SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3]	Overall Cost Rate [7] (d)	Net Operating Income [4] (e)
Present Rates:						
1	Debt	50.80%	\$3,857,575 [2]	5.36% [1]	2.73%	\$206,766 [8]
2	Equity	49.10%	3,721,158 [2]	9.58% [6]	4.70%	356,563 [9]
3	Total	100.00%	\$7,578,733 [3]		7.43%	\$563,329 [10]
Company Proposed Rates:						
4	Debt	50.80%	\$3,857,575 [4]	5.36% [1]	2.73%	\$206,766 [8]
5	Equity	49.10%	3,721,158 [4]	13.85% [6]	6.85%	519,198 [11]
6	Total	100.00%	\$7,578,733 [3]		9.58%	\$725,964 [12]
Public Staff Recommended Rates:						
7	Debt	50.80%	\$3,857,575 [5]	5.36% [1]	2.73%	\$206,766 [8]
8	Equity	49.10%	3,721,158 [5]	9.00% [1]	4.42%	334,904 [13]
9	Total	100.00%	\$7,578,733 [3]		7.15%	\$541,670 [14]

[1] Per Public Staff Financial Analyst Hilton.
[2] Column (a) multiplied by Line 3, Column (b).
[3] Feasel Exhibit I, Schedule 2(d), Column (c), Line 18.
[4] Column (a) multiplied by Line 6, Column (b).
[5] Column (a) multiplied by Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).
[9] Line 3 minus Line 1, Column (e).
[10] Feasel Exhibit I, Schedule 3(d), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 38.
[13] Line 9 minus Line 7, Column (e).
[14] Feasel Exhibit I, Schedule 3(d), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Public Staff [1]	Amount Per Public Staff (c) [2]
1	Plant in service	\$111,829,743	\$2,402,454		\$ 114,232,196 [3]
2	Accumulated depreciation	(28,655,001)	(570,312)		(29,225,313) [4]
3	Net plant in service (L1 + L2)	83,174,742	1,832,141		85,006,883
4	Cash working capital	1,232,777	(184,454)		1,048,323 [5]
5	Contributions in aid of construction	(17,943,076)	280,263		(17,662,813) [6]
6	Advances in aid of construction	(23,760)	0		(23,760)
7	Accumulated deferred income taxes	(3,094,767)	988,125		(2,106,642) [7]
8	Customer deposits	(169,004)	(6,938)		(175,942) [8]
9	Inventory	167,608	0		167,608
10	Gain on sale and flow back taxes	(87,248)	(109,699)		(196,947) [9]
11	Plant acquisition adjustment	(2,152,235)	67,231		(2,085,004) [10]
12	Excess book value	(331)	331		0 [11]
13	Cost-free capital	(121,791)	0		(121,791)
14	Average tax accruals	71,990	(153,585)		(81,595) [12]
15	Regulatory liability for excess deferred taxes	(2,084,991)	0		(2,084,991)
16	Deferred charges	1,743,073	(284,874)		1,458,199 [13]
17	Pro forma plant	1,651,751	(1,651,751)		0 [14]
18	Original cost rate base (Sum of L3 thru L17)	<u>\$62,364,736</u>	<u>\$776,791</u>		<u>\$63,141,528</u>

- [1] Column (c) minus Column (a).
 [2] Column (a) plus Column (b), unless otherwise footnoted.
 [3] Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 3.
 [4] Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 6.
 [5] Feasel Exhibit I, Schedule 2-3, Column (a), Line 4.
 [6] Feasel Exhibit I, Schedule 2-4, Column (c), Line 5.
 [7] Feasel Exhibit I, Schedule 2-5(a), Column (d), Line 27.
 [8] Feasel Exhibit I, Schedule 2-6, Column (a), Line 3.
 [9] Feasel Exhibit I, Schedule 2-7, Column (a), Line 6.
 [10] Feasel Exhibit I, Schedule 2-8, Column (c), Line 9.
 [11] Feasel Exhibit I, Schedule 2-9, Column (d), Line 7.
 [12] Feasel Exhibit I, Schedule 2-3, Column (a), Line 9.
 [13] Feasel Exhibit I, Schedule 2-10, Column (a), Line 4.
 [14] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2(b)

CWSNC SEWER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> (b)	[1]	<u>Amount Per Public Staff</u> (c)	[2]
1	Plant in service	\$86,043,725	\$23,396,552		\$ 109,440,276	[3]
2	Accumulated depreciation	(22,391,031)	(1,412,956)		(23,803,987)	[4]
3	Net plant in service (L1 + L2)	63,652,694	21,983,596		85,636,290	
4	Cash working capital	945,121	(85,683)		859,438	[5]
5	Contributions in aid of construction	(17,746,596)	187,315		(17,559,281)	[6]
6	Advances in aid of construction	(9,180)	0		(9,180)	
7	Accumulated deferred income taxes	(2,714,636)	(319,283)		(3,033,919)	[7]
8	Customer deposits	(102,119)	(4,192)		(106,311)	[8]
9	Inventory	101,275	0		101,275	
10	Gain on sale and flow back taxes	(44,447)	(48,234)		(92,681)	[9]
11	Plant acquisition adjustment	292,810	4,089		296,900	[10]
12	Excess book value	0	0		0	
13	Cost-free capital	(139,708)	0		(139,708)	
14	Average tax accruals	44,058	(93,981)		(49,923)	[11]
15	Regulatory liability for excess deferred taxes	(1,259,826)	0		(1,259,826)	
16	Deferred charges	297,309	(82,178)		215,131	[12]
17	Pro forma plant	14,735,814	(14,735,814)		0	[13]
18	Original cost rate base (Sum of L3 thru L17)	<u>\$58,052,570</u>	<u>\$6,805,635</u>		<u>\$64,858,204</u>	

- [1] Column (c) minus Column (a).
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 3.
[4] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 6.
[5] Feasel Exhibit I, Schedule 2-3, Column (b), Line 4.
[6] Feasel Exhibit I, Schedule 2-4, Column (f), Line 5.
[7] Feasel Exhibit I, Schedule 2-5(a), Column (e), Line 27.
[8] Feasel Exhibit I, Schedule 2-6, Column (b), Line 3.
[9] Feasel Exhibit I, Schedule 2-7, Column (b), Line 6.
[10] Feasel Exhibit I, Schedule 2-8, Column (f), Line 9.
[11] Feasel Exhibit I, Schedule 2-3, Column (b), Line 9.
[12] Feasel Exhibit I, Schedule 2-10, Column (b), Line 4.
[13] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2(c)

BF/FH/TC WATER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application (a)</u>	<u>Public Staff Adjustments (b)</u>	<u>Amount Per Public Staff (c)</u>
1	Plant in service	\$6,124,796	\$100,195	\$6,224,991 [3]
2	Accumulated depreciation	(1,973,425)	(71,998)	(2,045,421) [4]
3	Net plant in service (L1 + L2)	4,151,370	28,199	4,179,570
4	Cash working capital	131,494	(22,530)	108,964 [5]
5	Contributions in aid of construction	(1,107,296)	52,158	(1,055,139) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(102,079)	22,225	(79,854) [7]
8	Customer deposits	(16,137)	(99)	(16,236) [8]
9	Inventory	1,503	0	1,503
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	21,257	(8,061)	13,196 [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	4,285	(9,909)	(5,624) [10]
15	Regulatory liability for excess deferred taxes	(291,777)	0	(291,777)
16	Deferred charges	126,015	(3,886)	122,129 [11]
17	Pro forma plant	0	0	0
18	Original cost rate base (Sum of L3 thru L17)	<u>\$2,918,635</u>	<u>\$58,097</u>	<u>\$2,976,732</u>

- [1] Column (c) minus Column (a).
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 4.
[4] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 8.
[5] Feasel Exhibit I, Schedule 2-3, Column (c), Line 4.
[6] Feasel Exhibit I, Schedule 2-4, Column (i), Line 5.
[7] Feasel Exhibit I, Schedule 2-5(b), Column (d), Line 27.
[8] Feasel Exhibit I, Schedule 2-6, Column (c), Line 3.
[9] Feasel Exhibit I, Schedule 2-8, Column (i), Line 9.
[10] Feasel Exhibit I, Schedule 2-3, Column (c), Line 9.
[11] Feasel Exhibit I, Schedule 2-10, Column (c), Line 4.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 2(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]
1	Plant in service	\$13,461,976	\$600,742		\$14,062,719	[3]
2	Accumulated depreciation	(2,720,300)	147,507		(2,572,793)	[4]
3	Net plant in service (L1 + L2)	10,741,677	748,249		11,489,926	
4	Cash working capital	158,284	(21,089)		137,195	[5]
5	Contributions in aid of construction	(4,119,137)	125,694		(3,993,443)	[6]
6	Advances in aid of construction	0	0		0	
7	Accumulated deferred income taxes	(788,457)	78,531		(709,926)	[7]
8	Customer deposits	(16,854)	(104)		(16,958)	[8]
9	Inventory	1,570	0		1,570	
10	Gain on sale and flow back taxes	0	0		0	
11	Plant acquisition adjustment	964,434	(27,466)		936,967	[9]
12	Excess book value	0	0		0	
13	Cost-free capital	0	0		0	
14	Average tax accruals	4,681	(10,737)		(6,056)	[10]
15	Regulatory liability for excess deferred taxes	(304,750)	0		(304,750)	
16	Deferred charges	86,248	(42,039)		44,209	[11]
17	Pro forma plant	807,664	(807,664)		0	[12]
18	Original cost rate base (Sum of L3 thru L17)	<u>\$7,535,358</u>	<u>\$43,375</u>		<u>\$7,578,733</u>	

- [1] Column (c) minus Column (a).
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 3.
- [4] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 6.
- [5] Feasel Exhibit I, Schedule 2-3, Column (d), Line 4.
- [6] Feasel Exhibit I, Schedule 2-4, Column (f), Line 5.
- [7] Feasel Exhibit I, Schedule 2-5(b), Column (e), Line 27.
- [8] Feasel Exhibit I, Schedule 2-6, Column (d), Line 3.
- [9] Feasel Exhibit I, Schedule 2-8, Column (f), Line 9.
- [10] Feasel Exhibit I, Schedule 2-3, Column (d), Line 9.
- [11] Feasel Exhibit I, Schedule 2-10, Column (d), Line 4.
- [12] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364.
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(a)

CWSNC WATER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>Amount Per Public Staff</u> [2] (c)
<u>Plant in Service:</u>				
1	Direct plant in service	\$104,982,991	\$2,950,387	\$107,933,378 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	6,846,751	(547,933)	6,298,818 [4]
3	Total plant in service (L1 + L2)	<u>\$111,829,742</u>	<u>\$2,402,454</u>	<u>\$114,232,196</u>
<u>Accumulated Depreciation:</u>				
4	Direct accumulated depreciation	(\$23,621,429)	(\$922,433)	(\$24,543,862) [5]
5	Allocation of common accumulated depreciation: WSC cost center, Regional and NC	(5,033,571)	352,120	(4,681,451) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$28,655,000)</u>	<u>(\$570,313)</u>	<u>(\$29,225,313)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d), Line 46.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (a), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
	<u>Plant In Service:</u>			
1	Direct plant in service	\$82,763,331	\$23,727,633	\$106,490,964 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	<u>3,280,393</u>	<u>(331,081)</u>	<u>2,949,312 [4]</u>
3	Total plant in service (L1 + L2)	<u>\$86,043,724</u>	<u>\$23,396,552</u>	<u>\$109,440,276</u>
	<u>Accumulated Depreciation:</u>			
4	Direct accumulated depreciation	(\$19,700,492)	(\$1,625,720)	(\$21,326,212) [5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	<u>(2,690,536)</u>	<u>212,763</u>	<u>(2,477,775) [4]</u>
6	Total accumulated depr. (L4 + L5)	<u>(\$22,391,030)</u>	<u>(\$1,412,957)</u>	<u>(\$23,803,987)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d), Line 58.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (b), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
	<u>Plant In Service:</u>			
1	Direct plant in service	\$5,313,468	\$160,339	\$5,473,807 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	739,857	(60,144)	679,713 [4]
3	Pace Utilities plant in service	71,471	0	71,471
4	Total plant in service (L1+ L2 + L3)	<u>\$6,124,796</u>	<u>\$100,195</u>	<u>\$6,224,991</u>
	<u>Accumulated Depreciation:</u>			
5	Direct accumulated depreciation	(\$1,387,939)	(\$110,494)	(\$1,498,433) [5]
6	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	(531,224)	38,498	(492,726) [4]
7	Pace Utilities accumulated depreciation	(54,262)	0	(54,262)
8	Total accumulated depr. (L5 + L6 + L7)	<u>(\$1,973,425)</u>	<u>(\$71,996)</u>	<u>(\$2,045,421)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), Line 46.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (c), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
<u>Plant In Service:</u>				
1	Direct plant in service	\$12,884,980	\$669,076	\$13,554,057 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	<u>576,996</u>	<u>(68,334)</u>	<u>508,662 [4]</u>
3	Total plant in service (L1+ L2)	<u>\$13,461,976</u>	<u>\$600,742</u>	<u>\$14,062,719</u>
<u>Accumulated Depreciation:</u>				
4	Direct accumulated depreciation	(\$2,245,646)	\$103,593	(\$2,142,053) [5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	<u>(474,654)</u>	<u>43,914</u>	<u>(430,740) [4]</u>
6	Total accumulated depr. (L4 + L5)	<u>(\$2,720,300)</u>	<u>\$147,507</u>	<u>(\$2,572,793)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d), Line 58.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (d), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(a)(1)

CWSNC WATER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1020	Organization	\$458,604	\$0	\$0	\$458,604
2	1025	Franchises	111,898	117,618	0	229,516
3	1030	Land & land rights pump	71,437	0	0	71,437
4	1035	Land & land rights water tr.	357,109	0	0	357,109
5	1040	Land & land rights trans.	20,173	0	0	20,173
6	1045	Land & land rights gen. plt.	514,264	0	750	515,014
7	1050	Struct & improv. src. supply	4,307,230	0	17,474	4,324,704
8	1055	Struct & improv. wtr. trt. plt.	1,366,535	0	27,112	1,393,647
9	1060	Struct & improv. trans. dist.	262,847	0	3,370	266,217
10	1065	Struct & improv. gen. plt.	330,888	0	4,264	335,152
11	1070	Collecting reservoirs	13,139	0	0	13,139
12	1080	Wells & springs	13,772,515	0	287,307	14,059,822
13	1085	Infiltration gallery	45,185	0	0	45,185
14	1090	Supply mains	472,166	0	9,573	481,739
15	1095	Power generation equip.	158,288	0	0	158,288
16	1100	Electric pump equip. src. plt.	2,610,038	0	24,615	2,634,653
17	1105	Electric pump equip. wtp.	8,330,630	0	56,637	8,387,267
18	1110	Electric pump equip. trans.	3,224,838	0	130,311	3,355,149
19	1115	Water treatment equip.	4,379,737	0	221,177	4,600,914
20	1120	Dist. resv. & standpipes	7,996,539	0	145,497	8,142,035
21	1125	Trans. & distr. mains	32,853,508	0	680,509	33,534,017
22	1130	Service lines	12,343,931	0	349,703	12,693,634
23	1135	Meters	5,364,271	0	921,067	6,285,338
24	1140	Meter installations	1,210,168	0	18,475	1,228,643
25	1145	Hydrants	1,219,074	0	5,989	1,225,062
26	1150	Backflow prevention devic.	28,256	0	(114)	28,142
27	1160	Other plt. & misc. equip. src. su.	260	0	0	260
28	1165	Other plt. & misc. equip. wtp.	6,262	0	0	6,262
29	1175	Office struct & improv.	110,967	0	7,596	118,562
30	1180	Office fum. & equip.	370,606	0	7,968	378,575
31	1185	Stores equipment	4,224	0	274	4,498
32	1190	Tool shop & misc. equip.	1,381,118	0	9,381	1,390,499
33	1195	Laboratory equipment	157,246	0	1,414	158,660
34	1200	Power operated equip.	326,637	0	2,818	329,456
35	1205	Communication equip.	322,016	0	0	322,016
36	1210	Misc. equipment	183,548	0	24	183,572
37	1215	Water plant allocated	207,809	0	0	207,809
38	1220	Other tangible plt. water	36,650	0	0	36,650
39	1555	Transportation equip.	0	0	0	0
40	1580	Mainframe computer - wtr	0	0	0	0
41	1585	Mini computer - wtr	(6,977)	(4,893)	0	(11,871)
42	1590	Comp. system cost - wtr	59,359	0	0	59,359
43	1595	Micro system cost - wtr	0	0	0	0
44	1605	Plt. held for future use	0	(95,528)	0	(95,528)
45		Pro forma plant additions	0	0	0	0
46		Total plant in service (Sum of L1 thru L45)	<u>\$104,982,991</u>	<u>\$17,186</u>	<u>\$2,933,191</u>	<u>\$107,933,378</u>

[1] Per examination of Company's financial records.

[2] Feasel Exhibit I, Schedule 2-1(a)(2), column (d).

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(b)(1)

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1245	Organization	\$907,628	\$0	\$0	\$907,628
2	1250	Franchises intang. pit.	127,476	0	0	127,476
3	1270	Land & land rights trmnt pit	39,167	0	0	39,167
4	1275	Land & land rights reclaim.	1,150	0	0	1,150
5	1285	Land & land rights gen. pit.	213,811	0	0	213,811
6	1290	Struct/improv. coll. pit.	87,344	0	0	87,344
7	1295	Struct/improv. pump pit. ls.	7,193,839	0	1,280,133	8,473,972
8	1300	Struct/improv. treat. pit.	19,729,926	0	6,963,637	26,693,562
9	1305	Struct/improv. reclaim. wtr.	3,271	0	0	3,271
10	1310	Struct/improv. reclaim. wtr.	179,730	0	192	179,922
11	1315	Struct/improv. gen. pit.	1,672,150	0	6,008	1,678,158
12	1320	Power gen. equip. coll. pit.	107,623	0	0	107,623
13	1325	Power gen. equip. pump pit.	52,159	0	850	53,009
14	1330	Power gen. equip. treat. pit.	209,729	0	1,851	211,580
15	1345	Sewer force main/serv. lin.	3,595,018	0	32,018	3,627,036
16	1350	Sewer gravity main	16,806,485	0	984,395	17,790,880
17	1353	Manholes	777,668	0	253,029	1,030,697
18	1355	Special coll. structures	6,922	0	17	6,939
19	1360	Services to customers	1,630,854	0	72,312	1,703,167
20	1365	Flow measure devices	130,945	0	2,323	133,268
21	1370	Flow measure install	1,010	0	96	1,106
22	1375	Receiving wells	89,444	0	0	89,444
23	1380	Pumping equipment pump pit.	3,941,182	0	163,272	4,104,454
24	1385	Pumping equipment reclaim.	29,342	0	0	29,342
25	1390	Pumping equipment rcl. wtr.	44,313	0	0	44,313
26	1395	Treat./disp. equip. lagoon	580,369	0	0	580,369
27	1400	Treat./disp. equip. trt. pit.	18,942,144	0	27,223	18,969,367
28	1405	Treat./disp. equip. rct. wtr.	13,459	0	364	13,823
29	1410	Plant sewers treat. pit.	3,944,724	0	14,022,107	17,966,831
30	1415	Plant sewers reclaim wtr.	5,155	0	0	5,155
31	1420	Outfall lines	98,839	0	408,438	507,277
32	1425	Other pit. tangible	3,676	0	0	3,676
33	1430	Other pit. collection	21,142	0	0	21,142
34	1435	Other pit. pump	48,131	0	288	48,419
35	1440	Other pit. treatment	37,177	0	0	37,177
36	1445	Other pit. reclaim wtr. trt.	650	0	0	650
37	1450	Other pit. reclaim wtr. dis.	460	0	0	460
38	1455	Office struct & improv.	34,218	0	0	34,218
39	1460	Office furn. & equip.	32,053	0	1,080	33,133
40	1465	Stores equipment	5,251	0	1,220	6,471
41	1470	Tool shop & misc. equip.	197,980	0	7,567	205,546
42	1475	Laboratory equipment	139,339	0	5,141	144,480
43	1480	Power operated equip.	366,348	0	10,054	376,402
44	1485	Communication equip.	73,595	0	48	73,643
45	1490	Misc equip. sewer	19,105	0	0	19,105
46	1495	Sewer plant allocated	526,952	0	0	526,952
47	1500	Other tangible pit. sewer	1,776	0	0	1,776
48	1535	Reuse dist. reservoirs	3,417	0	89	3,506
49	1540	Reuse transmission & dist.	57,527	0	1,444	58,971
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	(4,216)	(2,957)	0	(7,173)
54	1590	Comp. system cost - wtr	35,867	0	0	35,867
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Pit. held for future use	0	(514,608)	0	(514,608)
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	<u>\$82,763,331</u>	<u>(\$517,565)</u>	<u>\$24,245,198</u>	<u>\$106,490,964</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(b)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(c)(1)

BF/FH/TC WATER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1020	Organization	\$99,771	\$0	\$0	\$99,771
2	1025	Franchises	29,653	21,587	0	51,240
3	1030	Land & land rights pump	0	0	0	0
4	1035	Land & land rights water tr.	0	0	0	0
5	1040	Land & land rights trans.	0	0	0	0
6	1045	Land & land rights gen. pit.	419	0	0	419
7	1050	Struct & improv. src. supply	162,898	0	238	163,136
8	1055	Struct & improv. wtr. tr. pit.	82,874	0	61,017	143,891
9	1060	Struct & improv. trans. dist.	461	0	0	461
10	1065	Struct & improv. gen. pit.	1,671	0	459	2,130
11	1070	Collecting reservoirs	0	0	0	0
12	1080	Wells & springs	520,420	0	(9,143)	511,277
13	1085	Infiltration gallery	0	0	0	0
14	1090	Supply mains	839	0	4,057	4,896
15	1095	Power generation equip.	0	0	0	0
16	1100	Electric pump equip. src. pit.	48,999	0	951	49,950
17	1105	Electric pump equip. wtp.	347,788	0	6,893	354,689
18	1110	Electric pump equip. trans.	33,379	0	4,756	38,135
19	1115	Water treatment equip.	131,019	0	4,797	135,816
20	1120	Dist. resv. & standpipes	754,899	0	3,016	757,915
21	1125	Trans. & distr. mains	1,830,245	0	19,694	1,849,939
22	1130	Service lines	686,359	0	26,409	714,768
23	1135	Meters	126,102	0	2,568	128,700
24	1140	Meter installations	138,351	0	8,425	146,776
25	1145	Hydrants	162,374	0	713	163,087
26	1150	Backflow prevention devic.	98	0	0	98
27	1160	Other pit. & misc. equip. src. su.	0	0	0	0
28	1165	Other pit. & misc. equip. wtp.	0	0	0	0
29	1175	Office struct & improv.	6,790	0	955	7,745
30	1180	Office furn. & equip.	4,240	0	0	4,240
31	1185	Stores equipment	235	0	114	349
32	1190	Tool shop & misc. equip.	95,744	0	1,387	97,131
33	1195	Laboratory equipment	11,419	0	0	11,419
34	1200	Power operated equip.	3,815	0	0	3,815
35	1205	Communication equip.	32,582	0	0	32,582
36	1210	Misc. equipment	18	0	0	18
37	1215	Water plant allocated	0	0	0	0
38	1220	Other tangible pit. water	0	0	0	0
39	1555	Transportation equip.	0	0	0	0
40	1580	Mainframe computer - wtr	0	0	0	0
41	1585	Mini computer - wtr	0	(584)	0	(584)
42	1590	Comp. system cost - wtr	0	0	0	0
43	1595	Micro system cost - wtr	0	0	0	0
44	1805	Pit. held for future use	0	0	0	0
45		Pro forma plant additions	0	0	0	0
46		Total plant in service (Sum of L1 thru L45)	<u>\$5,313,468</u>	<u>\$21,003</u>	<u>\$139,337</u>	<u>\$5,473,807</u>

[1] Per examination of Company's financial records.

[2] Feasel Exhibit I, Schedule 2-1(c)(2), column (d).

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(d)(1)

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1245	Organization	\$16,593	\$0	\$0	\$16,593
2	1250	Franchises intang. plt.	20,351	21,587	0	41,938
3	1270	Land & land rights trmnt plt	0	0	0	0
4	1275	Land & land rights reclaim.	0	0	0	0
5	1285	Land & land rights gen. plt.	0	0	0	0
6	1280	Struct/improv. coll. plt.	0	0	0	0
7	1295	Struct/improv. pump plt. ls.	1,028,215	0	559,875	1,588,090
8	1300	Struct/improv. treat. plt.	1,985,807	0	27,800	2,013,607
9	1305	Struct/improv. reclaim. wtr.	0	0	0	0
10	1310	Struct/improv. reclaim. wtr.	2,477	0	0	2,477
11	1315	Struct/improv. gen. plt.	252,398	0	9,250	261,647
12	1320	Power gen. equip. coll. plt.	0	0	0	0
13	1325	Power gen. equip. pump plt.	41,076	0	750	41,826
14	1330	Power gen. equip. treat. plt.	0	0	0	0
15	1345	Sewer force main/serv. lin.	193,718	0	2,767	196,485
16	1350	Sewer gravity main	5,207,792	0	12,548	5,220,340
17	1353	Manholes	32,586	0	11,793	44,379
18	1355	Special coll. structures	775	0	0	775
19	1360	Services to customers	58,429	0	1,609	60,239
20	1365	Flow measure devices	17,011	0	0	17,011
21	1370	Flow measure install	0	0	0	0
22	1375	Receiving wells	0	0	0	0
23	1380	Pumping equipment pump plt.	737,049	0	11,004	748,053
24	1385	Pumping equipment reclaim.	234	0	0	234
25	1390	Pumping equipment rd. wtr.	0	0	0	0
26	1395	Treat./disp. equip. lagoon	56	0	0	56
27	1400	Treat./disp. equip. trt. plt.	2,781,412	0	11,249	2,792,662
28	1405	Treat./disp. equip. rct. wtr.	0	0	0	0
29	1410	Plant sewers treat. plt.	388,316	0	(2,639)	385,677
30	1415	Plant sewers reclaim wtr.	0	0	0	0
31	1420	Outfall lines	15,379	0	0	15,379
32	1425	Other plt. tangible	0	0	0	0
33	1430	Other plt. collection	(224)	0	0	(224)
34	1435	Other plt. pump	2,873	0	0	2,873
35	1440	Other plt. treatment	0	0	0	0
36	1445	Other plt. reclaim wtr. trt.	5,189	0	0	5,189
37	1450	Other plt. reclaim wtr. dis.	0	0	0	0
38	1455	Office struct & improv.	12,031	0	0	12,031
39	1460	Office furn. & equip.	970	0	623	1,593
40	1465	Stores equipment	2,752	0	0	2,752
41	1470	Tool shop & misc. equip.	13,934	0	380	14,314
42	1475	Laboratory equipment	6,227	0	0	6,227
43	1480	Power operated equip.	47,780	0	100	47,881
44	1485	Communication equip.	993	0	0	993
45	1490	Misc equip. sewer	8,603	0	790	9,393
46	1495	Sewer plant allocated	0	0	0	0
47	1500	Other tangible plt. sewer	0	0	0	0
48	1535	Reuse dist. reservoirs	2,763	0	0	2,763
49	1540	Reuse transmission & dist.	1,414	0	0	1,414
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	0	(611)	0	(611)
54	1590	Comp. system cost - wtr	0	0	0	0
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	0	0	0
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	<u>\$12,884,980</u>	<u>\$20,976</u>	<u>\$648,100</u>	<u>\$13,554,057</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(d)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(a)(2)

CWSNC WATER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Riverbend unrecovered cost [1] (b)	INTOOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (d)
1	1020	Organization	\$0	\$0	\$0	\$0
2	1025	Franchises	0	117,618	0	117,618
3	1030	Land & land rights pump	0	0	0	-
4	1035	Land & land rights water tr.	0	0	0	-
5	1040	Land & land rights trans.	0	0	0	-
6	1045	Land & land rights gen. pit.	0	0	0	-
7	1050	Struct & improv. src. supply	0	0	0	-
8	1055	Struct & improv. wtr. trt. pit.	0	0	0	-
8	1060	Struct & improv. trans. dist.	0	0	0	-
10	1065	Struct & improv. gen. pit.	0	0	0	-
11	1070	Collecting reservoirs	0	0	0	-
12	1080	Wells & springs	0	0	0	-
13	1085	Infiltration gallery	0	0	0	-
14	1090	Supply mains	0	0	0	-
15	1095	Power generation equip.	0	0	0	-
16	1100	Electric pump equip. src. pit.	0	0	0	-
17	1105	Electric pump equip. wtp.	0	0	0	-
18	1110	Electric pump equip. trans.	0	0	0	-
19	1115	Water treatment equip.	0	0	0	-
20	1120	Dist. resv. & standpipes	0	0	0	-
21	1125	Trans. & distr. mains	0	0	0	-
22	1130	Service lines	0	0	0	-
23	1135	Meters	0	0	0	-
24	1140	Meter installations	0	0	0	-
25	1145	Hydrants	0	0	0	-
26	1150	Backflow prevention devic.	0	0	0	-
27	1160	Other pit. & misc. equip. src. su.	0	0	0	-
28	1165	Other pit. & misc. equip. wtp.	0	0	0	-
29	1175	Office struct & improv.	0	0	0	-
30	1180	Office furn. & equip.	0	0	0	-
31	1185	Stores equipment	0	0	0	-
32	1190	Tool shop & misc. equip.	0	0	0	-
33	1195	Laboratory equipment	0	0	0	-
34	1200	Power operated equip.	0	0	0	-
35	1205	Communication equip.	0	0	0	-
36	1210	Misc. equipment	0	0	0	-
37	1215	Water plant allocated	0	0	0	-
38	1220	Other tangible pit. water	0	0	0	-
39	1555	Transportation equip.	0	0	0	-
40	1580	Mainframe computer - wtr	0	0	0	-
41	1585	Mini computer - wtr	0	0	(4,893)	(4,893)
42	1590	Comp. system cost - wtr	0	0	0	-
43	1595	Micro system cost - wtr	0	0	0	-
44	1805	Pit. held for future use	(95,528)	0	0	(95,528)
45		Pro forma plant additions	0	0	0	-
46		Total plant in service (Sum of L1 thru L45)	<u>(\$95,528)</u>	<u>\$117,618</u>	<u>(\$4,893)</u>	<u>\$17,196</u>

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasest Exhibit 1
Schedule 2-1(b)(2)

CWSNG SEWER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Riverbend unrecovered cost [1] (b)	INTOOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (d)
1	1245	Organization	\$0	\$0	\$0	\$0
2	1250	Franchises intang. pit.	0	0	0	-
3	1270	Land & land rights trmnt pit	0	0	0	-
4	1275	Land & land rights reclaim.	0	0	0	-
5	1285	Land & land rights gen. pit.	0	0	0	-
6	1290	Struct/improv. coli. pit.	0	0	0	-
7	1295	Struct/improv. pump pit. ls.	0	0	0	-
8	1300	Struct/improv. treat. pit.	0	0	0	-
9	1305	Struct/improv. reclaim. wtp.	0	0	0	-
10	1310	Struct/improv. reclaim. wtr.	0	0	0	-
11	1315	Struct/improv. gen. pit.	0	0	0	-
12	1320	Power gen. equip. coli. pit.	0	0	0	-
13	1325	Power gen. equip. pump pit.	0	0	0	-
14	1330	Power gen. equip. treat. pit.	0	0	0	-
15	1345	Sewer force main/serv. lin.	0	0	0	-
16	1350	Sewer gravity main	0	0	0	-
17	1353	Manholes	0	0	0	-
18	1355	Special coll. structures	0	0	0	-
19	1360	Services to customers	0	0	0	-
20	1365	Flow measure devices	0	0	0	-
21	1370	Flow measure install	0	0	0	-
22	1375	Receiving wells	0	0	0	-
23	1380	Pumping equipment pump pit.	0	0	0	-
24	1385	Pumping equipment reclaim.	0	0	0	-
25	1390	Pumping equipment rcl. wtr.	0	0	0	-
26	1395	Treat/disp. equip. lagoon	0	0	0	-
27	1400	Treat/disp. equip. trt. pit.	0	0	0	-
28	1405	Treat/disp. equip. rcl. wtp.	0	0	0	-
29	1410	Plant sewers treat. pit.	0	0	0	-
30	1415	Plant sewers reclaim wtp.	0	0	0	-
31	1420	Outfall lines	0	0	0	-
32	1425	Other pit. tangible	0	0	0	-
33	1430	Other pit. collection	0	0	0	-
34	1435	Other pit. pump	0	0	0	-
35	1440	Other pit. treatment	0	0	0	-
36	1445	Other pit. reclaim wtr. trt.	0	0	0	-
37	1450	Other pit. reclaim wtr. dis.	0	0	0	-
38	1455	Office struct & improv.	0	0	0	-
39	1460	Office furn. & equip.	0	0	0	-
40	1465	Stores equipment	0	0	0	-
41	1470	Tool shop & misc. equip.	0	0	0	-
42	1475	Laboratory equipment	0	0	0	-
43	1480	Power operated equip.	0	0	0	-
44	1485	Communication equip.	0	0	0	-
45	1490	Misc equip. sewer	0	0	0	-
46	1495	Sewer plant allocated	0	0	0	-
47	1500	Other tangible pit. sewer	0	0	0	-
48	1535	Reuse dist. reservoirs	0	0	0	-
49	1540	Reuse transmission & dist.	0	0	0	-
50	1555	Transportation equip.	0	0	0	-
51	1575	Desktop computer - wtr	0	0	0	-
52	1580	Mainframe computer - wtr	0	0	0	-
53	1585	Mini computer - wtr	0	0	(2,957)	(2,957)
54	1590	Comp. system cost - wtr	0	0	0	-
55	1595	Micro system cost - wtr	0	0	0	-
56	1805	Pit. held for future use	(514,808)	0	0	(514,808)
57		Pro forma plant additions	0	0	0	-
58		Total plant in service (Sum of L1 thru L57)	(514,808)	\$0	(2,957)	(517,765)

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feesel Exhibit 1
Schedule 2-1(c)(2)

BF/FH/TC WATER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Pace Utilities unrecovered cost. [1] (b)	INTOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (c)
1	1020	Organization	\$0	\$0	\$0	\$0
2	1025	Franchises	0	21,587	0	21,587
3	1030	Land & land rights pump	0	0	0	-
4	1035	Land & land rights water tr.	0	0	0	-
5	1040	Land & land rights trans.	0	0	0	-
6	1045	Land & land rights gen. pit.	0	0	0	-
7	1050	Struct & improv. src. supply	0	0	0	-
8	1055	Struct & improv. wtr. trt. pit.	0	0	0	-
9	1060	Struct & improv. trans. dist.	0	0	0	-
10	1065	Struct & improv. gen. pit.	0	0	0	-
11	1070	Collecting reservoirs	0	0	0	-
12	1080	Wells & springs	0	0	0	-
13	1085	Infiltration gallery	0	0	0	-
14	1090	Supply mains	0	0	0	-
15	1095	Power generation equip.	0	0	0	-
16	1100	Electric pump equip. src. pit.	0	0	0	-
17	1105	Electric pump equip. wtp.	0	0	0	-
18	1110	Electric pump equip. trans.	0	0	0	-
19	1115	Water treatment equip.	0	0	0	-
20	1120	Dist. resv. & standpipes	0	0	0	-
21	1125	Trans. & distr. mains	0	0	0	-
22	1130	Service lines	0	0	0	-
23	1135	Meters	0	0	0	-
24	1140	Meter installations	0	0	0	-
25	1145	Hydrants	0	0	0	-
26	1150	Backflow prevention devic.	0	0	0	-
27	1160	Other pit. & misc. equip. src. su.	0	0	0	-
28	1165	Other pit. & misc. equip. wtp.	0	0	0	-
29	1175	Office struct & improv.	0	0	0	-
30	1180	Office furn. & equip.	0	0	0	-
31	1185	Stores equipment	0	0	0	-
32	1190	Tool shop & misc. equip.	0	0	0	-
33	1195	Laboratory equipment	0	0	0	-
34	1200	Power operated equip.	0	0	0	-
35	1205	Communication equip.	0	0	0	-
36	1210	Misc. equipment	0	0	0	-
37	1215	Water plant allocated	0	0	0	-
38	1220	Other tangible pit. water	0	0	0	-
39	1555	Transportation equip.	0	0	0	-
40	1580	Mainframe computer - wtr	0	0	0	-
41	1585	Mini computer - wtr	0	0	(584)	(584)
42	1590	Comp. system cost - wtr	0	0	0	-
43	1595	Micro system cost - wtr	0	0	0	-
44	1605	Pit. held for future use	0	0	0	-
45		Pro forma plant additions	0	0	0	-
46		Total plant in service (Sum of L1 thru L45)	\$0	\$21,587	(\$584)	\$21,003

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasal Exhibit I
Schedule 2-1(d)(2)

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Pace Utilities unrecovered cost [1] (b)	INTOOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (d)
1	1245	Organization	\$0	\$0	\$0	\$0
2	1250	Franchises intang. plt.	0	21,587	0	21,587
3	1270	Land & land rights trmnt plt	0	0	0	0
4	1275	Land & land rights reclaim.	0	0	0	0
5	1285	Land & land rights gen. plt.	0	0	0	0
6	1290	Struct/improv. coll. plt.	0	0	0	0
7	1295	Struct/improv. pump plt. ls.	0	0	0	0
8	1300	Struct/improv. treat. plt.	0	0	0	0
9	1305	Struct/improv. reclaim. wtp.	0	0	0	0
10	1310	Struct/improv. reclaim. wtr.	0	0	0	0
11	1315	Struct/improv. gen. plt.	0	0	0	0
12	1320	Power gen. equip. coll. plt.	0	0	0	0
13	1325	Power gen. equip. pump plt.	0	0	0	0
14	1330	Power gen. equip. treat. plt.	0	0	0	0
15	1345	Sewer force main/serv. lin.	0	0	0	0
16	1350	Sewer gravity main	0	0	0	0
17	1353	Manholes	0	0	0	0
18	1355	Special coll. structures	0	0	0	0
19	1360	Services to customers	0	0	0	0
20	1365	Flow measure devices	0	0	0	0
21	1370	Flow measure install	0	0	0	0
22	1375	Receiving wells	0	0	0	0
23	1380	Pumping equipment pump plt.	0	0	0	0
24	1385	Pumping equipment reclaim.	0	0	0	0
25	1390	Pumping equipment rct. wtr.	0	0	0	0
26	1395	Treat/disp. equip. lagoon	0	0	0	0
27	1400	Treat/disp. equip. ltr. plt.	0	0	0	0
28	1405	Treat/disp. equip. rct. wtp.	0	0	0	0
29	1410	Plant sewers treat. plt.	0	0	0	0
30	1415	Plant sewers reclaim wtp.	0	0	0	0
31	1420	Outfall lines	0	0	0	0
32	1425	Other plt. tangible	0	0	0	0
33	1430	Other plt. collection	0	0	0	0
34	1435	Other plt. pump	0	0	0	0
35	1440	Other plt. treatment	0	0	0	0
36	1445	Other plt. reclaim wtr. ltr.	0	0	0	0
37	1450	Other plt. reclaim wtr. dis.	0	0	0	0
38	1455	Office struct & improv.	0	0	0	0
39	1460	Office furn. & equip.	0	0	0	0
40	1465	Stores equipment	0	0	0	0
41	1470	Tool shop & misc. equip.	0	0	0	0
42	1475	Laboratory equipment	0	0	0	0
43	1480	Power operated equip.	0	0	0	0
44	1485	Communication equip.	0	0	0	0
45	1490	Misc equip. sewer	0	0	0	0
46	1495	Sewer plant allocated	0	0	0	0
47	1500	Other tangible plt. sewer	0	0	0	0
48	1535	Reuse dist. reservoirs	0	0	0	0
49	1540	Reuse transmission & dist.	0	0	0	0
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	0	0	(611)	(611)
54	1590	Comp. system cost - wtr	0	0	0	0
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	0	0	0
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	\$0	\$21,587	(\$611)	\$20,976

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT ACCUMULATED DEPRECIATION
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Direct accumulated depreciation per application	(\$23,621,429)	(\$19,700,492)	(\$1,387,939)	(\$2,245,646)
2	Adjustment to include actual general ledger A/D additions through 9/30/2019	(888,243) [1]	(851,400) [1]	(73,085) [1]	239,876 [1]
3	Adjustments to reflect Connetsee and Nags Head WWTP	0	(238,613) [1]	0	0
4	Adjustment to reflect riverbend & pace utilities accumulated reclass	(2,450) [1]	0	(450) [1]	(450) [1]
5	Adjustment to reflect annual level of depreciation	(31,739) [1]	(535,707) [1]	(36,960) [1]	(135,833) [1]
6	Adjustment to accumulated depreciation (Sum of L2 thru L5)	(922,433)	(1,625,720)	(110,494)	103,593
7	Direct accumulated depreciation per Public Staff (L1 + L6)	(\$24,543,882)	(\$21,326,212)	(\$1,498,433)	(\$2,142,053)

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF CASH WORKING CAPITAL
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-3

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Cash Working Capital:					
1	Maintenance expenses, less purchased water and sewer	\$5,749,312 [1]	\$5,280,312 [5]	\$572,978 [9]	\$780,337 [13]
2	General expenses	2,637,275 [2]	1,595,195 [6]	298,734 [10]	317,223 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$ 8,386,587</u>	<u>\$6,875,506</u>	<u>\$871,712</u>	<u>\$1,097,560</u>
4	Cash working capital (L3 x 1/8)	<u>1,048,323</u>	<u>859,438</u>	<u>108,964</u>	<u>137,195</u>
Average Tax Accruals:					
5	Property taxes	154,066 [3]	93,092 [7]	10,553 [11]	11,022 [15]
6	Average accrual (L5 x 1/2)	<u>77,033</u>	<u>45,546</u>	<u>5,276</u>	<u>5,511</u>
7	Regulatory fee	22,810 [4]	16,884 [8]	1,741 [12]	2,724 [16]
8	Average accrual (L7 x 1/5)	<u>4,562</u>	<u>3,377</u>	<u>348</u>	<u>545</u>
9	Total tax accrual (L6 + L8)	<u>81,595</u>	<u>49,923</u>	<u>5,624</u>	<u>6,056</u>
10	Total cash working capital (L4 - L9)	<u>\$966,728</u>	<u>\$809,515</u>	<u>\$103,340</u>	<u>\$131,139</u>

- [1] Feasel Exhibit I, Schedule 3(a), Column (c), Line 15 minus Line 7.
- [2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 24.
- [3] Feasel Exhibit I, Schedule 3(a), Column (c), Line 30.
- [4] Feasel Exhibit I, Schedule 3(a), Column (c), Line 32.
- [5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 15 minus Line 7.
- [6] Feasel Exhibit I, Schedule 3(b), Column (c), Line 24.
- [7] Feasel Exhibit I, Schedule 3(b), Column (c), Line 30.
- [8] Feasel Exhibit I, Schedule 3(b), Column (c), Line 32.
- [9] Feasel Exhibit I, Schedule 3(c), Column (c), Line 15 minus Line 7.

- [10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 24.
- [11] Feasel Exhibit I, Schedule 3(c), Column (c), Line 30.
- [12] Feasel Exhibit I, Schedule 3(c), Column (c), Line 32.
- [13] Feasel Exhibit I, Schedule 3(d), Column (c), Line 15 minus Line 7.
- [14] Feasel Exhibit I, Schedule 3(d), Column (c), Line 24.
- [15] Feasel Exhibit I, Schedule 3(d), Column (c), Line 30.
- [16] Feasel Exhibit I, Schedule 3(d), Column (c), Line 32.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-4

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations		
		CIAC (a)	Accumulated Amortization (b)	CIAC, Net of Amortization (c) [2]	CIAC (d)	Accumulated Amortization (e)	CIAC, Net of Amortization (f) [3]
1	CIAC and accumulated amortization per application	<u>(\$28,608,668)</u>	<u>\$10,665,491</u>	<u>(\$17,943,077)</u>	<u>(\$27,966,359)</u>	<u>\$10,219,763</u>	<u>(\$17,746,596)</u>
2	Adjustment to include actual general ledger additions through 9/30/2019	(61,541) [1]	343,029 [1]	281,488	(23,264) [1]	306,976 [1]	283,712
3	Adjustment to reflect annual level of amortization	0	(1,224) [1]	(1,224)	0	(96,397) [1]	(96,397)
4	Adjustment to CIAC (L2 + L3)	(61,541)	341,805	280,264	(23,264)	210,579	187,315
5	CIAC per Public Staff (L1 + L4)	<u>(\$28,670,109)</u>	<u>\$11,007,296</u>	<u>(\$17,662,813)</u>	<u>(\$27,989,623)</u>	<u>\$10,430,342</u>	<u>(\$17,559,281)</u>

[1] Per examination of Company's financial records.
[2] Column (a) plus Column (b).
[3] Column (d) plus Column (e).
[4] Column (g) plus Column (h).
[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-4

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		CIAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization (i) [4]	CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization (l) [5]
1	CIAC and accumulated amortization per application	<u>(\$2,249,286)</u>	<u>\$1,141,890</u>	<u>(\$1,107,295)</u>	<u>(\$7,088,979)</u>	<u>\$2,969,842</u>	<u>(\$4,119,137)</u>
2	Adjustment to include actual general ledger additions through 9/30/2019	(4,500) [1]	19,668 [1]	15,168	0	72,324 [1]	72,324
3	Adjustment to reflect annual level of amortization	0	36,990 [1]	36,990	0	53,370 [1]	53,370
4	Adjustment to CIAC (L2 + L3)	<u>(4,500)</u>	<u>56,657</u>	<u>52,157</u>	<u>0</u>	<u>125,694</u>	<u>125,694</u>
5	CIAC per Public Staff (L1 + L4)	<u>(\$2,253,786)</u>	<u>\$1,198,647</u>	<u>(\$1,055,139)</u>	<u>(\$7,088,979)</u>	<u>\$3,095,536</u>	<u>(\$3,993,443)</u>

- [1] Per examination of Company's financial records.
[2] Column (a) plus Column (b).
[3] Column (d) plus Column (e).
[4] Column (g) plus Column (h).
[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 304
**CALCULATION OF ACCUMULATED DEFERRED
INCOME TAXES**
For The Test Year Ended March 31, 2019
CWSNC UNIFORM OPERATIONS

Public Staff
Fees: Exhibit I
Schedule 2-6(a)

Line No.	Item	Total ADIT Per Application [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [5] (c)	CWS Uniform Water [6] (d)	CWS Uniform Sewer [8] (e)
1	ACCUM DEF INCOME TAX-FED	\$411,362	\$0	\$411,362	\$256,402	\$154,960
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	2,199,191	0	2,199,191	1,370,765	828,426
4	DEF FED TAX - RATE CASE	(161,181)	45,269	(115,912) [6]	(72,254) [8]	(43,658) [9]
5	DEF FED TAX - DEF MAINT	(266,587)	28,895	(237,692) [8]	(225,307) [10]	(385) [10]
6	DEF FED TAX - ORGN EXP	(189,947)	0	(189,947)	(124,627)	(75,320)
7	DEF FED TAX - BAD DEBT	152,039	0	152,039	84,766	67,273
8	DEF FED TAX - CAB WOODS GOS	0	0	0	0	0
9	DEF FED TAX - DEPRECIATION	(10,727,135)	0	(10,727,135)	(5,478,348) [11]	(5,248,787) [11]
10	DEF FED TAX - NOL	3,452,426	0	3,452,426	2,151,897	1,300,529
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(5,129,832)</u>	<u>75,164</u>	<u>(5,054,677)</u>	<u>(2,027,716)</u>	<u>(3,026,963)</u>
12	ACCUM DEF INCOME TAX - ST	(337,000)	0	(337,000)	(210,052)	(126,948)
13	DEF ST TAX - CIAC PRE 199	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	702,754	0	702,754	438,026	264,727
15	DEF ST TAX - RATE CASE	(19,680)	5,526	(14,154) [7]	(8,822) [9]	(5,332) [9]
16	DEF ST TAX - DEF MAINT	(31,326)	3,860	(27,466) [7]	(27,632) [10]	(47) [10]
17	DEF ST TAX - ORGN EXP	(110,367)	0	(110,367)	(68,792)	(41,575)
18	DEF ST TAX - BAD DEBT	11,690	0	11,690	7,286	4,404
19	DEF ST TAX - CAB WOODS GOS	0	0	0	0	0
20	DEF ST TAX - DEPRECIATION	(1,137,109)	0	(1,137,109)	(580,722) [11]	(556,388) [11]
21	DEF ST TAX - NOL	238,190	0	238,190	148,484	89,706
22	Total State ADIT (Sum of L12 thru L21)	<u>(682,853)</u>	<u>9,177</u>	<u>(673,676)</u>	<u>(302,244)</u>	<u>(371,433)</u>
23	Total Direct ADIT (L11 + L22)	(5,812,684)	84,331	(5,728,354)	(2,329,960)	(3,398,396)
24	ADIT allocated from WSC	0	(72,915) [3]	(72,915)	(45,448)	(27,467)
25	Total ADIT (L23 + L24)	(5,812,684)	11,416	(5,801,269)	(2,375,408)	(3,425,863)
26	Excess deferred income tax	0	660,710 [4]	660,710	268,766 [12]	391,944 [12]
27	ADIT per Public Staff (L25 + L26)	<u>(\$5,812,684)</u>	<u>\$672,126</u>	<u>(\$6,140,659)</u>	<u>(\$2,106,642)</u>	<u>(\$3,033,919)</u>

- [1] Form W-1, Item 10, Supplemental Schedules.
- [2] Column (c) minus Column (a), unless otherwise footnoted.
- [3] Calculated by Public Staff per examination of the Company's records.
- [4] Provided by Public Staff Accountant Boswell.
- [5] Column (a) plus Column (b), unless otherwise footnoted.
- [6] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.
- [7] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.
- [8] Column (c) allocated based on customers, unless otherwise footnoted.
- [9] Column (c) allocated based on unamortized rate case expense.
- [10] Column (c) allocated based on unamortized deferred maintenance.
- [11] Column (c) allocated based on plant in service.
- [12] Column (c) allocated based on ADIT.

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W354, Sub 354
**CALCULATION OF ACCUMULATED DEFERRED
INCOME TAXES**
For The Test Year Ended March 31, 2019

Public Staff
Fiscal Exhibit I
Schedule 2-6(b)

BF/FH/TC OPERATIONS

Line No.	Item	Total ADIT Per Application (1) (a)	Public Staff Adjustments (2) (b)	Amount To Be Allocated Per Public Staff (5) (c)	BF/FH/TC Water (8) (d)	BF/FH Sewer (9) (e)
1	ACCUM DEF INCOME TAX-FED	\$147,613	\$0	\$147,613	\$72,197	\$75,415
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	259,006	0	259,006	128,680	132,328
4	DEF FED TAX - RATE CASE	(24,751)	7,107	(17,644) [6]	(8,628) [9]	(9,018) [9]
5	DEF FED TAX - DEF MAINT	(18,710)	2,285	(16,414) [6]	(16,378) [10]	(36) [10]
6	DEF FED TAX - ORGN EXP	(20,832)	0	(20,832)	(10,239)	(10,694)
7	DEF FED TAX - BAD DEBT	27,821	0	27,821	13,607	14,214
8	DEF FED TAX - CAB WOODS GOS	0	0	0	0	0
9	DEF FED TAX - DEPRECIATIO	(1,748,738)	0	(1,748,738)	(538,513) [11]	(1,212,225) [11]
10	DEF FED TAX - NOL	515,598	0	515,598	292,373	223,225
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(862,595)</u>	<u>9,403</u>	<u>(853,292)</u>	<u>(105,900)</u>	<u>(746,354)</u>
12	ACCUM DEF INCOME TAX - ST	23,001	0	23,001	11,250	11,751
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	83,313	0	83,313	40,748	42,565
15	DEF ST TAX - RATE CASE	(3,022)	868	(2,154) [7]	(1,053) [9]	(1,101) [9]
16	DEF ST TAX - DEF MAINT	(2,284)	280	(2,004) [7]	(2,000) [10]	(4) [10]
17	DEF ST TAX - ORGN EXP	(8,217)	0	(8,217)	(3,041)	(3,176)
18	DEF ST TAX - BAD DEBT	3,552	0	3,552	1,737	1,815
19	DEF ST TAX - CAB WOODS GOS	0	0	0	0	0
20	DEF ST TAX - DEPRECIATION	(202,634)	0	(202,634)	(62,168) [11]	(140,466) [11]
21	DEF ST TAX - NOL	75,951	0	75,951	37,148	38,803
22	Total State ADIT (Sum of L12 thru L21)	<u>(29,341)</u>	<u>1,149</u>	<u>(27,192)</u>	<u>22,621</u>	<u>(49,813)</u>
23	Total Direct ADIT (L11 + L22)	(891,036)	10,552	(880,484)	(84,279)	(796,207)
24	ADIT allocated from WSC	0	(10,501) [3]	(10,801)	(5,332)	(5,589)
25	Total ADIT (L23 + L24)	(891,036)	(349)	(891,385)	(89,611)	(801,776)
26	Excess deferred income tax	0	101,607 [4]	101,607	8,757 [12]	91,850 [12]
27	ADIT per Public Staff (L25 + L26)	<u>(\$891,036)</u>	<u>\$101,258</u>	<u>(\$789,778)</u>	<u>(\$79,854)</u>	<u>(\$709,928)</u>

- [1] Form W-1, Item 10, Supplemental Schedules.
- [2] Column (c) minus Column (a), unless otherwise footnoted.
- [3] Calculated by Public Staff per examination of the Company's records.
- [4] Provided by Public Staff Accountant Boewell.
- [5] Column (a) plus Column (b), unless otherwise footnoted.
- [6] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.
- [7] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.
- [8] Column (c) allocated based on customers, unless otherwise footnoted.
- [9] Column (c) allocated based on unamortized rate case expense.
- [10] Column (c) allocated based on unamortized deferred maintenance.
- [11] Column (c) allocated based on plant in service.
- [12] Column (c) allocated based on ADIT.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO CUSTOMER DEPOSITS
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 2-6

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Customer deposits per application	(\$169,004)	(\$102,119)	(\$16,137)	(\$16,854)
2	Adjustment to update customer deposits to 9/30/2019	<u>(6,938) [1]</u>	<u>(4,192) [1]</u>	<u>(99) [1]</u>	<u>(104) [1]</u>
3	Customer deposits per Public Staff (L1 + L2)	<u><u>(\$175,942)</u></u>	<u><u>(\$106,311)</u></u>	<u><u>(\$16,236)</u></u>	<u><u>(\$16,958)</u></u>

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO GAIN ON SALE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-7

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>
1	Gain on sale per application	<u>(\$87,248)</u>	<u>(\$44,447)</u>
2	Gain on sale of systems sold to CMUD	(500,264) [1]	(254,849) [1]
3	Less: accumulated amortization	<u>500,264 [2]</u>	<u>254,849 [2]</u>
4	Gain on sale of systems, net of amortization (L2 + L3)	0	0
5	Gain on sale and flow back of taxes	<u>(196,947) [1]</u>	<u>(92,681) [1]</u>
6	Gain on sale per Public Staff (L4 + L5)	<u>(196,947)</u>	<u>(92,681)</u>
7	Adjustment to gain on sale (L6 - L1)	<u>(\$109,699.28)</u>	<u>(\$48,234.08)</u>
8	Gain on sale amortization expense per application	(87,248) [1]	(\$44,447) [1]
9	Gain on sale amortization expense per Public Staff	0 [3]	0 [3]
10	Adjustment to gain on sale amortization expense (L9 - L8)	<u>\$87,248</u>	<u>\$44,447</u>

[1] Per examination of Company's financial records.

[2] Fully amortized gain on sales of systems

[3] Line 4 divided by 3 year reamortization period.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2019

Public Staff
Feasibility Exhibit I
Schedule 2-8

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations		
		PAA (a)	Accumulated Amortization (b)	FAA, Net of Amortization (c) [2]	PAA (d)	Accumulated Amortization (e)	FAA, Net of Amortization (f) [3]
1	PAA and accumulated amortization per application	<u>(\$4,224,513)</u>	<u>\$2,072,277</u>	<u>(\$2,152,236)</u>	<u>(\$627,070)</u>	<u>\$919,880</u>	<u>\$292,810</u>
2	Adjustment to include company updates 10.04.2019	\$3,000 [1]		\$3,000			
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	<u>(\$4,221,513)</u>	<u>\$2,072,277</u>	<u>(\$2,149,236)</u>	<u>(\$627,070)</u>	<u>\$919,880</u>	<u>\$292,810</u>
4	Adjustment to include actual general ledger additions through 9/30/2019	0	51,893 [1]	51,893	0	12,492 [1]	12,492
5	Adjustment to reflect annual level of amortization	0	12,338 [1]	12,338	0	(8,402) [1]	(8,402)
6	Total adjustment to PAA (L2 + L4 + L5)	<u>3,000</u>	<u>64,232</u>	<u>67,232</u>	<u>0</u>	<u>4,090</u>	<u>4,090</u>
7	PAA per Public Staff (L1 + L6)	<u>(\$4,221,513)</u>	<u>\$2,136,509</u>	<u>(\$2,085,004)</u>	<u>(\$627,070)</u>	<u>\$923,970</u>	<u>\$296,900</u>

[1] Per examination of Company's financial records.
[2] Column (a) plus Column (b).
[3] Column (d) plus Column (e).
[4] Column (g) plus Column (h).
[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-8

Line No.	Item	BF/FH/C Water Operations			BF/FH Sewer Operations		
		PAA (g)	Accumulated Amortization (h)	PAA, Net of Amortization (i) [4]	PAA (j)	Accumulated Amortization (k)	PAA, Net of Amortization (l) [5]
1	PAA and accumulated amortization per application	\$607,436	(\$586,178)	\$21,258	\$1,680,077	(\$715,643)	\$964,434
2	Adjustment to include company updates 10.04.2019						
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	\$607,436	(\$586,178)	\$21,258	\$1,680,077	(\$715,643)	\$964,434
4	Adjustment to include actual general ledger additions through 9/30/2019	0	(5,797) [1]	(5,797)	0	(14,853) [1]	(14,853)
5	Adjustment to reflect annual level of amortization	0	(2,265) [1]	(2,265)	0	(12,513) [1]	(12,513)
6	Total adjustment to PAA (L2 + L4 + L5)	0	(8,062)	(8,062)	0	(27,467)	(27,467)
7	PAA per Public Staff (L1 + L6)	\$607,436	(\$594,240)	\$13,196	\$1,680,077	(\$743,110)	\$936,967

- [1] Per examination of Company's financial records.
- [2] Column (a) plus Column (b).
- [3] Column (c) plus Column (e).
- [4] Column (g) plus Column (h).
- [5] Column (i) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF EXCESS BOOK VALUE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-9

<u>Line No.</u>	<u>Item</u>	<u>Unamortized Balance 12/31/18</u> (a)	<u>Annual Amortization</u> (b)	<u>Accumulated Amortization To 12/31/19</u> (c)	<u>Unamortized Balance At 12/31/19</u> (d)
<u>CWSNC Uniform Water:</u>					
1	Sugar Mountain	\$0	\$0	\$0	\$0
2	Carolina Forest, Woodrun	0	0	0	0
3	Brandywine Bay	0	3,139	0	0
4	Queens Harbor	0	2,679	0	0
5	Riverpointe	0	6,052	0	0
6	Watauga Vista	456	100	456	0
7	Total excess book value (Sum of L1 thru L6)	<u>\$456</u>	<u>\$11,970</u>	<u>\$456</u>	<u>\$0</u>
<u>CWSNC Uniform Sewer:</u>					
8	Sugar Mountain	\$0	\$0	\$0	\$0
9	Brandywine Bay	0	4,748	0	0
10	Queens Harbor	0	4,052	0	0
11	Riverpointe	0	9,154	0	0
12	Total excess book value (Sum of L8 thru L11)	<u>\$0</u>	<u>\$17,954</u>	<u>\$0</u>	<u>\$0</u>

[1] Based on prior rate cases, unless otherwise footnoted.

[2] Column (b) multiplied by 12.0 years, unless fully amortized.

[3] Column (a) minus Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF DEFERRED CHARGES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-10

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Unamortized deferred maintenance - water	\$1,105,284 [1]	\$0	\$79,988 [5]	\$0
2	Unamortized deferred maintenance - sewer	0	1,882 [3]	0	176 [7]
3	Unamortized rate case expense per Public Staff	<u>352,915 [2]</u>	<u>213,249 [4]</u>	<u>42,141 [6]</u>	<u>44,033 [8]</u>
4	Unamortized deferred charges per Public Staff (L1 + L2 + L3)	<u>\$1,458,199</u>	<u>\$215,131</u>	<u>\$122,129</u>	<u>\$44,209</u>

- [1] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 4.
- [2] Feasel Exhibit I, Schedule 3-9, Column (d), Line 10.
- [3] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 6.
- [4] Feasel Exhibit I, Schedule 3-9, Column (e), Line 10.
- [5] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 11.
- [6] Feasel Exhibit I, Schedule 3-9, Column (f), Line 10.
- [7] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 13.
- [8] Feasel Exhibit I, Schedule 3-9, Column (g), Line 10.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 354
CALCULATION OF DEFERRED MAINTENANCE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-10(a)

Line No.	Item	Total Cost Per Public Staff [1]	Amortization Period In Years [1]	Date Amortization Began [1]	Annual Amortization [2]	Accumulated Amortization [3]	Unamortized Balance [4]
		(a)	(b)	(c)	(d)	(e)	(f)
Deferred maintenance - CWSNC Uniform Water							
1	Deferred elevated storage tank painting	\$779,037	10	Various	\$77,904	\$338,220	\$440,817
2	Deferred hydro storage tank painting	852,732	5	Various	170,546	478,339	374,393
3	Deferred hydro storage tank inspection	837,563	5	Various	167,513	547,489	290,074
4	Total deferred maintenance - water (Sum of L1 thru L3)	<u>2,469,332</u>			<u>415,963</u>	<u>1,364,048</u>	<u>1,105,284</u>
Deferred maintenance - CWSNC Uniform Sewer							
5	Belvedere pump and haul	3,424,839	10	Various	342,484	2,618,556	806,283
6	WWTP	200,327	5	Various	40,065	198,445	1,882
7	Total deferred maintenance - sewer (L5 + L6)	<u>3,625,166</u>			<u>382,549</u>	<u>2,817,001</u>	<u>808,165</u>
Deferred maintenance - BF/FH/TC Water							
8	Deferred elevated storage tank painting	66,028	10	Various	6,603	17,607	48,420
9	Deferred hydro storage tank painting	35,500	5	Various	7,300	36,500	0
10	Deferred hydro storage tank inspection	60,189	5	Various	12,038	28,622	31,568
11	Total deferred maintenance - water (Sum of L8 thru L10)	<u>162,717</u>			<u>25,941</u>	<u>82,729</u>	<u>79,988</u>
Deferred maintenance - BF/FH Sewer							
12	WWTP	110,492	5	Various	22,098	110,316	176
13	Total deferred maintenance - sewer (L12)	<u>110,492</u>			<u>22,098</u>	<u>110,316</u>	<u>176</u>
14	Total deferred maintenance (L4 + L7 +L11 +L13)	<u>\$6,367,707</u>			<u>\$846,551</u>	<u>\$4,374,094</u>	<u>\$1,993,613</u>

[1] Per examination of Company's financial records.
[2] Column (a) divided by Column (b).
[3] Total monthly amortization through March 31, 2020.
[4] Column (a) minus Column (e).

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
 NET OPERATING INCOME FOR A RETURN
 For The Test Year Ended March 31, 2019

Public Staff
 Feasal Exhibit I
 Schedule 3(e)
 Page 1 of 2

CWSNG WATER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Application (a)	Public Staff Adjustments (1) (b)	Amount Per Public Staff (2) (c)	Net Company Increase (28) (d)	Operations After Rate Increase (30) (e)	Net Public Staff Increase (36) (f)	Operations After Rate Increase (37) (g)
Operating Revenues:								
1	Service revenues	\$17,373,667	\$112,245	\$17,485,912 (3)	\$2,700,751	\$20,186,663 (3)	\$524,233	\$18,010,145 (38)
2	Miscellaneous revenues	172,036	17,782	189,818 (4)	6,102	197,920 (31)	1,572	191,390 (39)
3	Uncollectible accounts	(120,323)	(9,073)	(129,396) (5)	(10,065)	(149,361) (32)	(3,879)	(133,275) (40)
4	Total operating revenues (Sum of L1 thru L3)	17,425,380	120,953	17,546,334	2,688,688	20,235,202	521,926	18,068,260
Maintenance Expenses:								
5	Salaries and wages	2,804,385	(120,158)	2,684,228 (6)	0	2,684,228	0	2,684,228
6	Purchased power	1,048,858	0	1,048,858	0	1,048,858	0	1,048,858
7	Purchased water	1,445,801	(20,299)	1,445,302 (7)	0	1,445,302	0	1,445,302
8	Maintenance and repair	905,129	(58,331)	808,798 (8)	0	808,798	0	808,798
9	Maintenance testing	203,811	(1,583)	202,228 (7)	0	202,228	0	202,228
10	Meter reading	175,422	0	175,422	0	175,422	0	175,422
11	Chemicals	311,560	(0)	311,560	0	311,560	0	311,560
12	Transportation	283,815	(2,560)	283,815 (9)	0	283,815	0	283,815
13	Operating expenses charged to plant	(358,604)	(2,059)	(360,703) (10)	0	(360,703)	0	(360,703)
14	Outside services - other	495,286	(178,664)	316,622 (11)	0	316,622	0	316,622
15	Total maintenance expenses (Sum of L6 thru L14)	7,574,408	(379,784)	7,194,624	0	7,194,624	0	7,194,624
General Expenses:								
16	Salaries and wages	1,310,325	(235,808)	1,074,517 (12)	0	1,074,517	0	1,074,517
17	Office supplies and other office expense	309,101	(508,654)	(199,554) (13)	0	(199,554)	0	(199,554)
18	Regulatory commission expense	168,502	(80,273)	88,229 (14)	0	88,229	0	88,229
19	Pension and other benefits	811,750	(59,389)	752,361 (15)	0	752,361	0	752,361
20	Rent	212,360	(35,921)	176,439 (16)	0	176,439	0	176,439
21	Insurance	359,263	(88,158)	261,095 (17)	0	261,095	0	261,095
22	Office utilities	411,091	(1,745)	411,348 (18)	0	411,348	0	411,348
23	Miscellaneous	188,998	(96,193)	92,797 (19)	0	92,797	0	92,797
24	Total general expenses (Sum of L16 thru L23)	3,753,408	(1,118,133)	2,635,275	0	2,635,275	0	2,635,275
Depreciation and Taxes:								
25	Depreciation expense	3,071,186	212,448	3,283,634 (20)	0	3,283,634	0	3,283,634
26	Amortization of CIAC	(684,695)	(19,606)	(704,302) (21)	0	(704,302)	0	(704,302)
27	Amortization of PAA	(102,638)	(13,031)	(115,669) (22)	0	(115,669)	0	(115,669)
28	Amortization of ITC	(328)	0	(328) (23)	0	(328)	0	(328)
29	Franchise and other taxes	(3,542)	72	(3,470) (23)	0	(3,470)	0	(3,470)
30	Property taxes	154,068	0	154,068	0	154,068	0	154,068
31	Payroll taxes	322,504	(37,053)	285,451 (24)	0	285,451	0	285,451
32	Regulatory fee	28,140	(5,330)	22,810 (25)	3,496	26,306 (33)	679	23,485 (41)
33	Deferred Income Tax	0	(24,374)	(24,374) (26)	0	(24,374)	0	(24,374)
34	State income tax	104,355	(27,615)	76,740 (27)	67,134	143,874 (34)	13,031	89,771 (42)
35	Federal income tax	84,671	(225,170)	(140,499) (28)	549,830	1,178,331 (35)	106,728	735,227 (43)
36	Total depreciation and taxes (Sum of L25 thru L35)	3,743,718	(140,869)	3,602,849	620,460	4,223,309	120,435	3,723,493
37	Total operating revenue deductions (L15 + L24 + L36)	15,071,532	(1,538,587)	13,494,945	620,460	14,055,405	120,438	13,555,382
38	Net operating income for a return (L4 - L37)	\$2,353,848	\$1,757,540	\$4,111,388	\$2,068,408	\$8,179,797	\$401,490	\$4,512,678

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(a)

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3(a)
Page 2 of 2

CWSNC WATER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Casselberry
- [4] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 5.
- [5] Feasel Exhibit I, Schedule 3-2, Column (a), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (a), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (a), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (a), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (a), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (a), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (a), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (a), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (d), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (a), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (a), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (a), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (a), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (a), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (a), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (a), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (a), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (a), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (a), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(a), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(a), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 10.
- [32] Feasel Exhibit I, Schedule 3-2, Column (a), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(a), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(a), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 15.
- [40] Feasel Exhibit I, Schedule 3-2, Column (a), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(a), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(a), Column (c), Line 18.

CAROLINA WATER SERVICE, INC. OF NC
 DocId: No. W-334, Sub 364
 NET OPERATING INCOME FOR A RETURN
 For The Test Year Ended March 31, 2019

Public Staff
 Fassel Exhibit I
 Schedule 3(b)
 Page 1 of 2

CWSNC BEWER OPERATIONS

Line No.	Item	Present Rates			Company Proposed Rates		Public Staff Recommended Rates	
		Amount Per Application (a)	Public Staff Adjustments (1) (b)	Amount Per Public Staff (2) (c)	Net Company Increase (2)(9) (d)	Operations After Rate Increase (30) (e)	Net Public Staff Increase (36) (f)	Operations After Rate Increase (37) (g)
Operating Revenues:								
1	Service revenues	\$12,406,671	\$465,258	\$12,961,929 [3]	\$3,982,972	\$16,944,901 [3]	\$2,815,714	\$15,777,643 [38]
2	Miscellaneous revenues	114,164	10,338	124,500 [4]	11,949	136,449 [31]	8,447	132,947 [39]
3	Uncollectible accounts	(91,965)	(6,945)	(98,910) [5]	(39,270)	(129,781) [32]	(21,399)	(119,810) [40]
4	Total operating revenues (Sum of L1 thru L3)	12,518,670	469,048	12,987,618	3,964,651	16,952,859	2,602,762	15,790,850
Maintenance Expenses:								
5	Salaries and wages	1,694,510	(72,490)	1,622,020 [6]	0	1,622,020	0	1,622,020
6	Purchased power	845,907	(7,870)	838,039 [7]	0	838,308	0	838,308
7	Purchased sewer	759,819	2,123	740,741 [7]	0	740,741	0	740,741
8	Maintenance and repair	1,709,807	230,216	1,940,023 [8]	0	1,940,023	0	1,940,023
9	Maintenance testing	308,878	(205)	308,671 [7]	0	308,671	0	308,671
10	Meter reading	0	0	0	0	0	0	0
11	Chemicals	351,137	(32,520)	318,617 [7]	0	318,617	0	318,617
12	Transportation	172,978	(1,807)	171,371 [9]	0	171,371	0	171,371
13	Operating expenses charged to plant	(208,717)	(9,245)	(217,962) [10]	0	(217,962)	0	(217,962)
14	Outside activities - other	408,016	(108,747)	299,269 [11]	0	299,269	0	299,269
15	Total maintenance expenses (Sum of L6 thru L14)	6,019,211	1,842	6,021,053	0	6,021,053	0	6,021,053
General Expenses:								
16	Salaries and wages	791,745	(142,438)	649,307 [12]	0	649,307	0	649,307
17	Office supplies and other office expense	166,770	(37,347)	(120,578) [13]	0	(120,578)	0	(120,578)
18	Regulatory commission expense	99,622	(46,310)	53,312 [14]	0	53,312	0	53,312
19	Pension and other benefits	490,489	(35,839)	454,650 [15]	0	454,650	0	454,650
20	Rent	128,327	(21,706)	106,621 [16]	0	106,621	0	106,621
21	Insurance	217,079	(59,314)	157,765 [17]	0	157,765	0	157,765
22	Office utilities	249,604	(1,065)	248,539 [18]	0	248,539	0	248,539
23	Miscellaneous	116,738	(71,171)	45,567 [18]	0	45,567	0	45,567
24	Total general expenses (Sum of L16 thru L23)	2,280,375	(685,160)	1,595,195	0	1,595,195	0	1,595,195
Depreciation and Taxes:								
25	Depreciation expense	2,787,947	245,819	3,033,767 [20]	0	3,033,767	0	3,033,767
26	Amortization of CIAC	(816,725)	48,672	(768,053) [21]	0	(768,053)	0	(768,053)
27	Amortization of PAA	(24,983)	8,115	(16,868) [22]	0	(16,868)	0	(16,868)
28	Amortization of FTC	0	(251)	(251) [23]	0	(251)	0	(251)
29	Franchise and other taxes	(2,639)	44	(2,595) [23]	0	(2,595)	0	(2,595)
30	Property taxes	93,092	0	93,092 [24]	0	93,092	0	93,092
31	Payroll taxes	194,658	(22,376)	172,492 [24]	0	172,492	0	172,492
32	Regulatory fee	22,859	(5,674)	18,884 [25]	5,154	22,038 [33]	3,644	20,528 [41]
33	Deferred Income Tax	0	(35,546)	(35,546) [26]	0	(35,546)	0	(35,546)
34	State income tax	87,134	(75,241)	11,893 [27]	98,987	120,880 [34]	69,878	91,871 [42]
35	Federal income tax	795,525	(616,222)	179,303 [28]	819,707	950,610 [35]	573,119	752,422 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,346,826	(454,709)	2,892,119	914,648	3,806,857	646,741	3,533,659
37	Total operating revenue deductions (L15 + L24 + L36)	11,648,412	(1,138,049)	10,508,369	914,648	11,423,214	646,741	11,155,107
38	Net operating income for a return (L4 - L37)	\$872,457	\$1,607,058	\$2,479,552	\$3,049,803	\$5,529,355	\$2,156,021	\$4,635,573

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(b)

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3(b)
Page 2 of 2

CWSNC SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 5.
- [5] Feasel Exhibit I, Schedule 3-2, Column (b), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (b), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (b), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (b), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (b), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (b), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (b), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (b), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (e), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (b), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (b), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (b), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (b), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (b), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (b), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (b), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (b), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (b), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (b), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(b), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(b), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 10.
- [32] Feasel Exhibit I, Schedule 3-2, Column (b), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(b), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(b), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 15.
- [40] Feasel Exhibit I, Schedule 3-2, Column (b), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(b), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(b), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-384, Sub 384
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended March 31, 2019

Public Staff
Feesal Exhibit I
Schedule 3(c)
Page 1 of 2

BF/PHWC WATER OPERATIONS

Line No.	Present Rates		Company Proposed Rates			Public Staff Recommended Rates		
	Amount Per Application (a)	Public Staff Adjustments (1) (b)	Amount Per Public Staff (2) (c)	Net Company Increase (2a) (d)	Operations After Rate Increase (3) (e)	Public Staff Increase (3b) (f)	Operations After Rate Increase (3c) (g)	
Operating Revenues:								
1	Service revenues	\$1,304,231	\$290	\$1,304,521 (3)	\$169,171	\$1,493,692 (3)	(\$43,223)	\$1,261,298 (3b)
2	Miscellaneous revenues	49,277	2,783	51,060 (4)	608	51,668 (3c)	(138)	50,522 (3b)
3	Uncollectible accounts	(12,774)	(3,793)	(16,567) (5)	(7,433)	(18,973) (3d)	549	(18,012) (3c)
4	Total operating revenues (Sum of L1 thru L3)	1,339,735	(721)	1,339,014	167,374	1,526,368	(42,812)	1,298,202
Maintenance Expenses:								
5	Salaries and wages	334,852	(25,990)	308,862 (6)	0	308,862	0	308,862
6	Purchased power	69,724	0	69,724	0	69,724	0	69,724
7	Purchased water	(32,254)	32,254	0 (7)	0	0	0	0
8	Maintenance and repair	62,438	640	63,078 (8)	0	63,078	0	63,078
9	Maintenance testing	8,357	(43)	8,314 (7)	0	8,314	0	8,314
10	Meter reading	30,753	0	30,753	0	30,753	0	30,753
11	Chemicals	44,189	(0)	44,189	0	44,189	0	44,189
12	Transportation	38,063	(317)	37,746 (9)	0	37,746	0	37,746
13	Operating expenses charged to plant	(35,647)	(5,858)	(41,505) (10)	0	(41,503)	0	(41,503)
14	Outdate services - other	69,333	(19,528)	49,805 (11)	0	49,808	0	49,808
15	Total maintenance expenses (Sum of L8 thru L14)	590,808	(17,830)	572,978	0	572,978	0	572,978
General Expenses:								
16	Salaries and wages	156,457	(32,817)	123,640 (12)	0	123,640	0	123,640
17	Office supplies and other office expense	35,977	(58,512)	(22,535) (13)	0	(22,535)	0	(22,535)
18	Regulatory commission expense	17,289	(6,754)	10,535 (14)	0	10,535	0	10,535
19	Penalty and other benefits	111,840	(25,366)	86,474 (15)	0	86,474	0	86,474
20	Rent	25,359	(4,290)	21,069 (16)	0	21,069	0	21,069
21	Insurance	42,897	(11,723)	31,174 (17)	0	31,174	0	31,174
22	Office utilities	43,855	(603)	43,252 (18)	0	43,252	0	43,252
23	Miscellaneous	27,372	(22,345)	5,027 (19)	0	5,027	0	5,027
24	Total general expenses (Sum of L16 thru L23)	481,145	(162,413)	318,732	0	318,734	0	318,734
Depreciation and Taxes:								
25	Depreciation expense	161,691	7,404	169,095 (20)	0	169,065	0	169,095
26	Amortization of CIAC	(39,600)	(16,817)	(56,417) (21)	0	(56,417)	0	(56,417)
27	Amortization of PAA	11,878	1,624	13,503 (22)	0	13,303	0	13,303
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	2,573	10	2,583 (23)	0	2,583	0	2,583
30	Property taxes	10,563	0	10,563	0	10,553	0	10,553
31	Payroll taxes	46,091	(13,245)	32,846 (24)	0	32,846	0	32,846
32	Regulatory fee	2,138	(397)	1,741 (25)	243	1,984 (33)	(56)	1,885 (41)
33	Deferred Income Tax	0	(885)	(885) (26)	0	(885)	0	(885)
34	State income tax	4,884	426	5,310 (27)	4,678	6,008 (34)	(1,069)	4,241 (42)
35	Federal income tax	33,998	3,468	43,466 (28)	38,315	61,801 (35)	(8,754)	34,732 (43)
36	Total depreciation and taxes (Sum of L25 thru L34)	240,007	(18,392)	221,614	43,236	264,850	(8,979)	211,754
37	Total operating revenue deductions (L15 + L24 + L36)	1,291,969	(189,633)	1,093,377	43,236	1,136,563	(8,979)	1,083,448
38	Net operating income for a return (L4 - L37)	\$47,775	\$187,812	\$245,687	\$144,138	\$389,825	(\$32,933)	\$212,754

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(c)

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3(c)
Page 2 of 2

BF/FH/TC WATER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 6.
- [5] Feasel Exhibit I, Schedule 3-2, Column (c), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (c), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (c), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (c), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (c), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (c), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (c), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (c), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (f), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (c), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (c), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (c), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (c), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (c), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (c), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (c), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (c), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (c), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (c), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(c), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(c), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 12.
- [32] Feasel Exhibit I, Schedule 3-2, Column (c), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(c), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(c), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 18.
- [40] Feasel Exhibit I, Schedule 3-2, Column (c), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(c), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(c), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 354
NET OPERATING INCOME FOR A RETURN
 For The Test Year Ended March 31, 2019

Public Staff
 Feasal Exhibit I
 Schedule 3(d)
 Page 1 of 2

BF/IFH SEWER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates			Public Staff Recommended Rates	
		Amount Per Application (4)	Public Staff Adjustments (1)	Amount Per Public Staff (2)	Net Company Increase (2a)	Net Operations After Rate Increase (3a)	Net Public Staff Increase (3b)	Net Operations After Rate Increase (3c)
Operating Revenues:								
1	Service revenues	\$2,094,948	\$4,622	\$2,099,570 (3)	\$213,448	\$2,313,018 (3)	(\$29,426)	\$2,071,444 (3b)
2	Miscellaneous revenues	19,802	3,312	22,114 (4)	683	22,797 (31)	(91)	22,623 (39)
3	Uncollectible accounts	(21,286)	(5,982)	(27,268) (5)	(2,714)	(29,375) (32)	361	(26,307) (40)
4	Total operating revenues (Sum of L1 thru L3)	2,092,464	2,952	2,095,416	211,422	2,306,795	(28,156)	2,067,160
Maintenance Expenses:								
5	Salaries and wages	309,683	24,918	334,600 (6)	0	334,600	0	334,600
6	Purchased power	146,154	0	146,154	0	146,154	0	146,154
7	Purchased sewer	0	0	0	0	0	0	0
8	Maintenance and repair	217,942	(10,620)	207,322 (8)	0	207,322	0	207,322
9	Maintenance testing	25,219	(0)	25,219	0	25,219	0	25,219
10	Meter reading	0	0	0	0	0	0	0
11	Chemicals	6,545	12,665	19,210 (7)	0	19,210	0	19,210
12	Transportation	40,000	(332)	40,468 (9)	0	40,468	0	40,468
13	Operating expenses charged to plant	(12,695)	(32,265)	(44,961) (10)	0	(44,961)	0	(44,961)
14	Outside services - other	72,416	(20,091)	52,325 (11)	0	52,325	0	52,325
15	Total maintenance expenses (Sum of L6 thru L14)	806,064	(25,727)	780,337	0	780,337	0	780,337
General Expenses:								
16	Salaries and wages	128,373	5,570	133,943 (12)	0	133,943	0	133,943
17	Office supplies and other office expense	37,553	(83,435)	(45,882) (13)	0	(25,862)	0	(25,862)
18	Regulatory commission expense	18,071	(7,063)	11,008 (14)	0	11,008	0	11,008
19	Pension and other benefits	116,817	(23,129)	93,688 (15)	0	93,688	0	93,688
20	Rent	26,466	(4,460)	22,006 (16)	0	22,006	0	22,006
21	Insurance	44,804	(12,747)	32,057 (17)	0	32,057	0	32,057
22	Office utilities	45,178	(655)	44,523 (18)	0	44,523	0	44,523
23	Miscellaneous	42,825	(37,544)	5,280 (19)	0	5,280	0	5,280
24	Total general expenses (Sum of L16 thru L23)	460,209	(142,985)	317,223	0	317,223	0	317,223
Depreciation and Taxes:								
25	Depreciation expense	378,417	11,817	390,234 (20)	0	390,234	0	390,234
26	Amortization of CIAC	(144,644)	(1,539)	(146,182) (21)	0	(146,182)	0	(146,182)
27	Amortization of PAA	30,601	12,073	42,674 (22)	0	42,674	0	42,674
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	2,822	0	2,820 (23)	0	2,820	0	2,820
30	Property taxes	11,022	0	11,022	0	11,022	0	11,022
31	Payroll taxes	32,637	2,946	35,583 (24)	0	35,583	0	35,583
32	Regulatory fee	3,225	(501)	2,724 (25)	275	2,999 (33)	(37)	2,687 (41)
33	Deferred Income Tax	0	(8,330)	(8,330) (26)	0	(8,330)	0	(8,330)
34	State income tax	12,609	(1,306)	11,303 (27)	5,278	16,581 (34)	(703)	10,600 (42)
35	Federal income tax	193,258	(10,700)	182,558 (28)	43,232	225,790 (35)	(5,757)	186,811 (43)
36	Total depreciation and taxes (Sum of L26 thru L35)	429,956	4,471	434,427	48,785	483,212	(6,497)	477,930
37	Total operating revenue deductions (L15 + L24 + L36)	1,698,226	(164,241)	1,531,887	49,785	1,580,772	(6,497)	1,525,490
38	Net operating income for a return (L4 - L37)	\$396,238	\$187,093	\$583,329	\$162,635	\$725,964	(\$21,659)	\$541,670

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(d)

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3(d)
Page 2 of 2

BF/FH SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (d), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (d), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (d), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (d), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (d), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (d), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (d), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (d), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (g), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (d), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (d), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (d), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (d), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (d), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (d), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (d), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (d), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (d), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (d), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(d), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(d), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 8.
- [32] Feasel Exhibit I, Schedule 3-2, Column (d), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(d), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(d), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 12.
- [40] Feasel Exhibit I, Schedule 3-2, Column (d), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(d), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(d), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
Present Rates:				
1	Forfeited discounts	\$47,457 [1]	\$5,001	\$52,458 [5]
2	Other water/sewer revenues	96,140 [1]	0	96,140
3	Reconnection fee	28,440 [1]	0	28,440
4	Sale of utility property	0 [1]	12,780	12,780 [6]
5	Total miscellaneous revenues (Sum of L1 thru L4)	<u>\$172,037</u>	<u>\$17,781</u>	<u>\$189,818</u>
Company Proposed Rates:				
6	Forfeited discounts	\$52,458 [2]	\$8,102	\$60,560 [7]
7	Other water/sewer revenues	96,140 [2]	0	96,140
8	Reconnection fee	28,440 [2]	0	28,440
9	Sale of utility property	12,780 [2]	0	12,780
10	Total miscellaneous revenues (Sum of L6 thru L9)	<u>\$189,818</u>	<u>\$8,102</u>	<u>\$197,920</u>
Public Staff Recommended Rates:				
11	Forfeited discounts	\$52,458 [2]	\$1,572	\$54,030 [8]
12	Other water/sewer revenues	96,140 [2]	0	96,140
13	Reconnection fee	28,440 [2]	0	28,440
14	Sale of utility property	12,780 [2]	0	12,780
15	Total miscellaneous revenues (Sum of L11 thru L14)	<u>\$189,818</u>	<u>\$1,572</u>	<u>\$191,390</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 4.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 6.
- [6] Added missing other revenue per examination of Company's records
- [7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 9.
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
Present Rates:				
1	Forfeited discounts	\$36,272 [1]	\$2,614	\$38,886 [5]
2	Other water/sewer revenues	73,482 [1]	0	73,482
3	Reconnection fee	4,410 [1]	0	4,410
4	Sale of utility property	0 [1]	7,722	7,722 [6]
5	Total miscellaneous revenues (Sum of L1 thru L4)	<u>\$114,164</u>	<u>\$10,336</u>	<u>\$124,500</u>
Company Proposed Rates:				
6	Forfeited discounts	\$38,886 [2]	\$11,949	\$50,835 [7]
7	Other water/sewer revenues	73,482 [2]	0	73,482
8	Reconnection fee	4,410 [2]	0	4,410
9	Sale of utility property	7,722 [2]	0	7,722
10	Total miscellaneous revenues (Sum of L6 thru L9)	<u>\$124,500</u>	<u>\$11,949</u>	<u>\$136,449</u>
Public Staff Recommended Rates:				
11	Forfeited discounts	\$38,886 [2]	\$8,447	\$47,333 [8]
12	Other water/sewer revenues	73,482 [2]	0	73,482
13	Reconnection fee	4,410 [2]	0	4,410
14	Sale of utility property	7,722 [2]	0	7,722
15	Total miscellaneous revenues (Sum of L11 thru L14)	<u>\$124,500</u>	<u>\$8,447</u>	<u>\$132,947</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 4.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 6.
- [6] Added missing other revenue per examination of Company's records
- [7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 9.
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
Present Rates:				
1	Forfeited discounts	\$3,144 [1]	\$1,030	\$4,174 [5]
2	Other water/sewer revenues	8,140 [1]	0	8,140
3	Antenna leases	32,254 [1]	0	32,254
4	Reconnection fee	4,740 [1]	0	4,740
5	Sale of utility property	0 [1]	1,752	1,752 [6]
6	Total miscellaneous revenues (Sum of L1 thru L5)	<u>\$48,278</u>	<u>\$2,782</u>	<u>\$51,060</u>
Company Proposed Rates:				
7	Forfeited discounts	\$4,174 [2]	\$606	\$4,780 [7]
8	Other water/sewer revenues	8,140 [2]	0	8,140
9	Antenna leases	32,254 [2]	0	32,254
10	Reconnection fee	4,740 [2]	0	4,740
11	Sale of utility property	1,752 [2]	0	1,752
12	Total miscellaneous revenues (Sum of L7 thru L11)	<u>\$51,060</u>	<u>\$606</u>	<u>\$51,666</u>
Public Staff Recommended Rates:				
13	Forfeited discounts	\$4,174 [2]	(\$138)	\$4,036 [8]
14	Other water/sewer revenues	8,140 [2]	0	8,140
15	Antenna leases	32,254 [2]	0	32,254
16	Reconnection fee	4,740 [2]	0	4,740
17	Sale of utility property	1,752 [2]	0	1,752
18	Total miscellaneous revenues (Sum of L13 thru L17)	<u>\$51,060</u>	<u>(\$138)</u>	<u>\$50,922</u>

- [1] Per examination of Company's financial records.
[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 5.
[3] Column (c) minus Column (a), unless otherwise footnoted.
[4] Column (a) plus Column (b), unless otherwise footnoted.
[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 6.
[6] Added missing other revenue per examination of Company's records
[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 9.
[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$5,239 [1]	\$1,481	\$6,720 [5]
2	Other water/sewer revenues	13,564 [1]	0	13,564
3	Sale of utility property	0 [1]	1,830	1,830 [6]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$18,803</u>	<u>\$3,311</u>	<u>\$22,114</u>
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$6,720 [2]	\$683	\$7,403 [7]
6	Other water/sewer revenues	13,564 [2]	0	13,564
7	Sale of utility property	1,830 [2]	0	1,830
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$22,114</u>	<u>\$683</u>	<u>\$22,797</u>
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$6,720 [2]	(\$91)	\$6,629 [8]
10	Other water/sewer revenues	13,564 [2]	0	13,564
11	Sale of utility property	1,830 [2]	0	1,830
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$22,114</u>	<u>(\$91)</u>	<u>\$22,023</u>

- [1] Per examination of Company's financial records.
[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.
[3] Column (c) minus Column (a), unless otherwise footnoted.
[4] Column (a) plus Column (b), unless otherwise footnoted.
[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 6.
[6] Added missing other revenue per examination of Company's records
[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 9.
[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 354
CALCULATION OF FORFEITED DISCOUNTS
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-1(a)(1)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$16,048,487 [1]	\$12,025,468 [1]	\$997,201 [1]	\$1,661,694 [1]
2	Forfeited discounts	47,457 [1]	36,272 [1]	3,144 [1]	5,239 [1]
3	Forfeited discounts percentage (L2 / L1)	<u>0.30%</u>	<u>0.30%</u>	<u>0.32%</u>	<u>0.32%</u>
Present Rates:					
4	Service revenues	\$17,485,912 [2]	\$12,961,929 [5]	\$1,304,521 [8]	\$2,099,870 [11]
5	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
6	Forfeited discounts (L4 x L5)	<u>\$52,458</u>	<u>\$38,886</u>	<u>\$4,174</u>	<u>\$6,720</u>
Company Proposed Rates:					
7	Service revenues	\$20,186,663 [3]	\$16,944,901 [6]	\$1,493,692 [9]	\$2,313,318 [12]
8	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
9	Forfeited discounts (L7 x L8)	<u>\$60,560</u>	<u>\$50,835</u>	<u>\$4,780</u>	<u>\$7,403</u>
Public Staff Recommended Rates:					
10	Service revenues	\$18,010,145 [4]	\$15,777,643 [7]	\$1,261,298 [10]	\$2,071,444 [13]
11	Forfeited discounts percentage (L3)	0.30%	0.30%	0.32%	0.32%
12	Forfeited discounts (L10 x L11)	<u>\$54,030</u>	<u>\$47,333</u>	<u>\$4,036</u>	<u>\$6,629</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

[8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF UNCOLLECTIBLE ACCOUNTS
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$16,048,487 [1]	\$12,025,466 [1]	\$997,201 [1]	\$1,661,694 [1]
2	Uncollectible accounts	119,212 [1]	91,117 [1]	12,646 [1]	21,072 [1]
3	Uncollectible accounts percentage (L2 / L1)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
Present Rates:					
4	Service revenues	\$17,486,912 [2]	\$12,961,929 [5]	\$1,304,521 [8]	\$2,099,870 [11]
5	Uncollectible accounts percentage (L3)	0.74%	0.76%	1.27%	1.27%
6	Uncollectible accounts (L4 x L5)	<u>\$129,396</u>	<u>\$98,511</u>	<u>\$16,567</u>	<u>\$26,668</u>
Company Proposed Rates:					
7	Service revenues	\$20,186,663 [3]	\$16,944,901 [6]	\$1,493,692 [9]	\$2,313,318 [12]
8	Uncollectible accounts percentage (L3)	0.74%	0.76%	1.27%	1.27%
9	Uncollectible accounts (L7 x L8)	<u>\$149,381</u>	<u>\$128,781</u>	<u>\$18,970</u>	<u>\$29,379</u>
Public Staff Recommended Rates:					
10	Service revenues	\$18,010,145 [4]	\$15,777,643 [7]	\$1,261,298 [10]	\$2,071,444 [13]
11	Uncollectible accounts percentage (L3)	0.74%	0.76%	1.27%	1.27%
12	Uncollectible accounts (L10 x L11)	<u>\$133,276</u>	<u>\$119,910</u>	<u>\$16,018</u>	<u>\$26,307</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

[8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO SALARY AND WAGES MIANTENANCE
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-3 (a)

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Salaries & Wages maintenance per application	\$ 2,804,385	\$1,694,510	\$334,852	\$309,683
2	Adjustment to include company 10.04.2019 updates	(31,851)	(19,573)	(3,868)	(4,040)
3	Salaries & Wages maintenance adjusted for company updates (L1 + L2)	2,772,534	1,674,937	330,984	305,643
4	Public Staff adjustments	(88,306)	(52,917)	(22,122)	28,957
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(120,158)</u>	<u>(72,490)</u>	<u>(25,990)</u>	<u>24,917</u>
6	Salaries & Wages maintenance per Public Staff (L3 + L4)	<u>\$ 2,684,228</u>	<u>\$ 1,622,020</u>	<u>\$ 308,862</u>	<u>\$ 334,600</u>

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO SALARY AND WAGES GENERAL
 For The Test Year Ended March 31, 2019

Public Staff
 Fee Schedule Exhibit I
 Schedule 3-3 (b)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Salaries & Wages general per application	\$ 1,310,325 [1]	\$791,745 [1]	\$156,457 [1]	\$128,373 [1]
2	Adjustment to include company 10.04.2019 updates	(137,809) [1]	(83,269) [1]	(16,455) [1]	(17,186) [1]
3	Salaries & Wages general adjusted for company updates (L1 + L2)	1,172,516	708,476	140,002	111,187
4	Public Staff adjustments	(97,999) [1]	(59,169) [1]	(16,382) [1]	22,756 [1]
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(235,808)</u>	<u>(142,438)</u>	<u>(32,817)</u>	<u>5,570</u>
6	Salaries & Wages general per Public Staff (L3 + L4)	<u>\$ 1,074,517</u>	<u>\$ 649,307</u>	<u>\$ 123,640</u>	<u>\$ 133,943</u>

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC
Docket No. WV-354, Sub 364
ADJUSTMENT TO MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-4

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Maintenance and repair per application	\$955,129 [1]	\$1,709,807 [1]	\$62,438 [1]	\$217,942 [1]
2	Adjustment to include company 10.04.2019 updates	(\$14,816) [1]	\$0 [1]	\$7,150 [1]	\$0 [1]
3	Maintenance and repair after adjusted for updated (L1 + L2)	\$950,313	\$1,709,807	\$69,588	\$217,942
4	Remove Company adjustment (-L2)	\$14,816	\$0	(\$7,150)	\$0
5	Adjustment to deferred maintenance and repair per update	(35,557) [2]	228,717 [5]	6,549 [6]	(8,616) [7]
6	Adjustments to correct UA adjustments	(7) [3]	(4) [3]	(1) [3]	(1) [3]
7	Adjustment to maintenance and repair expense	(13,719) [4]			
8	Adjustment to sludge hauling		11,758 [4]		(959) [4]
9	Adjustment to remove deferred accounting O&M adjustment		(3,997) [1]		
10	Adjustment to remove Pace Utility maintenance expense			(5,058) [1]	(165) [1]
11	Adjustment to correct years used to calculate average storm cost	(7,048) [1]	(4,258) [1]	(841) [1]	(879) [1]
12	Total adjustment to maintenance and repair (L2 + Sum of L4 thru L11)	<u>(66,331)</u>	<u>230,216</u>	<u>649</u>	<u>(10,620)</u>
13	Maintenance and repair per Public Staff (L1 + L12)	<u>\$908,798</u>	<u>\$1,940,023</u>	<u>\$63,086</u>	<u>\$207,322</u>

- [1] Per examination of Company's financial records.
- [2] Feasel Exhibit I, Schedule 3-4(a), Column (a), Line 3.
- [3] Correct UA adjustments per examination of the Company's financial records
- [4] Provided by Public Staff Engineer Darden.
- [5] Feasel Exhibit I, Schedule 3-4(a), Column (b), Line 3.
- [6] Feasel Exhibit I, Schedule 3-4(a), Column (c), Line 3.
- [7] Feasel Exhibit I, Schedule 3-4(a), Column (d), Line 3.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DEFERRED MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-4(a)

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Annual deferred maintenance and repair per Public Staff	273,156 [1]	504,899 [1]	15,812 [1]	10,792 [1]
2	Deferred maintenance and repair per application	<u>308,713 [2]</u>	<u>278,182 [2]</u>	<u>9,263 [2]</u>	<u>19,408 [2]</u>
3	Adjustment to deferred maintenance and repair (L1 - L2)	<u>(\$35,557)</u>	<u>\$226,717</u>	<u>\$6,549</u>	<u>(\$8,616)</u>

[1] Annual depreciation expense of systems that have not been fully retired per reviewing the Company's records
[2] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO TRANSPORTATION
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-5

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Transportation per application	<u>\$286,275</u>	<u>\$172,978</u>	<u>\$39,063</u>	<u>\$40,800</u>
2	Adjustment to remove out of test period transportation fee	(2,571) [1]	(1,553) [1]	(307) [1]	(321) [1]
3	Adjustments to correct UA adjustments	<u>(89) [1]</u>	<u>(54) [1]</u>	<u>(10) [1]</u>	<u>(11) [1]</u>
4	Total adjustments to transportation (L2+L3)	<u>(2,660)</u>	<u>(1,607)</u>	<u>(317)</u>	<u>(332)</u>
5	Transportation per Public Staff (L1 + L4)	<u>\$283,615</u>	<u>\$171,371</u>	<u>\$38,746</u>	<u>\$40,468</u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO CAPITALIZED TIME ADJUSTMENT
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-6

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Operating expenses charged to plant per application	(\$358,604)	(\$208,717)	(\$35,647)	(\$12,695)
2	Adjustments to include company updates 10.04.2019	(8,682) [1]	(13,210) [1]	0 [1]	(24,537) [1]
3	Operating expenses charged to plant after adjusted per updates (L1 + L2)	(367,286)	(221,927)	(35,647)	(37,232)
4	Adjustment to update salary cap time through 09/30/2019	(29,327) [1]	(17,737) [1]	(9,989) [1]	(12,207) [1]
5	Adjustments to correct UA adjustments	35,910 [1]	21,698 [1]	4,134 [1]	4,478 [1]
6	Total adjustments to capitalized time (L2 + L4 + L5)	(2,099)	(9,249)	(5,856)	(32,266)
7	Operating expenses charged to plant per Public Staff (L3 + L4 + L5)	(\$360,703)	(\$217,966)	(\$41,503)	(\$44,961)

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO OUTSIDE SERVICE OTHER
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-7

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Outside service other per application	\$671,950	\$406,016	\$69,333	\$72,416
2	Adjustment to remove unqualified legal fees	(11,487) [1]	(6,941) [1]	(122) [1]	(132) [1]
3	Adjustments to correct UA adjustments	(158,587) [1]	(95,823) [1]	(18,232) [1]	(19,778) [1]
4	Adjustment to remove out of test period other outside service fee	(6,590) [1]	(3,983) [1]	(174) [1]	(182) [1]
5	Total adjustments to outside service other (Sum of L2 thru L4)	(176,664)	(106,747)	(18,528)	(20,091)
6	Outside service other per Public Staff (L1 + L5)	\$495,286	\$299,269	\$50,806	\$52,325

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO OFFICE SUPPLIES AND OTHER OFFICE EXPENSE
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-8

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Office supplies & other office expense per application	<u>\$309,101</u>	<u>\$186,770</u>	<u>\$35,977</u>	<u>\$37,553</u>
2	Adjustments to correct UA adjustments	<u>(508,654) [1]</u>	<u>(307,347) [1]</u>	<u>(58,512) [1]</u>	<u>(63,435) [1]</u>
3	Total adjustments to office supplies & other (L2)	<u>(508,654)</u>	<u>(307,347)</u>	<u>(58,512)</u>	<u>(63,435)</u>
4	Office supplies & other office expense per Public Staff (L1 + L3)	<u>(\$199,554)</u>	<u>(\$120,578)</u>	<u>(\$22,535)</u>	<u>(\$25,882)</u>

[1] Calculated per the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Test Year Ended March 31, 2019

Public Staff
Feesal Exhibit I
Schedule 3-9

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment (b) [1]	Amount Per Public Staff (c)	CWSNC Water (d)	CWSNC Sewer (e)	BF/FH/C Water (f)	BF/FH Sewer (g)
1	Rate case expenses for current proceeding	<u>\$485,309</u>	<u>(\$319,693)</u>	\$165,617 [2]				
2	Amortization period in years			<u>5</u>				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>33,123</u>	\$17,920 [4]	\$10,828 [5]	\$2,140 [6]	\$2,236 [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>132,493.50</u>	71,679 [4]	43,312 [5]	8,559 [6]	8,943 [7]
5	Sub 360 and prior rate cases unamortized rate case expense	<u>\$649,806</u>	<u>(\$0)</u>	649,806 [3]				
6	Amortization period in years			<u>5</u>				
7	Sub 360 and prior rate cases unamortized annual rate case expense (L5 / L6)			<u>129,961</u>	70,309 [4]	42,484 [5]	8,395 [6]	8,772 [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>519,845</u>	281,236 [4]	169,937 [5]	33,582 [6]	35,090 [7]
9	Total annual rate case expense (L3 + L7)			<u>\$163,084</u>	\$89,229	\$53,312	\$10,535	\$11,008
10	Total unamortized balance of rate case expense (L4 + L8)			<u>\$652,338</u>	\$352,915	\$213,249	\$42,141	\$44,033

[1] Column (c) minus Column (a).

[2] Per examination of the company's response to accounting data requests

[3] Calculated base on amount approved in prior rate cases.

[4] Column (c) multiplied by CWSNC Uniform water allocation factor of 54.10%.

[5] Column (c) multiplied by CWSNC Uniform sewer allocation factor of 32.69%.

[6] Column (c) multiplied by BF/FH water allocation factor of 6.46%.

[7] Column (c) multiplied by BF/FH sewer allocation factor of 6.75%.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO PENSION AND BENEFITS
 For The Test Year Ended March 31, 2019

Feasel Exhibit I
Schedule 3-10

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Pension and benefits per application	\$811,750	\$490,489	\$111,940	\$116,917
2	Adjustments to correct UA adjustments	(59,366) [1]	(35,839) [1]	(25,366) [1]	(23,129) [1]
3	Pension and benefits per Public Staff (L1 + L2)	<u>752,385</u>	<u>454,650</u>	<u>86,574</u>	<u>93,788</u>

[1] Calculated per the company's response for accounting data request

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO RENT

For The Test Year Ended March 31, 2019

Public Staff
Feasal Exhibit I
Schedule 3-11

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Rent per application	\$212,380	\$128,327	\$25,359	\$28,488
2	Adjustment to correct Piedmont Realty Trust WSC Office	(31,406) [1]	(18,977) [1]	(3,750) [1]	(3,916) [1]
3	Adjustment to remove non-regulated rent from NC Owner LLC	(4,274) [1]	(2,583) [1]	(511) [1]	(533) [1]
4	Adjustment to update gamer commercial center association rent—company updates 10.04.2019	162 [1]	98 [1]	19 [1]	20 [1]
5	Adjustment to correct Charlotte Warehouse O&M expense	(403) [1]	(244) [1]	(48) [1]	(51) [1]
6	Total adjustments to rent (Sum of L2 thru L5)	(35,921)	(21,706)	(4,290)	(4,480)
7	Rent per Public Staff (L1 + L6)	\$176,459	\$108,621	\$21,069	\$22,006

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ALLOCATION OF INSURANCE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-12

No.	Item	CWSNC	CWSNC	BF/FH/TC	BF/FH	Total [3]
		Water (a)	Sewer (b)	Water (c)	Sewer (d)	
1	Auto	\$51,541 [1]	\$31,143 [1]	\$6,154 [1]	\$6,427 [1]	\$95,265
2	Workers compensation	73,124 [1]	44,185 [1]	8,731 [1]	9,118 [1]	135,158
3	Property insurance	18,408 [1]	11,123 [1]	2,198 [1]	2,295 [1]	34,025
4	General Liability	43,603 [1]	26,346 [1]	5,206 [1]	5,437 [1]	80,592
5	Excess Liability	43,598 [1]	26,344 [1]	5,205 [1]	5,437 [1]	80,583
6	Umbrella insurance	8,101 [1]	4,895 [1]	967 [1]	1,010 [1]	14,974
7	Employment Practices insurance	0 [1]	0 [1]	0 [1]	0 [1]	0
8	Cyber security insurance	2,646 [1]	1,599 [1]	316 [1]	330 [1]	4,890
9	Pollution liability	20,074 [1]	12,130 [1]	2,397 [1]	2,503 [1]	37,104
10	Tank liability	0 [1]	0 [1]	0 [1]	0 [1]	0
11	Total insurance per Public Staff (Sum of L1 thru L10)	<u>261,095</u>	<u>157,765</u>	<u>31,174</u>	<u>32,557</u>	<u>482,591</u>
12	Less: Company updates on 10.04.2019	<u>99,431 [2]</u>	<u>60,080 [2]</u>	<u>11,872 [2]</u>	<u>12,400 [2]</u>	<u>183,783</u>
13	Less: Amount per Company in original filing	<u>359,263 [2]</u>	<u>217,079 [2]</u>	<u>42,897 [2]</u>	<u>44,804 [2]</u>	<u>664,043</u>
14	Total adjustment to insurance expense (L11 - L12 - L13)	<u>(\$197,599)</u>	<u>(\$119,394)</u>	<u>(\$23,595)</u>	<u>(\$24,647)</u>	<u>(\$365,235)</u>

[1] Column (f) times customer ratios for each rate division.

[2] Based on information provided by the Company.

[3] Feasel Exhibit I, Schedule 3-12(a), Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INSURANCE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-12 (a)

<u>Line No.</u>	<u>Item</u>	<u>Annual Premium</u> (a)	<u>CWSNC Percentage</u> [1] (b)	<u>CWSNC Insurance Expense</u> (c) [6]
1	Auto	\$508,079	18.75% [2]	\$95,265
2	Workers compensation	649,631	20.81% [3]	135,158
3	Property insurance	259,950	13.09% [4]	34,025
4	General Liability	445,588	18.09% [5]	80,592
5	Excess Liability	445,538	18.09% [5]	80,583
6	Umbrella insurance	82,789	18.09% [5]	14,974
7	Employment Practices insurance		18.09% [5]	0
8	Cyber security insurance	27,039	18.09% [5]	4,890
9	Pollution liability	205,148	18.09% [5]	37,104
10	Tank liability		18.09% [5]	0
11	Total insurance per Public Staff (Sum of L1 thru L10)			\$482,591

[1] Based on current insurance policies and information provided by Company.

[2] Percentage of CWSNC automobiles covered under current policy.

[3] Percentage of CWSNC workers compensation insurance based on CSWNC payroll.

[4] Percentage of CWSNC property insurance based on CSWNC value of property covered.

[5] Percentage of CWSNC insurance based on CSWNC customer count.

[6] Column (a) X Column (b).

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO OFFICE UTILITY
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-13

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Office utility per application	<u>\$413,091</u>	<u>\$249,604</u>	<u>\$43,855</u>	<u>\$45,178</u>
2	Adjustment to remove out of test period office utility expense	(2,190) [1]	(1,323) [1]	(680) [1]	(711) [1]
3	Adjustments to correct UA adjustments	<u>445 [1]</u>	<u>269 [1]</u>	<u>78 [1]</u>	<u>55 [1]</u>
4	Total adjustments to office utility (L2 + L3)	<u>(1,745)</u>	<u>(1,055)</u>	<u>(603)</u>	<u>(655)</u>
5	Office utility per Public Staff (L1 + L4)	<u><u>\$411,346</u></u>	<u><u>\$248,550</u></u>	<u><u>\$43,252</u></u>	<u><u>\$44,523</u></u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS EXPENSE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-14

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Miscellaneous expense per application	\$168,996	\$116,738	\$27,372	\$42,825
2	Adjustment to reflect company's updates 10.04.2019	(\$1,234) [1]	(\$3,949) [1]	(\$116) [1]	(\$7,170) [1]
3	Miscellaneous expense after adjusted for company's updates (L1 + L2)	\$167,762	\$112,789	\$27,256	\$35,654
4	Adjustment to remove company's updates 10.04.2019 (-L2)	\$1,234	\$3,949	\$116	\$7,170
5	Adjustments to remove unqualified miscellaneous expense	(17,485) [1]	(9,563) [1]	(1,855) [1]	(1,939) [1]
6	Adjustments to deferred other charges for riverbend and pace utility	(15,994) [1]	0 [1]	(3,586) [1]	(3,586) [1]
7	Adjustments to reclassify hurricane florence expense	(13,051) [1]	(31,597) [1]	(10,015) [1]	(24,807) [1]
8	Adjustments to correct UA adjustments	(2193) [1]	(1325) [1]	(245) [1]	(273) [1]
9	Excess deferred taxes reclassified from depreciation expense	(47,476) [1]	(28,687) [1]	(6,644) [1]	(6,939) [1]
10	Total miscellaneous adjustments (L2 + Sum of L4 thru L9)	(96,199)	(71,171)	(22,345)	(37,544)
11	Miscellaneous expense per Public Staff (L1 + L10)	\$72,797	\$45,567	\$5,027	\$5,280

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**CALCULATION OF DEPRECIATION AND
AMORTIZATION EXPENSE**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15

Line No.		CWSNC	CWSNC	BF/FH/TC	BF/FH
		Water	Sewer	Water	Sewer
		(a)	(b)	(c)	(d)
1	Depreciation on direct plant	\$2,954,261 [1]	\$2,863,276 [8]	\$121,340 [13]	\$344,616 [17]
2	Depreciation on allocated plant	341,343 [2]	188,445 [2]	47,755 [2]	45,618 [2]
3	Gain on sale	0 [2]	0 [2]	0 [4]	0 [4]
4	Excess book value	(11,970) [3]	(17,954) [9]	0 [4]	0 [4]
5	Total depreciation expense (Sum of L1 thru L4)	<u>\$3,283,634</u>	<u>\$3,033,767</u>	<u>\$169,095</u>	<u>\$390,234</u>
6	Depreciable AIA	(23,760) [4]	(9,180) [4]	0 [4]	0 [4]
7	Amortization rate	2.74% [5]	2.69% [10]	2.19% [14]	2.54% [18]
8	AIA amortization expense (L6 x L7)	<u>(\$551)</u>	<u>(\$247)</u>	<u>\$0</u>	<u>\$0</u>
9	CIAC amortization expense	<u>(703,651) [6]</u>	<u>(569,806) [11]</u>	<u>(56,417) [15]</u>	<u>(146,182) [19]</u>
10	CIAC and AIAC amortization expense (L8 + L9)	<u>(704,302)</u>	<u>(570,053)</u>	<u>(56,417)</u>	<u>(146,182)</u>
11	Purchase acquisition adjustment	(\$4,221,513) [7]	(\$627,070) [12]	\$607,436 [16]	\$1,680,077 [20]
12	Amortization rate	2.74% [5]	2.69% [10]	2.19% [14]	2.54% [18]
13	PAA amortization expense (L11 x L12)	<u>(\$115,669)</u>	<u>(\$16,868)</u>	<u>\$13,303</u>	<u>\$42,674</u>

[1] Feasel Exhibit I, Schedule 3-15-1(a), Column (c), Line 46.
[2] Calculated by the Public Staff based on information provided by the Company.
[3] Feasel Exhibit I, Schedule 2-9, Column (b), Line 7.
[4] Per examination of Company's financial records.
[5] Feasel Exhibit I, Schedule 3-15-1(a), Column (d), Line 46.
[6] Feasel Exhibit I, Schedule 3-15-2(a), Column (g), Line 21.
[7] Feasel Exhibit I, Schedule 2-8, Column (a), Line 9.
[8] Feasel Exhibit I, Schedule 3-15-1(b), Column (c), Line 58.
[9] Feasel Exhibit I, Schedule 2-9, Column (b), Line 12.
[10] Feasel Exhibit I, Schedule 3-15-1(b), Column (d), Line 58.

[11] Feasel Exhibit I, Schedule 3-15-2(b), Column (g), Line 15.
[12] Feasel Exhibit I, Schedule 2-8, Column (d), Line 9.
[13] Feasel Exhibit I, Schedule 3-15-1(c), Column (c), Line 46.
[14] Feasel Exhibit I, Schedule 3-15-1(c), Column (d), Line 46.
[15] Feasel Exhibit I, Schedule 3-15-2(c), Column (g), Line 21.
[16] Feasel Exhibit I, Schedule 2-8, Column (g), Line 9.
[17] Feasel Exhibit I, Schedule 3-15-1(d), Column (c), Line 58.
[18] Feasel Exhibit I, Schedule 3-15-1(d), Column (d), Line 58.
[19] Feasel Exhibit I, Schedule 3-15-2(d), Column (g), Line 14.
[20] Feasel Exhibit I, Schedule 2-8, Column (f), Line 9.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

CWSNC WATER OPERATIONS

Public Staff
Feasel Exhibit I
Schedule 3-15-1(a)

Line No.	Account	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	1020	Organization	\$458,804	2.50%	\$11,465	
2	1025	Franchises	229,516	2.50%	5,738	
3	1030	Land & land rights pump	71,437	0.00%	0	
4	1035	Land & land rights water tr.	357,109	0.00%	0	
5	1040	Land & land rights trans.	20,173	0.00%	0	
6	1045	Land & land rights gen. plt.	515,014	0.00%	0	
7	1050	Struct & improv. src. supply	4,324,704	2.00%	86,494	
8	1055	Struct & improv. wtr. trt. plt.	1,393,647	2.00%	27,873	
9	1060	Struct & improv. trans. dist.	266,217	2.00%	5,324	
10	1065	Struct & improv. gen. plt.	335,152	2.00%	6,703	
11	1070	Collecting reservoirs	13,139	2.00%	263	
12	1080	Wells & springs	14,059,822	2.00%	281,196	
13	1085	Infiltration gallery	45,165	2.50%	1,130	
14	1090	Supply mains	481,739	1.00%	4,817	
15	1095	Power generation equip.	158,268	10.00%	15,829	
16	1100	Electric pump equip. src. plt.	2,634,653	14.29%	376,492	
17	1105	Electric pump equip. wtp.	8,387,267	3.33%	279,296	
18	1110	Electric pump equip. trans.	3,355,149	14.29%	479,451	
19	1115	Water treatment equip.	4,600,914	2.50%	115,023	
20	1120	Dist. resv. & standpipes	8,142,035	2.00%	162,841	
21	1125	Trans. & distr. mains	33,534,017	1.00%	335,340	
22	1130	Service lines	12,683,634	2.00%	253,673	
23	1135	Meters	6,285,338	3.33%	209,302	
24	1140	Meter installations	1,228,643	3.33%	40,914	
25	1145	Hydrants	1,225,062	2.50%	30,627	
26	1150	Backflow prevention devic.	28,142	10.00%	2,814	
27	1160	Other plt. & misc. equip. src. su.	260	2.50%	7	
28	1165	Other plt. & misc. equip. wtp.	6,262	2.50%	157	
29	1175	Office struct & improv.	118,562	10.00%	11,856	
30	1180	Office furn. & equip.	376,575	10.00%	37,657	
31	1185	Stores equipment	4,498	3.33%	150	
32	1190	Tool shop & misc. equip.	1,390,499	5.00%	69,525	
33	1195	Laboratory equipment	158,660	10.00%	15,866	
34	1200	Power operated equip.	329,456	10.00%	32,946	
35	1205	Communication equip.	322,016	10.00%	32,202	
36	1210	Misc. equipment	183,572	3.33%	6,113	
37	1215	Water plant allocated	207,809	6.67%	13,861	
38	1220	Other tangible plt. water	36,650	2.50%	918	
39	1555	Transportation equip.	0	0.00%	0	
40	1580	Mainframe computer - wtr	0	2.50%	0	
41	1585	Mini computer - wtr	(11,871)	0.00%	0	
42	1590	Comp. system cost - wtr	59,359	0.00%	0	
43	1595	Micro system cost - wtr	0	0.00%	0	
44	1805	Plt. held for future use	(95,528)	0.00%	0	
45		Pro forma plant additions	0	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	<u>\$107,933,378</u>		<u>\$2,954,261</u>	<u>2.74%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 46.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE
For The Test Year Ended March 31, 2019**

Public Staff
Feasel Exhibit I
Schedule 3-15-1(b)

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b) [1]	Annual Depreciation (c) [2]	Composite Rate (d) [3]
1	1245	Organization	\$907,628	2.50%	\$22,691	
2	1250	Franchises Intang. pit.	127,476	2.50%	3,187	
3	1270	Land & land rights trtmnt pit	39,167	0.00%	0	
4	1275	Land & land rights reclaim.	1,150	0.00%	0	
5	1285	Land & land rights gen. pit.	213,811	0.00%	0	
6	1290	Struct/improv. coll. pit.	87,344	2.00%	1,747	
7	1295	Struct/improv. pump pit. ls.	8,473,972	2.00%	169,479	
8	1300	Struct/improv. treat. pit.	26,693,562	2.50%	667,339	
9	1305	Struct/improv. reclaim. wtr.	3,271	2.50%	82	
10	1310	Struct/improv. reclaim. wtr.	179,922	2.50%	4,498	
11	1315	Struct/improv. gen. pit.	1,678,158	2.00%	33,563	
12	1320	Power gen. equip. coll. pit.	107,623	10.00%	10,762	
13	1325	Power gen. equip. pump pit.	53,009	10.00%	5,301	
14	1330	Power gen. equip. treat. pit.	211,580	10.00%	21,158	
15	1345	Sewer force main/serv. lin.	3,627,036	1.33%	48,240	
16	1350	Sewer gravity main	17,790,880	1.00%	177,909	
17	1353	Manholes	1,030,697	1.00%	10,307	
18	1355	Special coll. structures	6,939	2.00%	139	
19	1360	Services to customers	1,703,167	1.33%	22,652	
20	1365	Flow measure devices	133,268	4.00%	5,331	
21	1370	Flow measure install	1,106	4.00%	44	
22	1375	Receiving wells	89,444	2.00%	1,789	
23	1380	Pumping equipment pump pit.	4,104,454	14.29%	586,527	
24	1385	Pumping equipment reclaim.	29,342	14.29%	4,193	
25	1390	Pumping equipment rcl. wtr.	44,313	14.29%	6,332	
26	1395	Treat./disp. equip. lagoon	580,369	2.50%	14,509	
27	1400	Treat./disp. equip. trt. pit.	18,969,367	2.50%	474,234	
28	1405	Treat./disp. equip. rct. wtr.	13,823	2.50%	346	
29	1410	Plant sewers treat. pit.	17,966,831	2.50%	449,171	
30	1415	Plant sewers reclaim wtr.	5,155	2.50%	129	
31	1420	Outfall lines	507,277	1.00%	5,073	
32	1425	Other pit. tangible	3,676	2.50%	92	
33	1430	Other pit. collection	21,142	2.50%	529	
34	1435	Other pit. pump	48,419	2.50%	1,210	
35	1440	Other pit. treatment	37,177	2.50%	929	
36	1445	Other pit. reclaim wtr. trt.	650	2.50%	16	
37	1450	Other pit. reclaim wtr. dis.	460	2.50%	11	
38	1455	Office struct & improv.	34,218	10.00%	3,422	
39	1460	Office furn. & equip.	33,133	10.00%	3,313	
40	1465	Stores equipment	6,471	3.33%	215	
41	1470	Tool shop & misc. equip.	205,556	5.00%	10,278	
42	1475	Laboratory equipment	144,480	10.00%	14,448	
43	1480	Power operated equip.	376,400	10.00%	37,640	
44	1485	Communication equip.	73,643	10.00%	7,364	
45	1490	Misc equip. sewer	19,105	3.33%	636	
46	1495	Sewer plant allocated	526,952	6.67%	35,148	
47	1500	Other tangible pit. sewer	1,776	2.50%	44	
48	1535	Reuse dist. reservoirs	3,507	2.00%	70	
49	1540	Reuse transmission & dist.	58,971	2.00%	1,179	
50	1555	Transportation equip.	0	0.00%	0	
51	1575	Desktop computer - wtr	0	0.00%	0	
52	1580	Mainframe computer - wtr	0	0.00%	0	
53	1585	Mini computer - wtr	(7,173)	0.00%	0	
54	1590	Comp. system cost - wtr	35,867	0.00%	0	
55	1595	Micro system cost - wtr	0	0.00%	0	
56	1805	Pit. held for future use	(514,608)	0.00%	0	
57		Pro forma plant additions	0	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$106,490,864</u>		<u>\$2,863,276</u>	<u>2.69%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 58.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

BF/FH/TC WATER OPERATIONS

Public Staff
Feasel Exhibit I
Schedule 3-15-1(c)

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1020	Organization	\$99,771	2.50%	\$2,494	
2	1025	Franchises	51,240	2.50%	1,281	
3	1030	Land & land rights pump	0	0.00%	0	
4	1035	Land & land rights water tr.	0	0.00%	0	
5	1040	Land & land rights trans.	0	0.00%	0	
6	1045	Land & land rights gen. pit.	419	0.00%	0	
7	1050	Struct & improv. src. supply	163,136	2.00%	3,263	
8	1055	Struct & improv. wtr. trt. pit.	203,891 [2]	2.00%	4,078	
9	1060	Struct & improv. trans. dist.	461	2.00%	9	
10	1065	Struct & improv. gen. pit.	2,130	2.00%	43	
11	1070	Collecting reservoirs	0	2.00%	0	
12	1080	Wells & springs	511,277	2.00%	10,226	
13	1085	Infiltration gallery	0	2.50%	0	
14	1090	Supply mains	8,953 [3]	1.00%	90	
15	1095	Power generation equip.	0	10.00%	0	
16	1100	Electric pump equip. src. pit.	49,950	14.29%	7,138	
17	1105	Electric pump equip. wtp.	354,689	3.33%	11,811	
18	1110	Electric pump equip. trans.	38,135	14.29%	5,449	
19	1115	Water treatment equip.	135,816	2.50%	3,395	
20	1120	Dist. resv. & standpipes	757,915	2.00%	15,158	
21	1125	Trans. & distr. mains	1,849,939	1.00%	18,499	
22	1130	Service lines	714,768	2.00%	14,295	
23	1135	Meters	128,700	3.33%	4,286	
24	1140	Meter installations	146,776	3.33%	4,886	
25	1145	Hydrants	163,087	2.50%	4,077	
26	1150	Backflow prevention devic.	98	10.00%	10	
27	1160	Other pit. & misc. equip. src. su.	0	2.50%	0	
28	1165	Other pit. & misc. equip. wtp.	0	2.50%	0	
29	1175	Office struct & improv.	7,745	10.00%	775	
30	1180	Office fum. & equip.	4,240	10.00%	424	
31	1185	Stores equipment	349	3.33%	12	
32	1190	Tool shop & misc. equip.	97,131	5.00%	4,857	
33	1195	Laboratory equipment	11,419	10.00%	1,142	
34	1200	Power operated equip.	3,815	10.00%	381	
35	1205	Communication equip.	32,582	10.00%	3,258	
36	1210	Misc. equipment	18	3.33%	1	
37	1215	Water plant allocated	0	6.67%	0	
38	1220	Other tangible pit. water	0	2.50%	0	
39	1555	Transportation equip.	0	0.00%	0	
40	1580	Mainframe computer - wtr	0	2.50%	0	
41	1585	Mini computer - wtr	(584)	0.00%	0	
42	1590	Comp. system cost - wtr	0	0.00%	0	
43	1595	Micro system cost - wtr	0	0.00%	0	
44	1805	Pit. held for future use	0	0.00%	0	
45		Pro forma plant additions	0	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	<u>\$5,537,864</u>		<u>\$121,340</u>	<u>2.19%</u> [6]

[1] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), unless otherwise noted

[4] Depreciation rates approved in Docket No. W-354, Sub 344.

[2] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d) plus \$60,000 Pace Utility water plant

[5] Column (a) multiplied by Column (b).

[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d) plus \$4,057 Pace Utility supply main

[6] Column (c) divided by Column (a), Line 46.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

BF/FH SEWER OPERATIONS

Public Staff
Fease! Exhibit I
Schedule 3-15-1(d)

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b) [1]	Annual Depreciation (c) [3]	Composite Rate (d) [4]
1	1245	Organization	\$16,593	2.50%	\$415	
2	1250	Franchises intang. plt.	41,938	2.50%	1,048	
3	1270	Land & land rights trmnt pit	0	0.00%	0	
4	1275	Land & land rights reclaim.	0	0.00%	0	
5	1285	Land & land rights gen. plt.	0	0.00%	0	
6	1280	Struct/improv. coll. plt.	0	2.00%	0	
7	1295	Struct/improv. pump plt. is.	1,588,090	2.00%	31,762	
8	1300	Struct/improv. treat. plt.	2,013,607	2.50%	50,340	
9	1305	Struct/improv. reclaim. wtr.	0	2.50%	0	
10	1310	Struct/improv. reclaim. wtr.	2,477	2.50%	62	
11	1315	Struct/improv. gen. plt.	261,647	2.00%	5,233	
12	1320	Power gen. equip. coll. plt.	0	10.00%	0	
13	1325	Power gen. equip. pump plt.	41,826	10.00%	4,183	
14	1330	Power gen. equip. treat. plt.	0	10.00%	0	
15	1345	Sewer force main/serv. lin.	196,485	1.33%	2,613	
16	1350	Sewer gravity main	5,220,340	1.00%	52,203	
17	1353	Manholes	44,379	1.00%	444	
18	1355	Special coll. structures	775	2.00%	16	
19	1360	Services to customers	60,239	1.33%	801	
20	1365	Flow measure devices	17,011	4.00%	680	
21	1370	Flow measure install	0	4.00%	0	
22	1375	Receiving wells	0	2.00%	0	
23	1380	Pumping equipment pump plt.	748,053	14.29%	106,897	
24	1385	Pumping equipment reclaim.	234	14.29%	33	
25	1390	Pumping equipment rcl. wtr.	0	14.29%	0	
26	1395	Treat./disp. equip. lagoon	56	2.50%	1	
27	1400	Treat./disp. equip. trt. plt.	2,792,662	2.50%	69,817	
28	1405	Treat./disp. equip. rct. wtr.	0	2.50%	0	
29	1410	Plant sewers treat. plt.	385,677	2.50%	9,642	
30	1415	Plant sewers reclaim wtr.	0	2.50%	0	
31	1420	Outfall lines	16,379	1.00%	154	
32	1425	Other plt. tangible	0	2.50%	0	
33	1430	Other plt. collection	(224)	2.50%	(6)	
34	1435	Other plt. pump	2,873	2.50%	72	
35	1440	Other plt. treatment	0	2.50%	0	
36	1445	Other plt. reclaim wtr. trt.	5,189	2.50%	130	
37	1450	Other plt. reclaim wtr. dis.	0	2.50%	0	
38	1455	Office struct & improv.	12,031	10.00%	1,203	
39	1460	Office furn. & equip.	1,593	10.00%	159	
40	1465	Stores equipment	2,752	3.33%	92	
41	1470	Tool shop & misc. equip.	14,314	5.00%	716	
42	1475	Laboratory equipment	6,227	10.00%	623	
43	1480	Power operated equip.	47,881	10.00%	4,788	
44	1485	Communication equip.	993	10.00%	99	
45	1490	Misc equip. sewer	9,393	3.33%	313	
46	1495	Sewer plant allocated	0	6.67%	0	
47	1500	Other tangible plt. sewer	0	2.50%	0	
48	1535	Reuse dist. reservoirs	2,763	2.00%	55	
49	1540	Reuse transmission & dist.	1,414	2.00%	28	
50	1555	Transportation equip.	0	0.00%	0	
51	1575	Desktop computer - wtr	0	0.00%	0	
52	1580	Mainframe computer - wtr	0	0.00%	0	
53	1585	Mini computer - wtr	(611)	0.00%	0	
54	1590	Comp. system cost - wtr	0	0.00%	0	
55	1595	Micro system cost - wtr	0	0.00%	0	
56	1805	Plt. held for future use	0	0.00%	0	
57		Pro forma plant additions	0	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$13,654,057</u>		<u>\$344,616</u>	<u>2.54%</u> [4]

[1] Fease! Exhibit I, Schedule 2-1(d)(1), Column (c).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 58.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
 CALCULATION OF CIAC AMORTIZATION

Public Staff
 Feeeset Exhibit I
 Schedule 3-15-2(a)

For The Test Year Ended March 31, 2019

CWS - NC Uniform - Water

Line No.	Account	Description	Test Year	April to		August Per		September		Total CIAC	Amortization	CIAC Amortization	
			Per Books	July Per	Books AA	Books AA	Per Books	Per Books	Per Books				Per Books
			AA	(1)	(1)	(1)	(1)	AA	AA	(1)	(2)	(1)	(3)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	3265	Ciac-Struct & Imprv Src S	(51,493)	-	-	-	-	(51,493)	2.00%	(1,030)			
2	3270	Ciac-Struct & Imprv Wtp	(43,000)	-	-	-	-	(43,000)	2.00%	(860)			
3	3295	Ciac-Wells & Springs	(1,013,273)	-	-	-	-	(1,013,273)	2.00%	(20,265)			
4	3315	Ciac-Elec Pump Exp Sre Pu	(27,158)	-	-	-	-	(27,158)	14.29%	(3,880)			
5	3320	Ciac-Elec Pump Exp Wtp	(88,887)	-	-	-	-	(88,887)	3.33%	(2,900)			
6	3325	Ciac-Elec Pump Exp Wtp	(200,932)	-	-	-	-	(200,932)	14.29%	(28,705)			
7	3330	Ciac-Elec Pump Exp Wtp	(47,681)	-	-	-	-	(47,681)	2.50%	(1,192)			
8	3335	Ciac-Dist Resv & Standp	(183,881)	-	-	-	-	(183,881)	2.00%	(3,678)			
9	3340	Ciac-Trans & Distr Mains	(2,785,838)	-	-	-	-	(2,785,838)	1.00%	(27,858)			
10	3345	Ciac-Service Lines	(209,411)	-	-	-	-	(209,411)	2.00%	(4,188)			
11	3350	Ciac-Meters	(25,400)	-	-	-	-	(25,400)	3.33%	(847)			
12	3355	Ciac-Hydrants	(317,426)	-	-	-	-	(317,426)	2.50%	(7,936)			
13	3365	Ciac-Backflow Prevent Dev	(4,000)	-	-	-	-	(4,000)	10.00%	(400)			
14	3425	Ciac-Misc Equipment	(164,750)	-	-	-	-	(164,750)	3.33%	(5,460)			
15	3430	Ciac-Other Tangible Pll W	(18,508,745)	-	-	-	-	(18,508,745)	2.50%	(462,719)			
16	3435	Ciac-Water-Tap	(3,952,082)	(27,670)	(12,150)	-	(4,188)	(3,996,090)	2.64%	(105,391)			
17	3440	Ciac-Wtr Mgmt Fee	(19,350)	(300)	-	-	-	(19,650)	2.64%	(518)			
18	3445	Ciac-Wtr Res Cap Fee	(39,250)	-	-	-	-	(39,250)	2.64%	(1,035)			
19	3450	Ciac-Wtr Pll Mod Fee	(750,750)	(8,250)	(2,000)	-	(800)	(759,000)	2.64%	(20,039)			
20	3455	Ciac-Wtr Pll Mtr Fee	(187,153)	(4,810)	(850)	-	(2,723)	(175,336)	2.64%	(4,624)			
21		Total - Water (Sum of L1 thru L20)	(28,808,568)	(38,830)	(15,000)	-	(7,711)	(28,870,109)		(703,651)			

[1] Per examination of the company's response to accounting data requests
 [2] Sum of Column (a) thru Column (k)
 [3] Column (e) multiplied by Column (i)

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 354
CALCULATION OF CIAC AMORTIZATION

Public Staff
Fesael Exhibit I
Schedule 3-15-2(b)

For The Test Year Ended March 31, 2019

CWS - NC Uniform - Sewer

Line No.	Account	Description	Year Year	April to	August Per	September	Total CIAC	Amortization	CIAC Amortization
			Per Books	July Per	Books AA	Per Books			
			AA [1]	Books AA [1]	Books AA [1]	AA [1]	[2]	[1]	[3]
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	3500	Ciac-Struct/Imprv Pump Pt	(844,958)	-	-	-	(644,068)	2.00%	(12,881)
2	3505	Ciac-Struct/Imprv Treat P	(369,820)	-	-	-	(369,820)	2.50%	(9,248)
3	3520	Ciac-Struct/Imprv Gen Pit	(15,404,488)	-	-	-	(15,404,488)	2.00%	(308,090)
4	3550	Ciac-Sewer Force Main	(167,394)	-	-	-	(167,394)	1.33%	(2,227)
5	3555	Ciac-Sewer Gravity Main	(1,857,909)	-	-	-	(1,857,909)	1.00%	(18,578)
6	3557	Ciac-Manholes	(182,156)	-	-	-	(182,156)	1.00%	(1,822)
7	3565	Ciac-Services To Customer	(198,451)	-	-	-	(198,451)	1.33%	(2,640)
8	3605	Ciac-Treat/Disp Equip Trt	44,800	-	-	-	44,800	2.50%	1,120
9	3700	Ciac-Other Tangible Ptt S	372	-	-	-	372	2.50%	9
10	3705	Ciac-Sewer-Tap	(3,168,466)	(11,763)	(3,600)	(5,900)	(3,189,730)	2.34%	(74,614)
11	3710	Ciac-Swr Mgmt Fee	(10,000)	-	-	-	(10,000)	2.34%	(234)
12	3715	Ciac-Swr Res Cap Fee	-	-	-	-	-	2.34%	-
13	3720	Ciac-Swr Ptt Mod Fee	(6,008,628)	(1,000)	(1,000)	-	(6,010,628)	2.34%	(140,599)
14	3725	Ciac-Swr Ptt Mtr Fee	(50)	-	-	-	(50)	2.34%	(1)
15		Total - Sewer (Sum of L1 thru L14)	<u>(27,966,358)</u>	<u>(12,763)</u>	<u>(4,600)</u>	<u>(5,900)</u>	<u>(27,989,622)</u>		<u>(569,805)</u>

[1] Per examination of the company's response to accounting data requests
[2] Sum of Column (a) thru Column (g)
[3] Column (e) multiplied by Column (f)

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 354
CALCULATION OF CIAC AMORTIZATION
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15-2(c)

Line No.	Account	Description	Year Year	April to	August Per	September	Total CIAC	Amortization	CIAC Amortization							
			Per Books	July Per	Books AA	Per Books				AA						
			[a]	[b]	[c]	[d]	[e]	[f]	[g]							
1	3265	Ciac-Struct & Imprv Sre S	-	-	-	-	-	2.00%	-							
2	3270	Ciac-Struct & Imprv Wtp	-	-	-	-	-	2.00%	-							
3	3295	Ciac-Wellis & Springs	-	-	-	-	-	2.00%	-							
4	3315	Ciac-Elec Pump Eqp Sre Pu	-	-	-	-	-	14.28%	-							
5	3320	Ciac-Elec Pump Eqp Wtp	-	-	-	-	-	3.33%	-							
6	3325	Ciac-Elec Pump Eqp Wtp	-	-	-	-	-	14.28%	-							
7	3330	Ciac-Elec Pump Eqp Wtp	-	-	-	-	-	2.50%	-							
8	3335	Ciac-Dist Resv & Standlp	-	-	-	-	-	2.00%	-							
9	3340	Ciac-Trans & Distr Mains	(25,920)	-	-	-	(25,920)	1.00%	(259)							
10	3345	Ciac-Service Lines	(24,247)	-	-	-	(24,247)	2.00%	(485)							
11	3350	Ciac-Meters	-	-	-	-	(68,143)	3.33%	-							
12	3350	Ciac-Hydrants	(68,143)	-	-	-	-	2.50%	(1,704)							
13	3365	Ciac-Backflow Prevent Dev	-	-	-	-	-	10.00%	-							
14	3425	Ciac-Misc Equipment	-	-	-	-	-	3.33%	-							
15	3430	Ciac-Other Tangible PttW	(1,711,201)	-	-	-	(1,711,201)	2.50%	(42,780)							
16	3435	Ciac-Water-Tap	(304,015)	(1,850)	-	-	(305,865)	2.64%	(8,067)							
17	3440	Acc Amort Sever-Tap	-	-	-	-	-	2.64%	-							
18	3445	Ciac-Wtr Res Cap Fee	-	-	-	-	-	2.64%	-							
19	3450	Ciac-Wtr PR Mod Fee	(110,435)	-	-	-	(110,435)	2.64%	(2,913)							
20	3455	Ciac-Wtr PttMtr Fee	(5,325)	(2,550)	(100)	-	(7,975)	2.64%	(210)							
21		Total - Water (Sum of L1 thru L20)	<u>(2,249,285)</u>	<u>(4,400)</u>	<u>(100)</u>		<u>(2,253,785)</u>		<u>(56,417)</u>							

[1] Per examination of the company's response to accounting data requests
[2] Sum of Column [a] thru Column [d]
[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 304
CALCULATION OF CIAC AMORTIZATION

Public Staff
Feasel Exhibit I
Schedule 3-15-2(d)

For The Test Year Ended March 31, 2019

BF/FH - Sewer

Line No.	Account	Description	Year Year		April to		September		Total CIAC [2]	Amortization Rates [1]	CIAC Amortization [3]
			Per Books AA	[1] Books AA	July Per Books AA	August Per Books AA	Per Books AA	[1] AA			
			[a]	[b]	[c]	[c]	[1]	[e]		[f]	[g]
1	3500	Ciac-Struct/Imprv Pump Pi	-	-	-	-	-	-	2.00%	-	-
2	3505	Ciac-Struct/Imprv Treat P	-	-	-	-	-	-	2.50%	-	-
3	3520	Ciac-Struct/Imprv Gen Pit	(5,554,903)	-	-	-	-	(5,554,903)	2.00%	(111,098)	-
4	3550	Ciac-Sewer Force Main	-	-	-	-	-	-	1.35%	-	-
5	3555	Ciac-Sewer Gravity Main	(59,811)	-	-	-	-	(59,811)	1.00%	(598)	-
6	3557	Ciac-Manholes	-	-	-	-	-	-	1.00%	-	-
7	3565	Ciac-Services To Customer	-	-	-	-	-	-	1.33%	-	-
8	3605	Ciac-Trees/Disp Equip Trt	-	-	-	-	-	-	2.50%	-	-
9	3700	Ciac-Other Tangible Pits	-	-	-	-	-	-	2.50%	-	-
10	3705	Ciac-Sewer-Tap	(475,292)	-	-	-	-	(475,292)	2.34%	(11,118)	-
11	3710	Ciac-Swr Mgmt Fee	-	-	-	-	-	-	2.34%	-	-
12	3715	Ciac-Swr Res Cap Fee	(707,193)	-	-	-	-	(707,193)	2.34%	(16,543)	-
13	3720	Ciac-Swr Pit Mod Fee	(291,780)	-	-	-	-	(291,780)	2.34%	(6,825)	-
14		Total - Sewer (Sum of L1 thru L13)	<u>(7,086,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,086,979)</u>			<u>(146,182)</u>

[1] Per examination of the company's response to accounting data requests
[2] Sum of Column [a] thru Column [d]
[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO FRANCHISE TAX & OTHER TAX
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-16

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Franchise tax & other tax per application	<u>(\$3,545)</u>	<u>(\$2,639)</u>	<u>\$2,573</u>	<u>\$2,822</u>
2	Adjustments to correct UA adjustments	72 [1]	44 [1]	10 [1]	9 [1]
3	Franchise tax & other tax per Public Staff (L1 + L2)	<u>(\$3,473)</u>	<u>(\$2,595)</u>	<u>\$2,583</u>	<u>\$2,830</u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 354
ADJUSTMENT TO PAYROLL TAX
For The Test Year Ended March 31, 2019

Public Staff
Feasol Exhibit 1
Schedule 3-17

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Payroll taxes per application	\$ 322,504	\$194,858	\$48,091	\$32,837
2	Adjustment to include company 10.04.2019 updates	(7,980)	(4,822)	(953)	(995)
3	Payroll taxes adjusted for company updates (L1 + L2)	314,524	190,047	45,139	31,641
4	Public Staff adjustments	(29,073) [1]	(17,555) [1]	(12,293) [1]	3,941 [1]
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(37,053)</u>	<u>(22,376)</u>	<u>(13,246)</u>	<u>2,846</u>
6	Payroll taxes per Public Staff (L1 + L5)	<u>\$ 285,451</u>	<u>\$ 172,492</u>	<u>\$ 32,846</u>	<u>\$ 35,583</u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-18(a)**CWSNC WATER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$17,546,334</u>	<u>\$20,235,202</u>	<u>\$18,068,260</u>
	Operating revenue deductions:			
2	Maintenance expenses	7,194,614	7,194,614	7,194,614
3	General expenses	2,637,275	2,637,275	2,637,275
4	Depreciation expense	3,283,634	3,283,634	3,283,634
5	Amortization of CIAC	(704,302)	(704,302)	(704,302)
6	Amortization of PAA	(115,669)	(115,669)	(115,669)
7	Amortization of ITC	(328)	(328)	(328)
8	Franchise and other taxes	(3,473)	(3,473)	(3,473)
9	Property taxes	154,066	154,066	154,066
10	Payroll taxes	285,451	285,451	285,451
11	Regulatory fee	22,810	26,306	23,489
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,722,652 [2]</u>	<u>1,722,652 [4]</u>	<u>1,722,652 [6]</u>
14	Total deductions (Sum of L2 thru L13)	<u>14,476,731</u>	<u>14,480,227</u>	<u>14,477,410</u>
15	Taxable income (L1 - L14)	<u>3,069,603</u>	<u>5,754,975</u>	<u>3,590,850</u>
16	State income tax (L15 x 2.5%)	<u>76,740</u>	<u>143,874</u>	<u>89,771</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,992,863</u>	<u>5,611,101</u>	<u>3,501,079</u>
18	Federal income tax (L17 x 21%)	<u>628,501</u>	<u>1,178,331</u>	<u>735,227</u>
19	Excess deferred income tax amortization	<u>(24,374)</u>	<u>(24,374)</u>	<u>(24,374)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>2,388,736</u>	<u>4,457,144</u>	<u>2,790,226</u>
21	Add: Interest expense	<u>1,722,652 [2]</u>	<u>1,722,652 [4]</u>	<u>1,722,652 [6]</u>
22	Net income for a return (L20 + L21)	<u>\$4,111,388</u>	<u>\$6,179,796</u>	<u>\$4,512,878</u>

[1] Feasel Exhibit I, Schedule 3(a), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(a), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(a), Column (g).

[6] Feasel Exhibit I, Schedule 1(a), Column (e), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-18(b)**CWSNC SEWER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$12,987,918</u>	<u>\$16,952,569</u>	<u>\$15,790,680</u>
	Operating revenue deductions:			
2	Maintenance expenses	6,021,053	6,021,053	6,021,053
3	General expenses	1,595,195	1,595,195	1,595,195
4	Depreciation expense	3,033,767	3,033,767	3,033,767
5	Amortization of CIAC	(570,053)	(570,053)	(570,053)
6	Amortization of PAA	(16,868)	(16,868)	(16,868)
7	Amortization of ITC	(251)	(251)	(251)
8	Franchise and other taxes	(2,595)	(2,595)	(2,595)
9	Property taxes	93,092	93,092	93,092
10	Payroll taxes	172,492	172,492	172,492
11	Regulatory fee	16,884	22,038	20,528
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,769,487</u> [2]	<u>1,769,487</u> [4]	<u>1,769,487</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>12,112,203</u>	<u>12,117,357</u>	<u>12,115,847</u>
15	Taxable income (L1 - L14)	<u>875,715</u>	<u>4,835,212</u>	<u>3,674,833</u>
16	State income tax (L15 x 2.5%)	<u>21,893</u>	<u>120,880</u>	<u>91,871</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>853,822</u>	<u>4,714,332</u>	<u>3,582,962</u>
18	Federal income tax (L17 x 21%)	<u>179,303</u>	<u>990,010</u>	<u>752,422</u>
19	Excess deferred income tax amortization	<u>(35,546)</u>	<u>(35,546)</u>	<u>(35,546)</u>
20	Net amount (L15 - L16 - L18 - L19)	710,065	3,759,868	2,866,086
21	Add: Interest expense	<u>1,769,487</u> [2]	<u>1,769,487</u> [4]	<u>1,769,487</u> [6]
22	Net income for a return (L20 + L21)	<u>\$2,479,552</u>	<u>\$5,529,355</u>	<u>\$4,635,573</u>

[1] Feasel Exhibit I, Schedule 3(b), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(b), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(b), Column (g).

[6] Feasel Exhibit I, Schedule 1(b), Column (e), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-18(c)**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$1,339,014</u>	<u>\$1,526,388</u>	<u>\$1,296,202</u>
	Operating revenue deductions:			
2	Maintenance expenses	572,978	572,978	572,978
3	General expenses	298,734	298,734	298,734
4	Depreciation expense	169,095	169,095	169,095
5	Amortization of CIAC	(56,417)	(56,417)	(56,417)
6	Amortization of PAA	13,303	13,303	13,303
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	2,583	2,583	2,583
9	Property taxes	10,553	10,553	10,553
10	Payroll taxes	32,846	32,846	32,846
11	Regulatory fee	1,741	1,984	1,685
12	Gross receipts tax	0	0	0
13	Interest expense	81,212 [2]	81,212 [4]	81,212 [6]
14	Total deductions (Sum of L2 thru L13)	<u>1,126,628</u>	<u>1,126,871</u>	<u>1,126,572</u>
15	Taxable income (L1 - L14)	<u>212,386</u>	<u>399,517</u>	<u>169,630</u>
16	State income tax (L15 x 2.5%)	<u>5,310</u>	<u>9,988</u>	<u>4,241</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>207,076</u>	<u>389,529</u>	<u>165,389</u>
18	Federal income tax (L17 x 21%)	<u>43,486</u>	<u>81,801</u>	<u>34,732</u>
19	Excess deferred income tax amortization	<u>(885)</u>	<u>(885)</u>	<u>(885)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>164,475</u>	<u>308,613</u>	<u>131,542</u>
21	Add: Interest expense	<u>81,212 [2]</u>	<u>81,212 [4]</u>	<u>81,212 [6]</u>
22	Net income for a return (L20 + L21)	<u>\$245,687</u>	<u>\$389,825</u>	<u>\$212,754</u>

[1] Feasel Exhibit I, Schedule 3(c), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(c), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(c), Column (g).

[6] Feasel Exhibit I, Schedule 1(c), Column (e), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-18(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$2,095,316</u>	<u>\$2,306,736</u>	<u>\$2,067,160</u>
	Operating revenue deductions:			
2	Maintenance expenses	780,337	780,337	780,337
3	General expenses	317,223	317,223	317,223
4	Depreciation expense	390,234	390,234	390,234
5	Amortization of CIAC	(146,182)	(146,182)	(146,182)
6	Amortization of PAA	42,674	42,674	42,674
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	2,830	2,830	2,830
9	Property taxes	11,022	11,022	11,022
10	Payroll taxes	35,583	35,583	35,583
11	Regulatory fee	2,724	2,999	2,687
12	Gross receipts tax	0	0	0
13	Interest expense	206,766 [2]	206,766 [4]	206,766 [6]
14	Total deductions (Sum of L2 thru L13)	<u>1,643,212</u>	<u>1,643,487</u>	<u>1,643,175</u>
15	Taxable income (L1 - L14)	<u>452,104</u>	<u>663,249</u>	<u>423,985</u>
16	State income tax (L15 x 2.5%)	<u>11,303</u>	<u>16,581</u>	<u>10,600</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>440,801</u>	<u>646,668</u>	<u>413,385</u>
18	Federal income tax (L17 x 21%)	<u>92,568</u>	<u>135,800</u>	<u>86,811</u>
19	Excess deferred income tax amortization	<u>(8,330)</u>	<u>(8,330)</u>	<u>(8,330)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>356,563</u>	<u>519,198</u>	<u>334,904</u>
21	Add: Interest expense	<u>206,766 [2]</u>	<u>206,766 [4]</u>	<u>206,766 [6]</u>
22	Net income for a return (L20 + L21)	<u>\$563,329</u>	<u>\$725,964</u>	<u>\$541,670</u>

[1] Feasel Exhibit I, Schedule 3(d), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(d), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(d), Column (g).

[6] Feasel Exhibit I, Schedule 1(d), Column (e), Line 7.

I/A

CAROLINA WATER SERVICE, INC. OF NC
 Docket No. W-354, Sub 354
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
 For The Test Year Ended March 31, 2019

Public Staff
 Feasal Exhibit II
 Schedule 1

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Sum
1	Increase/(decrease) in total revenue per Company	\$2,674,305	\$3,808,085	\$187,541	\$211,302	6,881,233
2	Difference in calculation of revenue requirement based on Company amounts	0	0	0	0	0
3	Adjust capital structure to 50.9% debt and 49.1% equity	59,702	55,575	2,794	7,213	125,284
4	Adjust debt cost rate to 5.36%	(71,805)	(66,841)	(3,360)	(8,675)	(150,681)
5	Adjust return on equity to 9.0%	(699,614)	(648,448)	(32,600)	(84,169)	(1,481,831)
6	Adjustment to reflect regulatory rate change impact on operating deduction	(1,412)	(1,070)	(125)	(159)	(2,772)
7	Adjustment to reflect regulatory rate change impact on rate base	(595)	(554)	(29)	(71)	(1,249)
8	Adjustment to uncollectibles	9,073	6,546	3,793	5,382	24,794
9	Adjustment to forfeited discounts	(5,001)	(2,614)	(1,030)	(1,481)	(10,126)
10	Adjustment to miscellaneous revenues	(12,780)	(7,722)	(1,752)	(1,830)	(24,084)
11	Update revenues to 9/30/2019	(112,245)	(465,258)	(290)	(4,822)	(582,715)
12	Adjustment to include plant held for future use	(8,097)	(43,820)	0	0	(51,717)
13	Adjustment to remove pro forma estimates	(140,009)	(1,249,067)	0	(69,461)	(1,457,537)
14	Adjustment to cost center rate base	0	0	0	0	0
15	Adjustment to include cost centers GL additions	(16,598)	(10,029)	(1,835)	(2,070)	(30,532)
16	Adjustment to update rate base	(1,748)	(54,292)	(190)	(8,051)	(64,281)
17	Adjustment to include actual GL additions	201,851	2,008,059	6,410	80,131	2,296,451
18	Adjustments to add in capitalized legal fees	0	(20,226)	0	0	(20,226)
19	Adjustment to reclass Intocollect LLC	(415)	(251)	(50)	(52)	(768)
20	Adjustment to remove AA Pace Utilities	9,762	0	1,792	1,792	13,346
21	Adjustment to cash working capital	(15,635)	(7,263)	(1,910)	(1,788)	(26,596)
22	Adjustment to ADIT	83,757	(27,064)	1,884	6,657	65,234
23	Adjustment to customer deposits	(588)	(355)	(8)	(9)	(960)
24	Adjustment to gain on sale	(9,299)	(4,089)	0	0	(13,388)
25	Adjustment to excess book value	28	0	0	0	28
26	Adjustment to average tax accruals	(13,018)	(7,966)	(840)	(910)	(22,734)
27	Adjustment for excess deferred taxes	(31,685)	(46,209)	(1,150)	(10,829)	(89,873)
28	Adjustment to deferred charges	(24,147)	(6,966)	(329)	(3,563)	(35,005)
29	Adjustment to maintenance salaries	(120,314)	(72,584)	(26,023)	24,950	(193,971)
30	Adjustment to purchased power	0	(7,689)	0	0	(7,689)
31	Adjustment to purchased water/sewer	(20,326)	2,126	32,295	0	14,096
32	Adjustment to maintenance and repair	(56,404)	230,518	650	(10,834)	164,128

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 364
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended March 31, 2019

Public Staff
Feasal Exhibit II
Schedule 1

Line No.	Item	CWSNC	CWSNC	BF/FH/TC	BF/FH/TC	Sum
		Water	Sewer	Water	Sewer	
		(a)	(b)	(c)	(d)	
33	Adjustment to maintenance testing	(1,585)	(206)	(43)	0	(1,834)
34	Adjustment to meter reading	0	0	0	0	0
35	Adjustment to chemicals	0	(32,583)	0	12,881	(19,852)
36	Adjustment to transportation	(2,663)	(1,609)	(317)	(332)	(4,921)
37	Adjustment to capitalized time	(2,102)	(9,281)	(5,883)	(32,308)	(49,534)
38	Adjustment to outside services - other	(178,894)	(106,886)	(18,552)	(20,117)	(322,449)
39	Adjustment to general salaries and wages	(236,115)	(142,623)	(32,859)	5,577	(408,020)
40	Adjustment to office supplies and other office exp.	(509,316)	(307,747)	(58,588)	(63,518)	(939,169)
41	Adjustment to regulatory commission expense	(80,376)	(46,370)	(6,763)	(7,072)	(140,583)
42	Adjustment to pension and benefits	(59,443)	(35,886)	(25,399)	(23,159)	(143,887)
43	Adjustment to rent	(35,868)	(21,734)	(4,298)	(4,488)	(66,484)
44	Adjustment to insurance	(88,285)	(59,391)	(11,738)	(12,263)	(181,887)
45	Adjustment to office utility	(1,747)	(1,056)	(804)	(658)	(4,063)
46	Adjustment to miscellaneous	(98,324)	(71,264)	(22,374)	(37,593)	(227,555)
47	Adjustment to depreciation expense	212,724	248,139	7,414	11,833	478,110
48	Adjustment to amortization expense - CIAC	(19,632)	48,733	(18,839)	(1,540)	8,722
49	Adjustment to amortization expense - PAA	(13,048)	8,126	1,628	12,089	8,793
50	Adjustment to franchise tax	72	44	10	9	135
51	Adjustment to property tax	0	0	0	0	0
52	Adjustment to payroll tax	(37,101)	(22,406)	(13,283)	2,850	(89,820)
53	Rounding	(1)	(1)	(2)	(5)	(9)
54	Revenue impact of Public Staff adjustments (Sum of L2 thru L53)	<u>(2,152,378)</u>	<u>(1,005,322)</u>	<u>(230,352)</u>	<u>(239,459)</u>	<u>(3,627,511)</u>
55	Increase/(decrease) per Public Staff (L1 + L54)	<u>\$521,927</u>	<u>\$2,802,763</u>	<u>(\$42,811)</u>	<u>(\$28,157)</u>	<u>3,253,722</u>
56	Public Staff recommended increase/(decrease) (L55)	521,927	2,802,763	(42,811)	(28,157)	3,253,722
57	Federal Unprotected EDIT Rider	(130,207)	(189,882)	(4,727)	(44,498)	(369,314)
58	Public Staff Recommended change in revenue requirement (L56 + L57)	<u>\$391,720</u>	<u>\$2,612,881</u>	<u>(\$47,538)</u>	<u>(\$72,655)</u>	<u>\$2,884,408</u>

I/A

INDEX TO PUBLIC STAFF FEASEL EXHIBIT I

REVISED

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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 1(a)
Revised

CWSNC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates						
1	Debt	50.90%	\$32,164,296 [2]	5.36% [1]	2.73%	\$1,724,006 [8]
2	Equity	49.10%	31,026,855 [2]	5.58% [6]	2.74%	1,730,670 [9]
3	Total	100.00%	\$63,191,151 [3]		5.47%	\$3,454,676 [10]
Company Proposed Rates						
4	Debt	50.90%	\$32,164,296 [4]	5.36% [1]	2.73%	\$1,724,006 [8]
5	Equity	49.10%	31,026,855 [4]	12.24% [6]	6.01%	3,799,078 [11]
6	Total	100.00%	\$63,191,151 [3]		8.74%	\$5,523,084 [12]
Public Staff Recommended Rates						
7	Debt	50.90%	\$32,164,296 [5]	5.36% [1]	2.73%	\$1,724,006 [8]
8	Equity	49.10%	31,026,855 [5]	9.00% [1]	4.42%	2,792,417 [13]
9	Total	100.00%	\$63,191,151 [3]		7.15%	\$4,516,423 [14]

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(a), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(a), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(a), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(a), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
RETURN ON ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 1(b)
 Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates						
1	Debt	50.90%	\$29,910,281 [2]	5.36% [1]	2.73%	\$1,603,191 [8]
2	Equity	49.10%	28,852,551 [2]	1.95% [6]	0.96%	562,796 [9]
3	Total	100.00%	\$58,762,832 [3]		3.69%	\$2,165,987 [10]
Company Proposed Rates						
4	Debt	50.90%	\$29,910,281 [4]	5.36% [1]	2.73%	\$1,603,191 [8]
5	Equity	49.10%	28,852,551 [4]	12.52% [6]	6.15%	3,612,598 [11]
6	Total	100.00%	\$58,762,832 [3]		8.88%	\$5,215,789 [12]
Public Staff Recommended Rates						
7	Debt	50.90%	\$29,910,281 [5]	5.36% [1]	2.73%	\$1,603,191 [8]
8	Equity	49.10%	28,852,551 [5]	9.00% [1]	4.42%	2,596,730 [13]
9	Total	100.00%	\$58,762,832 [3]		7.15%	\$4,199,921 [14]

- [1] Per Public Staff Financial Analyst Hilton.
- [2] Column (a) multiplied by Line 3, Column (b).
- [3] Feasel Exhibit I, Schedule 2(b), Column (c), Line 18.
- [4] Column (a) multiplied by Line 6, Column (b).
- [5] Column (a) multiplied by Line 9, Column (b).
- [6] Column (e) divided by Column (b).
- [7] Column (a) multiplied by Column (c).

- [8] Column (b) multiplied by Column (c).
- [9] Line 3 minus Line 1, Column (e).
- [10] Feasel Exhibit I, Schedule 3(b), Column (c), Line 38.
- [11] Line 6 minus Line 4, Column (e).
- [12] Feasel Exhibit I, Schedule 3(b), Column (e), Line 38.
- [13] Line 9 minus Line 7, Column (e).
- [14] Feasel Exhibit I, Schedule 3(b), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 1(c)
Revised

BF/FH/TC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates						
1	Debt	50.90%	\$1,531,777 [2]	5.36% [1]	2.73%	\$82,103 [8]
2	Equity	49.10%	1,477,608 [2]	5.50% [6]	2.70%	81,260 [9]
3	Total	100.00%	\$3,009,385 [3]		5.43%	\$163,363 [10]
Company Proposed Rates						
4	Debt	50.90%	\$1,531,777 [4]	5.36% [1]	2.73%	\$82,103 [8]
5	Equity	49.10%	1,477,608 [4]	15.25% [6]	7.49%	225,398 [11]
6	Total	100.00%	\$3,009,385 [3]		10.22%	\$307,501 [12]
Public Staff Recommended Rates						
7	Debt	50.90%	\$1,531,777 [5]	5.36% [1]	2.73%	\$82,103 [8]
8	Equity	49.10%	1,477,608 [5]	9.00% [1]	4.42%	132,985 [13]
9	Total	100.00%	\$3,009,385 [3]		7.15%	\$215,088 [14]

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(c), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(c), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(c), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 1(d)
Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates						
1	Debt	50.90%	\$3,844,993 [2]	5.36% [1]	2.73%	\$206,092 [8]
2	Equity	49.10%	3,709,021 [2]	7.26% [6]	3.56%	269,229 [9]
3	Total	100.00%	\$7,554,014 [3]		6.29%	\$475,321 [10]
Company Proposed Rates						
4	Debt	50.90%	\$3,844,993 [4]	5.36% [1]	2.73%	\$206,092 [8]
5	Equity	49.10%	3,709,021 [4]	11.64% [6]	5.72%	431,864 [11]
6	Total	100.00%	\$7,554,014 [3]		8.45%	\$637,956 [12]
Public Staff Recommended Rates						
7	Debt	50.90%	\$3,844,993 [5]	5.36% [1]	2.73%	\$206,092 [8]
8	Equity	49.10%	3,709,021 [5]	9.00% [1]	4.42%	333,812 [13]
9	Total	100.00%	\$7,554,014 [3]		7.15%	\$539,904 [14]

[1] Per Public Staff Financial Analyst Hilton.

[2] Column (a) multiplied by Line 3, Column (b).

[3] Feasel Exhibit I, Schedule 2(d), Column (c), Line 18.

[4] Column (a) multiplied by Line 6, Column (b).

[5] Column (a) multiplied by Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

[9] Line 3 minus Line 1, Column (e).

[10] Feasel Exhibit I, Schedule 3(d), Column (c), Line 38.

[11] Line 6 minus Line 4, Column (e).

[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(d), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 2(a)
 Revised

CWSNC WATER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> (b)	<u>Amount Per Public Staff</u> (c)
1	Plant in service	\$111,829,743	\$2,888,741	\$ 114,718,484 [3]
2	Accumulated depreciation	(28,655,001)	(898,089)	(29,553,090) [4]
3	Net plant in service (L1 + L2)	83,174,742	1,990,652	85,165,394
4	Cash working capital	1,232,777	(66,911)	1,165,866 [5]
5	Contributions in aid of construction	(17,943,076)	280,263	(17,662,813) [6]
6	Advances in aid of construction	(23,760)	0	(23,760)
7	Accumulated deferred income taxes	(3,094,767)	808,560	(2,286,207) [7]
8	Customer deposits	(169,004)	(6,938)	(175,942) [8]
9	Inventory	167,608	0	167,608
10	Gain on sale and flow back taxes	(87,248)	(194,620)	(281,868) [9]
11	Plant acquisition adjustment	(2,152,235)	67,231	(2,085,004) [10]
12	Excess book value	(331)	331	0 [11]
13	Cost-free capital	(121,791)	0	(121,791)
14	Average tax accruals	71,990	(153,585)	(81,595) [12]
15	Regulatory liability for excess deferred taxes	(2,084,991)	0	(2,084,991)
16	Deferred charges	1,743,073	(246,818)	1,496,255 [13]
17	Pro forma plant	1,651,751	(1,651,751)	0 [14]
18	Original cost rate base (Sum of L3 thru L17)	<u>\$62,364,736</u>	<u>\$826,415</u>	<u>\$63,191,151</u>

- [1] Column (c) minus Column (a).
 [2] Column (a) plus Column (b), unless otherwise footnoted.
 [3] Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 3.
 [4] Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 6.
 [5] Feasel Exhibit I, Schedule 2-3, Column (a), Line 4.
 [6] Feasel Exhibit I, Schedule 2-4, Column (c), Line 5.
 [7] Feasel Exhibit I, Schedule 2-5(a), Column (d), Line 27.
 [8] Feasel Exhibit I, Schedule 2-6, Column (a), Line 3.
 [9] Feasel Exhibit I, Schedule 2-7, Column (a), Line 6.
 [10]
 [11] Feasel Exhibit I, Schedule 2-9, Column (d), Line 7.
 [12]
 [13] Feasel Exhibit I, Schedule 2-10, Column (a), Line 4.
 [14] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2(b)
Revised

CWSNC SEWER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>Amount Per Public Staff</u> [2] (c)
1	Plant in service	\$86,043,725	\$16,926,871	\$ 102,970,595 [3]
2	Accumulated depreciation	<u>(22,391,031)</u>	<u>(1,254,884)</u>	<u>(23,645,915)</u> [4]
3	Net plant in service (L1 + L2)	63,652,694	15,671,987	79,324,681
4	Cash working capital	945,121	(14,764)	930,357 [5]
5	Contributions in aid of construction	(17,746,596)	187,316	(17,559,280) [6]
6	Advances in aid of construction	(9,180)	0	(9,180)
7	Accumulated deferred income taxes	(2,714,636)	(153,763)	(2,868,399) [7]
8	Customer deposits	(102,119)	(4,192)	(106,311) [8]
9	Inventory	101,275	0	101,275
10	Gain on sale and flow back taxes	(44,447)	(91,496)	(135,943) [9]
11	Plant acquisition adjustment	292,810	4,152	296,963 [10]
12	Excess book value	0	0	0
13	Cost-free capital	(139,708)	0	(139,708)
14	Average tax accruals	44,058	(93,981)	(49,923) [11]
15	Regulatory liability for excess deferred taxes	(1,259,826)	0	(1,259,826)
16	Deferred charges	297,309	(59,183)	238,126 [12]
17	Pro forma plant	<u>14,735,814</u>	<u>(14,735,814)</u>	<u>0</u> [13]
18	Original cost rate base (Sum of L3 thru L17)	<u>\$58,052,570</u>	<u>\$710,262</u>	<u>\$58,762,832</u>

- [1] Column (c) minus Column (a).
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 3.
[4] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 6.
[5] Feasel Exhibit I, Schedule 2-3, Column (b), Line 4.
[6] Feasel Exhibit I, Schedule 2-4, Column (f), Line 5.
[7] Feasel Exhibit I, Schedule 2-5(a), Column (e), Line 27.
[8] Feasel Exhibit I, Schedule 2-6, Column (b), Line 3.
[9] Feasel Exhibit I, Schedule 2-7, Column (b), Line 6.
[10] Feasel Exhibit I, Schedule 2-8, Column (f), Line 9.
[11] Feasel Exhibit I, Schedule 2-3, Column (b), Line 9.
[12] Feasel Exhibit I, Schedule 2-10, Column (b), Line 4.
[13] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2(c)
Revised

BF/FH/TC WATER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>Amount Per Public Staff</u> [2] (c)
1	Plant in service	\$6,124,796	\$157,200	\$6,281,996 [3]
2	Accumulated depreciation	(1,973,425)	(109,684)	(2,083,109) [4]
3	Net plant in service (L1 + L2)	4,151,370	47,516	4,198,887
4	Cash working capital	131,494	(9,127)	122,367 [5]
5	Contributions in aid of construction	(1,107,296)	52,158	(1,055,139) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(102,079)	17,614	(84,465) [7]
8	Customer deposits	(16,137)	(99)	(16,236) [8]
9	Inventory	1,503	0	1,503
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	21,257	(8,061)	13,196 [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	4,285	(9,909)	(5,624) [10]
15	Regulatory liability for excess deferred taxes	(291,777)	0	(291,777)
16	Deferred charges	126,015	658	126,673 [11]
17	Pro forma plant	0	0	0
18	Original cost rate base (Sum of L3 thru L17)	<u>\$2,918,635</u>	<u>\$90,750</u>	<u>\$3,009,385</u>

- [1] Column (c) minus Column (a).
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 4.
[4] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 8.
[5] Feasel Exhibit I, Schedule 2-3, Column (c), Line 4.
[6] Feasel Exhibit I, Schedule 2-4, Column (i), Line 5.
[7] Feasel Exhibit I, Schedule 2-5(b), Column (d), Line 27.
[8] Feasel Exhibit I, Schedule 2-6, Column (c), Line 3.
[9] Feasel Exhibit I, Schedule 2-8, Column (i), Line 9.
[10] Feasel Exhibit I, Schedule 2-3, Column (c), Line 9.
[11] Feasel Exhibit I, Schedule 2-10, Column (c), Line 4.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 2(d)
 Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Plant in service	\$13,461,976	\$594,131	\$14,056,107 [3]
2	Accumulated depreciation	(2,720,300)	108,005	(2,612,295) [4]
3	Net plant in service (L1 + L2)	10,741,677	702,136	11,443,812
4	Cash working capital	158,284	(6,693)	151,591 [5]
5	Contributions in aid of construction	(4,119,137)	125,694	(3,993,443) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(788,457)	80,949	(707,508) [7]
8	Customer deposits	(16,854)	(104)	(16,958) [8]
9	Inventory	1,570	0	1,570
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	964,434	(27,634)	936,799 [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	4,681	(10,737)	(6,056) [10]
15	Regulatory liability for excess deferred taxes	(304,750)	0	(304,750)
16	Deferred charges	86,248	(37,291)	48,957 [11]
17	Pro forma plant	807,664	(807,664)	0 [12]
18	Original cost rate base (Sum of L3 thru L17)	\$7,535,358	\$18,656	\$7,554,014

- [1] Column (c) minus Column (a).
 [2] Column (a) plus Column (b), unless otherwise footnoted.
 [3] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 3.
 [4] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 6.
 [5] Feasel Exhibit I, Schedule 2-3, Column (d), Line 4.
 [6] Feasel Exhibit I, Schedule 2-4, Column (l), Line 5.
 [7] Feasel Exhibit I, Schedule 2-5(b), Column (e), Line 27.
 [8] Feasel Exhibit I, Schedule 2-6, Column (d), Line 3.
 [9] Feasel Exhibit I, Schedule 2-8, Column (l), Line 9.
 [10] Feasel Exhibit I, Schedule 2-3, Column (d), Line 9.
 [11] Feasel Exhibit I, Schedule 2-10, Column (d), Line 4.
 [12] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(a)
Revised

CWSNC WATER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application (a)</u>	<u>Public Staff Adjustments [1] (b)</u>	<u>Amount Per Public Staff [2] (c)</u>
1	Direct plant in service	\$104,982,991	\$2,923,933	\$107,906,924 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	6,846,751	(35,191)	6,811,560 [4]
3	Total plant in service (L1 + L2)	<u>\$111,829,742</u>	<u>\$2,888,742</u>	<u>\$114,718,484</u>
	<u>Accumulated Depreciation:</u>			
4	Direct accumulated depreciation	(\$23,621,429)	(\$922,097)	(\$24,543,526) [5]
5	Allocation of common accumulated depreciation: WSC cost center, Regional and NC	(5,033,571)	24,007	(5,009,564) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$28,655,000)</u>	<u>(\$898,090)</u>	<u>(\$29,553,090)</u>

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

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

[3] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d), Line 46.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (a), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(b)
Revised

CWSNC SEWER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application (a)</u>	<u>Public Staff Adjustments (b)</u>	<u>Amount Per Public Staff (c) [1]</u>
	<u>Plant In Service:</u>			
1	Direct plant in service	\$82,763,331	\$16,948,135	\$99,711,466 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	3,280,393	(21,264)	3,259,129 [4]
3	Total plant in service (L1 + L2)	<u>\$86,043,724</u>	<u>\$16,926,871</u>	<u>\$102,970,595</u>
	<u>Accumulated Depreciation:</u>			
4	Direct accumulated depreciation	(\$19,700,492)	(\$1,269,391)	(\$20,969,883) [5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	(2,690,538)	14,506	(2,676,032) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$22,391,030)</u>	<u>(\$1,254,885)</u>	<u>(\$23,645,915)</u>

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

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

[3] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d), Line 58.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (b), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(c)
Revised

BF/FH/TC WATER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> (b)	<u>Amount Per Public Staff</u> (c)
<u>Plant In Service:</u>				
1	Direct plant in service	\$5,313,468	\$158,318	\$5,471,786 [3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	739,857	(1,118)	738,739 [4]
3	Pace Utilities plant in service	71,471	0	71,471
4	Total plant in service (L1+ L2 + L3)	<u>\$6,124,796</u>	<u>\$157,200</u>	<u>\$6,281,996</u>
<u>Accumulated Depreciation:</u>				
5	Direct accumulated depreciation	(\$1,387,939)	(\$110,410)	(\$1,498,349) [5]
6	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	(531,224)	726	(530,498) [4]
7	Pace Utilities accumulated depreciation	(54,262)	0	(54,262)
8	Total accumulated depr. (L5 + L6 + L7)	<u>(\$1,973,425)</u>	<u>(\$109,684)</u>	<u>(\$2,083,109)</u>

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

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

[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), Line 46.

[4] Calculated based on information provided by the Company.

[5] Feasel Exhibit I, Schedule 2-2, Column (c), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(d)
Revised

BF/FH SEWER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> (b)	[1]	<u>Amount Per Public Staff</u> (c)	[2]
<u>Plant In Service:</u>						
1	Direct plant in service	\$12,884,980	\$598,520		\$13,483,500	[3]
2	Allocation of common plant in service: Corix, WSC cost center, Regional and NC	576,996	(4,389)		572,607	[4]
3	Total plant in service (L1+ L2)	<u>\$13,461,976</u>	<u>\$594,131</u>		<u>\$14,056,107</u>	
<u>Accumulated Depreciation:</u>						
4	Direct accumulated depreciation	(\$2,245,646)	\$105,011		(\$2,140,635)	[5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	(474,654)	2,994		(471,660)	[4]
6	Total accumulated depr. (L4 + L5)	<u>(\$2,720,300)</u>	<u>\$108,005</u>		<u>(\$2,612,295)</u>	

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d), Line 58.
- [4] Calculated based on information provided by the Company.
- [5] Feasel Exhibit I, Schedule 2-2, Column (d), Line 7.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(a)(1)
Revised

CWSNC WATER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1020	Organization	\$458,604	\$0	\$0	\$458,604
2	1025	Franchises	111,898	117,618	0	229,516
3	1030	Land & land rights pump	71,437	0	0	71,437
4	1035	Land & land rights water tr.	357,109	0	0	357,109
5	1040	Land & land rights trans.	20,173	0	0	20,173
6	1045	Land & land rights gen. plt.	514,264	0	750	515,014
7	1050	Struct & improv. src. supply	4,307,230	0	17,474	4,324,704
8	1055	Struct & improv. wtr. trt. plt.	1,366,535	0	27,112	1,393,647
9	1060	Struct & improv. trans. dist.	262,847	0	3,370	266,217
10	1065	Struct & improv. gen. plt.	330,888	0	4,264	335,152
11	1070	Collecting reservoirs	13,139	0	0	13,139
12	1080	Wells & springs	13,772,515	0	287,307	14,059,822
13	1085	Infiltration gallery	45,185	0	0	45,185
14	1090	Supply mains	472,166	0	9,573	481,739
15	1095	Power generation equip.	158,288	0	0	158,288
16	1100	Electric pump equip. src. plt.	2,610,038	0	24,590	2,634,628
17	1105	Electric pump equip. wtp.	8,330,630	0	56,637	8,387,267
18	1110	Electric pump equip. trans.	3,224,838	0	129,899	3,354,737
19	1115	Water treatment equip.	4,379,737	0	220,337	4,600,074
20	1120	Dist. resv. & standpipes	7,996,539	0	145,497	8,142,035
21	1125	Trans. & distr. mains	32,853,508	0	655,333	33,508,840
22	1130	Service lines	12,343,931	0	349,703	12,693,634
23	1135	Meters	5,364,271	0	921,067	6,285,338
24	1140	Meter installations	1,210,168	0	18,475	1,228,643
25	1145	Hydrants	1,219,074	0	5,989	1,225,062
26	1150	Backflow prevention devic.	28,266	0	(114)	28,142
27	1160	Other plt. & misc. equip. src. su.	260	0	0	260
28	1165	Other plt. & misc. equip. wtp.	6,262	0	0	6,262
29	1175	Office struct & improv.	110,967	0	7,596	118,562
30	1180	Office furn. & equip.	370,606	0	7,968	378,575
31	1185	Stores equipment	4,224	0	274	4,498
32		Tool shop & misc. equip.	1,381,118	0	9,381	1,390,499
33	1195	Laboratory equipment	157,246	0	1,414	158,660
34		Power operated equip.	326,637	0	2,818	329,455
35	1205	Communication equip.	322,016	0	0	322,016
36	1210	Misc. equipment	183,548	0	24	183,572
37	1215	Water plant allocated	207,809	0	0	207,809
38	1220	Other tangible plt. water	36,650	0	0	36,650
39	1555	Transportation equip.	0	0	0	0
40	1580	Mainframe computer - wtr	0	0	0	0
41	1585	Mini computer - wtr	(6,977)	(4,893)	0	(11,871)
42	1590	Comp. system cost - wtr	59,359	0	0	59,359
43	1595	Micro system cost - wtr	0	0	0	0
44	1805	Plt. held for future use	0	(95,528)	0	(95,528)
45		Pro forma plant additions	0	0	0	0
46		Total plant in service (Sum of L1 thru L45)	<u>\$104,982,991</u>	<u>\$17,198</u>	<u>\$2,906,736</u>	<u>\$107,906,824</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(a)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(b)(1)
Revised

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1245	Organization	\$907,628	\$0	\$0	\$907,628
2	1250	Franchises intang. plt.	127,476	0	0	127,476
3	1270	Land & land rights trmnt plt	39,167	0	0	39,167
4	1275	Land & land rights reclaim.	- 1,150	0	0	1,150
5	1285	Land & land rights gen. plt.	213,811	0	0	213,811
6	1290	Struct/improv. coll. plt.	87,344	0	0	87,344
7	1295	Struct/improv. pump plt. ls.	7,193,839	0	1,280,108	8,473,947
8	1300	Struct/improv. treat. plt.	19,729,926	0	185,659	19,915,584
9	1305	Struct/improv. reclaim. wtp.	3,271	0	0	3,271
10	1310	Struct/improv. reclaim. wtr.	179,730	0	192	179,922
11	1315	Struct/improv. gen. plt.	1,672,150	0	6,008	1,678,158
12	1320	Power gen. equip. coll. plt.	107,623	0	0	107,623
13	1325	Power gen. equip. pump plt.	52,159	0	850	53,009
14	1330	Power gen. equip. treat. plt.	209,729	0	1,851	211,580
15	1345	Sewer force main/serv. lin.	3,695,018	0	31,978	3,626,996
16	1350	Sewer gravity main	16,806,485	0	984,395	17,790,880
17	1353	Manholes	777,668	0	253,029	1,030,697
18	1355	Special coll. structures	6,922	0	17	6,939
19	1360	Services to customers	1,630,854	0	72,312	1,703,167
20	1365	Flow measure devices	130,945	0	1,909	132,854
21	1370	Flow measure install	1,010	0	96	1,106
22	1375	Receiving wells	89,444	0	0	89,444
23	1380	Pumping equipment pump plt.	3,941,182	0	162,944	4,104,126
24	1385	Pumping equipment reclaim.	29,342	0	0	29,342
25	1390	Pumping equipment rcl. wtr.	44,313	0	0	44,313
26	1395	Treat/disp. equip. lagoon	580,369	0	0	580,369
27	1400	Treat/disp. equip. trt. plt.	18,942,144	0	27,016	18,969,160
28	1405	Treat/disp. equip. rcl. wtp.	13,459	0	364	13,823
29	1410	Plant sewers treat. plt.	3,944,724	0	14,021,602	17,966,326
30	1415	Plant sewers reclaim wtp.	5,155	0	0	5,155
31	1420	Outfall lines	98,839	0	408,438	507,277
32	1425	Other plt. tangible	3,676	0	0	3,676
33	1430	Other plt. collection	21,142	0	0	21,142
34	1435	Other plt. pump	48,131	0	288	48,419
35	1440	Other plt. treatment	37,177	0	0	37,177
36	1445	Other plt. reclaim wtr. trt.	650	0	0	650
37	1450	Other plt. reclaim wtr. dis.	460	0	0	460
38	1455	Office struct & improv.	34,218	0	0	34,218
39	1460	Office furn. & equip.	32,053	0	1,080	33,133
40	1465	Stores equipment	5,251	0	1,220	6,471
41	1470	Tool shop & misc. equip.	197,990	0	7,567	205,556
42	1475	Laboratory equipment	139,339	0	5,141	144,480
43	1480	Power operated equip.	366,346	0	10,054	376,400
44	1485	Communication equip.	73,595	0	48	73,643
45	1490	Misc equip. sewer	19,105	0	0	19,105
46	1495	Sewer plant allocated	526,952	0	0	526,952
47	1500	Other tangible plt. sewer	1,778	0	0	1,778
48	1535	Reuse dist. reservoirs	3,417	0	89	3,507
49	1540	Reuse transmission & dist.	57,527	0	1,444	58,971
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	(4,216)	(2,957)	0	(7,173)
54	1590	Comp. system cost - wtr	35,867	0	0	35,867
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	(514,608)	0	(514,608)
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	<u>\$82,763,331</u>	<u>(\$517,565)</u>	<u>\$17,465,700</u>	<u>\$99,711,466</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(b)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(c)(1)
Revised

BF/FHTC WATER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1020	Organization	\$99,771	\$0	\$0	\$99,771
2	1025	Franchises	29,653	21,587	0	51,240
3	1030	Land & land rights pump	0	0	0	0
4	1035	Land & land rights water tr.	0	0	0	0
5	1040	Land & land rights trans.	0	0	0	0
6	1045	Land & land rights gen. pit.	419	0	0	419
7	1050	Struct & improv. src. supply	162,898	0	238	163,136
8	1055	Struct & improv. wtr. bt. pit.	82,874	0	61,017	143,891
9	1060	Struct & improv. trans. dist.	461	0	0	461
10	1065	Struct & improv. gen. pit.	1,671	0	459	2,130
11	1070	Collecting reservoirs	0	0	0	0
12	1080	Wells & springs	520,420	0	(10,744)	509,676
13	1085	Infiltration gallery	0	0	0	0
14	1090	Supply mains	839	0	4,057	4,896
15	1095	Power generation equip.	0	0	0	0
16	1100	Electric pump equip. src. pit.	49,999	0	593	49,592
17	1105	Electric pump equip. wtp.	347,796	0	6,893	354,689
18	1110	Electric pump equip. trans.	33,379	0	4,755	38,135
19	1115	Water treatment equip.	131,019	0	4,797	135,816
20	1120	Dist. resv. & standpipes	754,899	0	3,016	757,915
21	1125	Trans. & distr. mains	1,830,245	0	19,694	1,849,939
22	1130	Service lines	686,359	0	28,347	714,706
23	1135	Meters	126,102	0	2,598	128,700
24	1140	Meter installations	138,351	0	8,425	146,776
25	1145	Hydrants	162,374	0	713	163,087
26	1150	Backflow prevention devic.	98	0	0	98
27	1160	Other pit. & misc. equip. src. su.	0	0	0	0
28	1165	Other pit. & misc. equip. wtp.	0	0	0	0
29	1175	Office struct & improv.	6,790	0	955	7,745
30	1180	Office furn. & equip.	4,240	0	0	4,240
31	1185	Stores equipment	235	0	114	349
32	1190	Tool shop & misc. equip.	95,744	0	1,387	97,131
33	1195	Laboratory equipment	11,419	0	0	11,419
34	1200	Power operated equip.	3,815	0	0	3,815
35	1205	Communication equip.	32,582	0	0	32,582
36	1210	Misc. equipment	18	0	0	18
37	1215	Water plant allocated	0	0	0	0
38	1220	Other tangible plt. water	0	0	0	0
39	1555	Transportation equip.	0	0	0	0
40	1580	Mainframe computer - wtr	0	0	0	0
41	1585	Mini computer - wtr	0	(584)	0	(584)
42	1590	Comp. system cost - wtr	0	0	0	0
43	1595	Micro system cost - wtr	0	0	0	0
44	1805	Pit. held for future use	0	0	0	0
45		Pro forma plant additions	0	0	0	0
46		Total plant in service (Sum of L1 thru L45)	\$5 313 468	\$21 003	\$137 316	\$5 471 786

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(c)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(d)(1)
Revised

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	1245	Organization	\$16,593	\$0	\$0	\$16,593
2	1250	Franchises intang. plt.	20,351	21,587	0	41,938
3	1270	Land & land rights trmnt plt	0	0	0	0
4	1275	Land & land rights reclaim.	0	0	0	0
5	1285	Land & land rights gen. plt.	0	0	0	0
6	1290	Struct/improv. coll. plt.	0	0	0	0
7	1295	Struct/improv. pump plt. ls.	1,028,215	0	493,444	1,521,659
8	1300	Struct/improv. treat. plt.	1,985,807	0	27,800	2,013,607
9	1305	Struct/improv. reclaim. wtp.	0	0	0	0
10	1310	Struct/improv. reclaim. wtr.	2,477	0	0	2,477
11	1315	Struct/improv. gen. plt.	252,398	0	6,375	258,772
12	1320	Power gen. equip. coll. plt.	0	0	0	0
13	1325	Power gen. equip. pump plt.	41,076	0	750	41,826
14	1330	Power gen. equip. treat. plt.	0	0	0	0
15	1345	Sewer force main/serv. lin.	193,718	0	2,767	196,485
16	1360	Sewer gravity main	5,207,792	0	12,548	5,220,340
17	1353	Manholes	32,586	0	11,793	44,379
18	1355	Special coll. structures	775	0	0	775
19	1360	Services to customers	58,429	0	1,809	60,239
20	1365	Flow measure devices	17,011	0	0	17,011
21	1370	Flow measure install	0	0	0	0
22	1375	Receiving wells	0	0	0	0
23	1380	Pumping equipment pump plt.	737,049	0	11,004	748,053
24	1385	Pumping equipment reclaim.	234	0	0	234
25	1390	Pumping equipment recl. wtr.	0	0	0	0
26	1395	Treat/disp. equip. lagoon	56	0	0	56
27	1400	Treat/disp. equip. trt. plt.	2,781,412	0	11,249	2,792,662
28	1405	Treat/disp. equip. rct. wtp.	0	0	0	0
29	1410	Plant sewers treat. plt.	388,316	0	(3,889)	384,427
30	1415	Plant sewers reclaim wtp.	0	0	0	0
31	1420	Outfall lines	15,379	0	0	15,379
32	1425	Other plt. tangible	0	0	0	0
33	1430	Other plt. collection	(224)	0	0	(224)
34	1435	Other plt. pump	2,873	0	0	2,873
35	1440	Other plt. treatment	0	0	0	0
36	1445	Other plt. reclaim wtr. trt.	5,189	0	0	5,189
37	1450	Other plt. reclaim wtr. dis.	0	0	0	0
38	1455	Office struct & improv.	12,031	0	0	12,031
39	1460	Office furn. & equip.	970	0	623	1,593
40	1465	Stores equipment	2,752	0	0	2,752
41	1470	Tool shop & misc. equip.	13,934	0	380	14,314
42	1475	Laboratory equipment	6,227	0	0	6,227
43	1480	Power operated equip.	47,780	0	100	47,881
44	1485	Communication equip.	993	0	0	993
45	1490	Misc equip. sewer	8,603	0	790	9,393
46	1495	Sewer plant allocated	0	0	0	0
47	1500	Other tangible plt. sewer	0	0	0	0
48	1535	Reuse dist. reservoirs	2,763	0	0	2,763
49	1540	Reuse transmission & dist.	1,414	0	0	1,414
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	0	(611)	0	(611)
54	1590	Comp. system cost - wtr	0	0	0	0
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	0	0	0
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	<u>\$12,884,880</u>	<u>\$20,976</u>	<u>\$577,543</u>	<u>\$13,483,500</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(d)(2), column (d).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(a)(2)
Revised

CWSNC WATER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Riverbend unrecovered cost [1] (b)	INTOOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (d)
1	1020	Organization	\$0	\$0	\$0	\$0
2	1025	Franchises	0	117,618	0	117,618
3	1030	Land & land rights pump	0	0	0	-
4	1035	Land & land rights water tr.	0	0	0	-
5	1040	Land & land rights trans.	0	0	0	-
6	1045	Land & land rights gen. plt.	0	0	0	-
7	1050	Struct & improv. src. supply	0	0	0	-
8	1055	Struct & improv. wtr. trt. plt.	0	0	0	-
9	1060	Struct & improv. trans. dist.	0	0	0	-
10	1065	Struct & improv. gen. plt.	0	0	0	-
11	1070	Collecting reservoirs	0	0	0	-
12	1080	Wells & springs	0	0	0	-
13	1085	Infiltration gallery	0	0	0	-
14	1090	Supply mains	0	0	0	-
15	1095	Power generation equip.	0	0	0	-
16	1100	Electric pump equip. src. plt.	0	0	0	-
17	1105	Electric pump equip. wtp.	0	0	0	-
18	1110	Electric pump equip. trans.	0	0	0	-
19	1115	Water treatment equip.	0	0	0	-
20	1120	Dist. resv. & standpipes	0	0	0	-
21	1125	Trans. & distr. mains	0	0	0	-
22	1130	Service lines	0	0	0	-
23	1135	Meters	0	0	0	-
24	1140	Meter installations	0	0	0	-
25	1145	Hydrants	0	0	0	-
26	1150	Backflow prevention devic.	0	0	0	-
27	1160	Other plt. & misc. equip. src. su.	0	0	0	-
28	1165	Other plt. & misc. equip. wtp.	0	0	0	-
29	1175	Office struct & improv.	0	0	0	-
30	1180	Office furn. & equip.	0	0	0	-
31	1185	Stores equipment	0	0	0	-
32		Tool shop & misc. equip.	0	0	0	-
33	1195	Laboratory equipment	0	0	0	-
34		Power operated equip.	0	0	0	-
35	1205	Communication equip.	0	0	0	-
36	1210	Misc. equipment	0	0	0	-
37	1215	Water plant allocated	0	0	0	-
38	1220	Other tangible plt. water	0	0	0	-
39	1555	Transportation equip.	0	0	0	-
40	1580	Mainframe computer - wtr	0	0	0	-
41	1585	Mini computer - wtr	0	0	(4,893)	(4,893)
42	1590	Comp. system cost - wtr	0	0	0	-
43	1595	Micro system cost - wtr	0	0	0	-
44	1805	Plt. held for future use	(95,528)	0	0	(95,528)
45		Pro forma plant additions	0	0	0	-
46		Total plant in service (Sum of L1 thru L45)	<u>(\$95,528)</u>	<u>\$117,618</u>	<u>(\$4,893)</u>	<u>\$17,196</u>

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasibility Exhibit I
Schedule 2-1(b)(2)
Revised

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Riverbend unrecovered cost [1] (b)	INTOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (d)
1	1245	Organization	\$0	\$0	\$0	\$0
2	1250	Franchises intang. ptt.	0	0	0	-
3	1270	Land & land rights trmnt ptt	0	0	0	-
4	1275	Land & land rights reclaim.	0	0	0	-
5	1285	Land & land rights gen. ptt.	0	0	0	-
6	1290	Struct/improv. coll. ptt.	0	0	0	-
7	1295	Struct/improv. pump ptt. ls.	0	0	0	-
8	1300	Struct/improv. treat. ptt.	0	0	0	-
9	1305	Struct/improv. reclaim. wtp.	0	0	0	-
10	1310	Struct/improv. reclaim. wtr.	0	0	0	-
11	1315	Struct/improv. gen. ptt.	0	0	0	-
12	1320	Power gen. equip. colt. ptt.	0	0	0	-
13	1325	Power gen. equip. pump ptt.	0	0	0	-
14	1330	Power gen. equip. treat. ptt.	0	0	0	-
15	1345	Sewer force main/serv. lin.	0	0	0	-
16	1350	Sewer gravity main	0	0	0	-
17	1353	Manholes	0	0	0	-
18	1355	Special coll. structures	0	0	0	-
19	1360	Services to customers	0	0	0	-
20	1365	Flow measure devices	0	0	0	-
21	1370	Flow measure install	0	0	0	-
22	1375	Receiving wells	0	0	0	-
23	1380	Pumping equipment pump ptt.	0	0	0	-
24	1385	Pumping equipment reclaim.	0	0	0	-
25	1390	Pumping equipment rct. wtr.	0	0	0	-
26	1395	Treat./disp. equip. lagoon	0	0	0	-
27	1400	Treat./disp. equip. trt. ptt.	0	0	0	-
28	1405	Treat./disp. equip. rct. wtp.	0	0	0	-
29	1410	Plant sewers treat. ptt.	0	0	0	-
30	1415	Plant sewers reclaim wtp.	0	0	0	-
31	1420	Outfall lines	0	0	0	-
32	1425	Other ptt. tangible	0	0	0	-
33	1430	Other ptt. collection	0	0	0	-
34	1435	Other ptt. pump	0	0	0	-
35	1440	Other ptt. treatment	0	0	0	-
36	1445	Other ptt. reclaim wtr. trt.	0	0	0	-
37	1450	Other ptt. reclaim wtr. dis.	0	0	0	-
38	1455	Office struct & improv.	0	0	0	-
39	1460	Office furn. & equip.	0	0	0	-
40	1465	Stores equipment	0	0	0	-
41	1470	Tool shop & misc. equip.	0	0	0	-
42	1475	Laboratory equipment	0	0	0	-
43	1480	Power operated equip.	0	0	0	-
44	1485	Communication equip.	0	0	0	-
45	1490	Misc equip. sewer	0	0	0	-
46	1495	Sewer plant allocated	0	0	0	-
47	1500	Other tangible ptt. sewer	0	0	0	-
48	1535	Reuse dist. reservoirs	0	0	0	-
49	1540	Reuse transmission & dist.	0	0	0	-
50	1555	Transportation equip.	0	0	0	-
51	1575	Desktop computer - wtr	0	0	0	-
52	1580	Mainframe computer - wtr	0	0	0	-
53	1585	Mini computer - wtr	0	0	(2,957)	(2,957)
54	1590	Comp. system cost - wtr	0	0	0	-
55	1595	Micro system cost - wtr	0	0	0	-
56	1805	Ptt. held for future use	(514,608)	0	0	(514,608)
57		Pro forma plant additions	0	0	0	-
58		Total plant in service (Sum of L1 thru L57)	<u>(\$514,608)</u>	<u>\$0</u>	<u>(\$2,957)</u>	<u>(\$517,565)</u>

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(c)(2)
Revised

BF/FH/C WATER OPERATIONS

Line No.	Account No.	Item	Plant Held For Future Use [1] (a)	Face Utilities unrecovered cost [1] (b)	INTOOLLECT LLC reclass adjustments [1] (c)	Adjustments Amount Per Public Staff [2] (c)
1	1020	Organization	\$0	\$0	\$0	\$0
2	1025	Franchises	0	21,587	0	21,587
3	1030	Land & land rights pump	0	0	0	-
4	1035	Land & land rights water tr.	0	0	0	-
5	1040	Land & land rights trans.	0	0	0	-
6	1045	Land & land rights gen. plt.	0	0	0	-
7	1050	Struct & improv. src. supply	0	0	0	-
8	1055	Struct & improv. wtr. trl. plt.	0	0	0	-
9	1060	Struct & improv. trans. dist.	0	0	0	-
10	1065	Struct & improv. gen. plt.	0	0	0	-
11	1070	Collecting reservoirs	0	0	0	-
12	1080	Wells & springs	0	0	0	-
13	1085	Infiltration gallery	0	0	0	-
14	1090	Supply mains	0	0	0	-
15	1095	Power generation equip.	0	0	0	-
16	1100	Electric pump equip. src. plt.	0	0	0	-
17	1105	Electric pump equip. wtp.	0	0	0	-
18	1110	Electric pump equip. trans.	0	0	0	-
19	1115	Water treatment equip.	0	0	0	-
20	1120	Dist. resv. & standpipes	0	0	0	-
21	1125	Trans. & distr. mains	0	0	0	-
22	1130	Service lines	0	0	0	-
23	1135	Meters	0	0	0	-
24	1140	Meter installations	0	0	0	-
25	1145	Hydrants	0	0	0	-
26	1150	Backflow prevention devic.	0	0	0	-
27	1160	Other plt. & misc. equip. src. su.	0	0	0	-
28	1165	Other plt. & misc. equip. wtp.	0	0	0	-
29	1175	Office struct & improv.	0	0	0	-
30	1180	Office furn. & equip.	0	0	0	-
31	1185	Stores equipment	0	0	0	-
32	1190	Tool shop & misc. equip.	0	0	0	-
33	1195	Laboratory equipment	0	0	0	-
34	1200	Power operated equip.	0	0	0	-
35	1205	Communication equip.	0	0	0	-
36	1210	Misc. equipment	0	0	0	-
37	1215	Water plant allocated	0	0	0	-
38	1220	Other tangible plt. water	0	0	0	-
39	1555	Transportation equip.	0	0	0	-
40	1560	Mainframe computer - wtr	0	0	0	-
41	1585	Mini computer - wtr	0	0	(584)	(584)
42	1590	Comp. system cost - wtr	0	0	0	-
43	1595	Micro system cost - wtr	0	0	0	-
44	1605	Plt. held for future use	0	0	0	-
45		Pro forma plant additions	0	0	0	-
46		Total plant in service (Sum of L1 thru L45)	\$0	\$21,587	(\$584)	\$21,003

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-1(d)(2)
Revised

BFIFH SEWER OPERATIONS

Line No.	Account No.	Item	Plant Held For	Pace Utilities	INTOOLLECT LLC	Adjustments
			Future Use [1]	unrecovered cost [1]	reclass adjustments [1]	Amount Per Public Staff [2]
			(a)	(b)	(c)	(d)
1	1245	Organization	\$0	\$0	\$0	\$0
2	1250	Franchises Intang. plt.	0	21,587	0	21,587
3	1270	Land & land rights trmnt plt	0	0	0	0
4	1275	Land & land rights reclaim.	0	0	0	0
5	1285	Land & land rights gen. plt.	0	0	0	0
6	1290	Struct/improv. coll. plt.	0	0	0	0
7	1295	Struct/improv. pump plt. is.	0	0	0	0
8	1300	Struct/improv. treat. plt.	0	0	0	0
9	1305	Struct/improv. reclaim. wtp.	0	0	0	0
10	1310	Struct/improv. reclaim. wtr.	0	0	0	0
11	1315	Struct/improv. gen. plt.	0	0	0	0
12	1320	Power gen. equip. coll. plt.	0	0	0	0
13	1325	Power gen. equip. pump plt.	0	0	0	0
14	1330	Power gen. equip. treat. plt.	0	0	0	0
15	1345	Sewer force main/serv. lin.	0	0	0	0
16	1350	Sewer gravity main	0	0	0	0
17	1353	Manholes	0	0	0	0
18	1355	Special coll. structures	0	0	0	0
19	1360	Services to customers	0	0	0	0
20	1365	Flow measure devices	0	0	0	0
21	1370	Flow measure install	0	0	0	0
22	1375	Receiving wells	0	0	0	0
23	1380	Pumping equipment pump plt.	0	0	0	0
24	1385	Pumping equipment reclaim.	0	0	0	0
25	1390	Pumping equipment rcl. wtr.	0	0	0	0
26	1395	Treat./disp. equip. lagoon	0	0	0	0
27	1400	Treat./disp. equip. trt. pit.	0	0	0	0
28	1405	Treat./disp. equip. rct. wtp.	0	0	0	0
29	1410	Plant sewers treat. plt.	0	0	0	0
30	1415	Plant sewers reclaim wtp.	0	0	0	0
31	1420	Outfall lines	0	0	0	0
32	1425	Other plt. tangible	0	0	0	0
33	1430	Other plt. collection	0	0	0	0
34	1435	Other plt. pump	0	0	0	0
35	1440	Other plt. treatment	0	0	0	0
36	1445	Other plt. reclaim wtr. trt.	0	0	0	0
37	1450	Other plt. reclaim wtr. dis.	0	0	0	0
38	1455	Office struct & improv.	0	0	0	0
39	1460	Office furn. & equip.	0	0	0	0
40	1465	Stores equipment	0	0	0	0
41	1470	Tool shop & misc. equip.	0	0	0	0
42	1475	Laboratory equipment	0	0	0	0
43	1480	Power operated equip.	0	0	0	0
44	1485	Communication equip.	0	0	0	0
45	1490	Misc equip. sewer	0	0	0	0
46	1495	Sewer plant allocated	0	0	0	0
47	1500	Other tangible plt. sewer	0	0	0	0
48	1535	Reuse dist. reservoirs	0	0	0	0
49	1540	Reuse transmission & dist.	0	0	0	0
50	1555	Transportation equip.	0	0	0	0
51	1575	Desktop computer - wtr	0	0	0	0
52	1580	Mainframe computer - wtr	0	0	0	0
53	1585	Mini computer - wtr	0	0	(611)	(611)
54	1590	Comp. system cost - wtr	0	0	0	0
55	1595	Micro system cost - wtr	0	0	0	0
56	1805	Plt. held for future use	0	0	0	0
57		Pro forma plant additions	0	0	0	0
58		Total plant in service (Sum of L1 thru L57)	\$0	\$21,587	(\$611)	\$20,976

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DIRECT ACCUMULATED DEPRECIATION
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-2
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Direct accumulated depreciation per application	(\$23,621,429)	(\$19,700,492)	(\$1,387,939)	(\$2,245,646)
2	Adjustment to include actual general ledger A/D additions through 9/30/2019	(888,243) [1]	(851,400) [1]	(73,085) [1]	239,876 [1]
3	Adjustments to reflect Connestee and Nags Head WWTP	0	(51,816) [1]	0	0
4	Adjustment to reflect riverbend & pace utilities accumulated reclass	(2,450) [1]	0	(450) [1]	(450) [1]
5	Adjustment to reflect annual level of depreciation	(31,403) [1]	(366,175) [1]	(36,876) [1]	(134,415) [1]
6	Adjustment to accumulated depreciation (Sum of L2 thru L5)	(922,097)	(1,269,391)	(110,410)	105,011
7	Direct accumulated depreciation per Public Staff (L1 + L6)	(\$24,543,526)	(\$20,969,883)	(\$1,498,349)	(\$2,140,635)

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF CASH WORKING CAPITAL
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-3
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Cash Working Capital:					
1	Maintenance expenses, less purchased water and sewer	\$5,908,115 [1]	\$5,375,419 [5]	\$591,229 [9]	\$799,727 [13]
2	General expenses	3,418,811 [2]	2,067,433 [6]	387,710 [10]	413,001 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$ 9,326,926</u>	<u>\$7,442,853</u>	<u>\$978,939</u>	<u>\$1,212,727</u>
4	Cash working capital (L3 x 1/8)	<u>1,165,866</u>	<u>930,357</u>	<u>122,367</u>	<u>151,591</u>
Average Tax Accruals:					
5	Property taxes	154,066 [3]	93,092 [7]	10,553 [11]	11,022 [15]
6	Average accrual (L5 x 1/2)	<u>77,033</u>	<u>46,546</u>	<u>5,276</u>	<u>5,511</u>
7	Regulatory fee	22,810 [4]	16,884 [8]	1,741 [12]	2,724 [16]
8	Average accrual (L7 x 1/5)	<u>4,562</u>	<u>3,377</u>	<u>348</u>	<u>545</u>
9	Total tax accrual (L6 + L8)	<u>81,595</u>	<u>49,923</u>	<u>5,624</u>	<u>6,056</u>
10	Total cash working capital (L4 - L9)	<u>\$1,084,271</u>	<u>\$880,434</u>	<u>\$116,743</u>	<u>\$145,535</u>

[1] Feasel Exhibit I, Schedule 3(a), Column (c), Line 15 minus Line 7.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 24.
[3] Feasel Exhibit I, Schedule 3(a), Column (c), Line 30.
[4] Feasel Exhibit I, Schedule 3(a), Column (c), Line 32.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 15 minus Line 7.
[6] Feasel Exhibit I, Schedule 3(b), Column (c), Line 24.
[7] Feasel Exhibit I, Schedule 3(b), Column (c), Line 30.
[8] Feasel Exhibit I, Schedule 3(b), Column (c), Line 32.
[9] Feasel Exhibit I, Schedule 3(c), Column (c), Line 15 minus Line 7.

[10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 24.
[11] Feasel Exhibit I, Schedule 3(c), Column (c), Line 30.
[12] Feasel Exhibit I, Schedule 3(c), Column (c), Line 32.
[13] Feasel Exhibit I, Schedule 3(d), Column (c), Line 15 minus Line 7.
[14] Feasel Exhibit I, Schedule 3(d), Column (c), Line 24.
[15] Feasel Exhibit I, Schedule 3(d), Column (c), Line 30.
[16] Feasel Exhibit I, Schedule 3(d), Column (c), Line 32.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-4
Revised

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations		
		CIAC (a)	Accumulated Amortization (b)	CIAC, Net of Amortization [2] (c)	CIAC (d)	Accumulated Amortization (e)	CIAC, Net of Amortization [3] (f)
1	CIAC and accumulated amortization per application	<u>(\$28,608,568)</u>	<u>\$10,665,491</u>	<u>(\$17,943,077)</u>	<u>(\$27,966,359)</u>	<u>\$10,219,763</u>	<u>(\$17,746,596)</u>
2	Adjustment to include actual general ledger additions through 9/30/2019	(61,541) [1]	343,029 [1]	281,488	(23,264) [1]	306,976 [1]	283,712
3	Adjustment to reflect annual level of amortization	0	(1,224) [1]	(1,224)	0	(96,396) [1]	(96,396)
4	Adjustment to CIAC (L2 + L3)	<u>(61,541)</u>	<u>341,805</u>	<u>280,264</u>	<u>(23,264)</u>	<u>210,580</u>	<u>187,316</u>
5	CIAC per Public Staff (L1 + L4)	<u>(\$28,670,109)</u>	<u>\$11,007,296</u>	<u>(\$17,662,813)</u>	<u>(\$27,989,623)</u>	<u>\$10,430,343</u>	<u>(\$17,559,280)</u>

- [1] Per examination of Company's financial records.
[2] Column (a) plus Column (b).
[3] Column (d) plus Column (e).
[4] Column (g) plus Column (h).
[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-4
Revised

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		CIAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization (i) [4]	CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization (l) [5]
1	CIAC and accumulated amortization per application	<u>(\$2,249,286)</u>	<u>\$1,141,990</u>	<u>(\$1,107,296)</u>	<u>(\$7,088,979)</u>	<u>\$2,969,842</u>	<u>(\$4,119,137)</u>
2	Adjustment to include actual general ledger additions through 9/30/2019	(4,500) [1]	19,668 [1]	15,168	0	72,324 [1]	72,324
3	Adjustment to reflect annual level of amortization	<u>0</u>	<u>36,990</u> [1]	<u>36,990</u>	<u>0</u>	<u>53,370</u> [1]	<u>53,370</u>
4	Adjustment to CIAC (L2 + L3)	<u>(4,500)</u>	<u>56,657</u>	<u>52,157</u>	<u>0</u>	<u>125,694</u>	<u>125,694</u>
5	CIAC per Public Staff (L1 + L4)	<u>(\$2,253,786)</u>	<u>\$1,198,647</u>	<u>(\$1,055,139)</u>	<u>(\$7,088,979)</u>	<u>\$3,095,536</u>	<u>(\$3,993,443)</u>

[1] Per examination of Company's financial records.

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

[3] Column (d) plus Column (e).

[4] Column (g) plus Column (h).

[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 364
**CALCULATION OF ACCUMULATED DEFERRED
INCOME TAXES**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-5(a)
Revised

CWSNC UNIFORM OPERATIONS

Line No.	Item	Total ADIT Per Application [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [5] (c)	CWS Uniform Water [8] (d)	CWS Uniform Sewer [8] (e)
1	ACCUM DEF INCOME TAX-FED	\$411,362	\$0	\$411,362	\$256,402	\$154,960
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	2,199,191	0	2,199,191	1,370,755	828,435
4	DEF FED TAX - RATE CASE	(161,181)	32,759	(128,422) [6]	(80,045) [9]	(48,377) [9]
5	DEF FED TAX - DEF MAINT	(256,587)	29,895	(226,692) [6]	(226,307) [10]	(385) [10]
6	DEF FED TAX - ORGN EXP	(199,947)	0	(199,947)	(124,627)	(75,320)
7	DEF FED TAX - BAD DEBT	152,039	0	152,039	94,766	57,273
8	DEF FED TAX - CAB WOODS GOS	0	0	0	0	0
9	DEF FED TAX - DEPRECIATIO	(10,727,135)	0	(10,727,135)	(5,653,200) [11]	(5,073,935) [11]
10	DEF FED TAX - NOL	3,452,426	0	3,452,426	2,151,897	1,300,529
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(5,129,832)</u>	<u>62,654</u>	<u>(5,067,177)</u>	<u>(2,210,359)</u>	<u>(2,856,820)</u>
12	ACCUM DEF INCOME TAX - ST	(337,000)	0	(337,000)	(210,052)	(126,948)
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	702,754	0	702,754	438,026	264,727
15	DEF ST TAX - RATE CASE	(19,680)	4,000	(15,680) [7]	(9,773) [9]	(5,907) [9]
16	DEF ST TAX - DEF MAINT	(31,329)	3,650	(27,679) [7]	(27,632) [10]	(47) [10]
17	DEF ST TAX - ORGN EXP	(110,367)	0	(110,367)	(68,792)	(41,575)
18	DEF ST TAX - BAD DEBT	11,690	0	11,690	7,286	4,404
19	DEF ST TAX - CAB WOODS GOS	0	0	0	0	0
20	DEF ST TAX - DEPRECIATION	(1,137,109)	0	(1,137,109)	(599,257) [11]	(537,853) [11]
21	DEF ST TAX - NOL	238,190	0	238,190	148,464	89,726
22	Total State ADIT (Sum of L12 thru L21)	<u>(682,853)</u>	<u>7,654</u>	<u>(675,202)</u>	<u>(321,730)</u>	<u>(353,473)</u>
23	Total Direct ADIT (L11 + L22)	(5,812,684)	70,305	(5,742,380)	(2,532,089)	(3,210,293)
24	ADIT allocated from WSC	0	(72,915) [3]	(72,915)	(45,448)	(27,467)
25	Total ADIT (L23 + L24)	(5,812,684)	(2,610)	(5,815,295)	(2,577,537)	(3,237,760)
26	Excess deferred income tax	0	660,691 [4]	660,691	291,330 [12]	369,361 [12]
27		<u>(\$5,812,684)</u>	<u>\$658,081</u>	<u>(\$5,154,604)</u>	<u>(\$2,286,207)</u>	<u>(\$2,868,399)</u>

- [1] Form W-1, item 10, Supplemental Schedules.
- [2] Column (c) minus Column (a), unless otherwise footnoted.
- [3] Calculated by Public Staff per examination of the Company's records
- [4] Provided by Public Staff Accountant Boswell.
- [5] Column (a) plus Column (b), unless otherwise footnoted.
- [6] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.
- [7] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.
- [8] Column (c) allocated based on customers, unless otherwise footnoted.
- [9] Column (c) allocated based on unamortized rate case expense.
- [10] Column (c) allocated based on unamortized deferred maintenance.
- [11] Column (c) allocated based on plant in service.
- [12] Column (c) allocated based on ADIT.

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 364
**CALCULATION OF ACCUMULATED DEFERRED
INCOME TAXES**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-5(b)
Revised

BF/FH/TC OPERATIONS

Line No.	Item	Total ADIT Per Application	Public Staff Adjustments	Amount To Be Allocated Per Public Staff	BF/FH/TC Water	BF/FH Sewer
		(a) [1]	(b) [2]	(c) [5]	(d) [8]	(e) [8]
1	ACCUM DEF INCOME TAX-FED	\$147,613	\$0	\$147,613	\$72,197	\$75,415
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	259,006	0	259,006	126,680	132,326
4	DEF FED TAX - RATE CASE	(24,751)	5,204	(19,547) [6]	(9,558) [9]	(9,989) [9]
5	DEF FED TAX - DEF MAINT	(18,710)	2,296	(16,414) [6]	(16,378) [10]	(36) [10]
6	DEF FED TAX - ORGN EXP	(20,932)	0	(20,932)	(10,238)	(10,694)
7	DEF FED TAX - BAD DEBT	27,821	0	27,821	13,607	14,214
8	DEF FED TAX - CAB WOODS GOS	0	0	0	0	0
9	DEF FED TAX - DEPRECIATIO	(1,748,738)	0	(1,748,738)	(540,185) [11]	(1,208,553) [11]
10	DEF FED TAX - NOL	515,996	0	515,996	252,373	263,622
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(862 695)</u>	<u>7 500</u>	<u>(855 195)</u>	<u>(111 502)</u>	<u>(743 695)</u>
12	ACCUM DEF INCOME TAX - ST	23,001	0	23,001	11,250	11,751
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	83,313	0	83,313	40,748	42,565
15	DEF ST TAX - RATE CASE	(3,022)	635	(2,387) [7]	(1,167) [9]	(1,220) [9]
16	DEF ST TAX - DEF MAINT	(2,284)	280	(2,004) [7]	(2,000) [10]	(4) [10]
17	DEF ST TAX - ORGN EXP	(6,217)	0	(6,217)	(3,041)	(3,176)
18	DEF ST TAX - BAD DEBT	3,552	0	3,552	1,737	1,815
19	DEF ST TAX - CAB WOODS GOS	0	0	0	0	0
20	DEF ST TAX - DEPRECIATION	(202,634)	0	(202,634)	(62,594) [11]	(140,040) [11]
21	DEF ST TAX - NOL	75,951	0	75,951	37,148	38,803
22	Total State ADIT (Sum of L12 thru L21)	<u>(28 341)</u>	<u>916</u>	<u>(27 425)</u>	<u>22 081</u>	<u>(49 506)</u>
23	Total Direct ADIT (L11 + L22)	<u>(891,036)</u>	<u>8,416</u>	<u>(882,620)</u>	<u>(89,421)</u>	<u>(793,201)</u>
24	ADIT allocated from WSC	0	(10 901) [3]	(10 901)	(5 332)	(5 569)
25	Total ADIT (L23 + L24)	<u>(891,036)</u>	<u>(2,485)</u>	<u>(893,521)</u>	<u>(94,753)</u>	<u>(798,770)</u>
26	Excess deferred income tax	0	101 550 [4]	101 550	10 288 [12]	91 262 [12]
27		<u>(\$891 036)</u>	<u>\$99 065</u>	<u>(\$791 971)</u>	<u>(\$84 465)</u>	<u>(\$707 508)</u>

- [1] Form W-1, item 10, Supplemental Schedules.
- [2] Column (c) minus Column (a), unless otherwise footnoted.
- [3] Calculated by Public Staff per examination of the Company's records
- [4] Provided by Public Staff Accountant Boswell.
- [5] Column (a) plus Column (b), unless otherwise footnoted.
- [6] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.
- [7] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.
- [8] Column (c) allocated based on customers, unless otherwise footnoted.
- [9] Column (c) allocated based on unamortized rate case expense.
- [10] Column (c) allocated based on unamortized deferred maintenance.
- [11] Column (c) allocated based on plant in service.
- [12] Column (c) allocated based on ADIT.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO CUSTOMER DEPOSITS

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-6
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Customer deposits per application	(\$169,004)	(\$102,119)	(\$16,137)	(\$16,854)
2	Adjustment to update customer deposits to 9/30/2019	<u>(6,938) [1]</u>	<u>(4,192) [1]</u>	<u>(99) [1]</u>	<u>(104) [1]</u>
3	Customer deposits per Public Staff (L1 + L2)	<u>(\$175,942)</u>	<u>(\$106,311)</u>	<u>(\$16,236)</u>	<u>(\$16,958)</u>

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO GAIN ON SALE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-7
Revised

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

[1] Per examination of Company's financial records.

[2] Line 2 divided by 36 months times 16 months (11/8/2017~2/21/2019)

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-8
Revised

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations		
		PAA (a)	Accumulated Amortization (b)	PAA, Net of Amortization [2] (c)	PAA (d)	Accumulated Amortization (e)	PAA, Net of Amortization [3] (f)
1	PAA and accumulated amortization per application	<u>(\$4,224,513)</u>	<u>\$2,072,277</u>	<u>(\$2,152,236)</u>	<u>(\$627,070)</u>	<u>\$919,880</u>	<u>\$292,810</u>
2	Adjustment to include company updates 10.04.2019	\$3,000 [1]		\$3,000			
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	<u>(\$4,221,513)</u>	<u>\$2,072,277</u>	<u>(\$2,149,236)</u>	<u>(\$627,070)</u>	<u>\$919,880</u>	<u>\$292,810</u>
4	Adjustment to include actual general ledger additions through 9/30/2019	0	51,893 [1]	51,893	0	12,492 [1]	12,492
5	Adjustment to reflect annual level of amortization	<u>0</u>	<u>12,338</u> [1]	<u>12,338</u>	<u>0</u>	<u>(8,339)</u> [1]	<u>(8,339)</u>
6	Total adjustment to PAA (L2 + L4 + L5)	<u>3,000</u>	<u>64,232</u>	<u>67,232</u>	<u>0</u>	<u>4,153</u>	<u>4,153</u>
7	PAA per Public Staff (L1 + L6)	<u>(\$4,221,513)</u>	<u>\$2,136,509</u>	<u>(\$2,085,004)</u>	<u>(\$627,070)</u>	<u>\$924,033</u>	<u>\$296,963</u>

- [1] Per examination of Company's financial records.
- [2] Column (a) plus Column (b).
- [3] Column (d) plus Column (e).
- [4] Column (g) plus Column (h).
- [5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2019

Public Staff
Feaset Exhibit I
Schedule 2-8
Revised

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		PAA (g)	Accumulated Amortization (h)	PAA, Net of Amortization (i)	PAA (j)	Accumulated Amortization (k)	PAA, Net of Amortization (l)
1	PAA and accumulated amortization per application	\$607,436	(\$586,178)	\$21,258	\$1,680,077	(\$715,643)	\$964,434
2	Adjustment to include company updates 10.04.2019						
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	\$607,436	(\$586,178)	\$21,258	\$1,680,077	(\$715,643)	\$964,434
4	Adjustment to include actual general ledger additions through 9/30/2019	0	(5,797) [1]	(5,797)	0	(14,953) [1]	(14,953)
5	Adjustment to reflect annual level of amortization	0	(2,265) [1]	(2,265)	0	(12,681) [1]	(12,681)
6	Total adjustment to PAA (L2 + L4 + L5)	0	(8,062)	(8,062)	0	(27,635)	(27,635)
7	PAA per Public Staff (L1 + L6)	\$607,436	(\$594,240)	\$13,196	\$1,680,077	(\$743,278)	\$936,799

- [1] Per examination of Company's financial records.
- [2] Column (a) plus Column (b).
- [3] Column (d) plus Column (e).
- [4] Column (g) plus Column (h).
- [5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF EXCESS BOOK VALUE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-9
Revised

<u>Line No.</u>	<u>Item</u>	Unamortized Balance 12/31/18 (a)	[1]	Annual Amortization (b)	[1]	Accumulated Amortization To 12/31/19 (c)	[2]	Unamortized Balance At 12/31/19 (d)	[3]
<u>CWSNC Uniform Water:</u>									
1	Sugar Mountain	\$0		\$0		\$0		\$0	
2	Carolina Forest, Woodrun	0		0		0		0	
3	Brandywine Bay	0		3,139		0		0	
4	Queens Harbor	0		2,679		0		0	
5	Riverpointe	0		6,052		0		0	
6	Watauga Vista	456		100		456		0	
7	Total excess book value (Sum of L1 thru L6)	<u>\$456</u>		<u>\$11,970</u>		<u>\$456</u>		<u>\$0</u>	
<u>CWSNC Uniform Sewer:</u>									
8	Sugar Mountain	\$0		\$0		\$0		\$0	
9	Brandywine Bay	0		4,748		0		0	
10	Queens Harbor	0		4,052		0		0	
11	Riverpointe	0		9,154		0		0	
12	Total excess book value (Sum of L8 thru L11)	<u>\$0</u>		<u>\$17,954</u>		<u>\$0</u>		<u>\$0</u>	

[1] Based on prior rate cases, unless otherwise footnoted.

[2] Column (b) multiplied by 12.0 years, unless fully amortized.

[3] Column (a) minus Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF DEFERRED CHARGES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-10
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Unamortized deferred maintenance - water	\$1,105,284 [1]	\$0	\$79,988 [5]	\$0
2	Unamortized deferred maintenance - sewer	0	1,882 [3]	0	176 [7]
3	Unamortized rate case expense per Public Staff	<u>390,971 [2]</u>	<u>236,244 [4]</u>	<u>46,685 [6]</u>	<u>48,781 [8]</u>
4	Unamortized deferred charges per Public Staff (L1 + L2 + L3)	<u>\$1,496,255</u>	<u>\$238,126</u>	<u>\$126,673</u>	<u>\$48,957</u>

[1] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 4.

[2] Feasel Exhibit I, Schedule 3-9, Column (d), Line 10.

[3] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 6.

[4] Feasel Exhibit I, Schedule 3-9, Column (e), Line 10.

[5] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 11.

[6] Feasel Exhibit I, Schedule 3-9, Column (f), Line 10.

[7] Feasel Exhibit I, Schedule 2-10(a), Column (f), Line 13.

[8] Feasel Exhibit I, Schedule 3-9, Column (g), Line 10.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF DEFERRED MAINTENANCE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-10(a)
Revised

Line No.	Item	Total Cost Per Public Staff [1]	Amortization Period In Years [1]	Date Amortization Began [1]	Annual Amortization [2]	Accumulated Amortization [3]	Unamortized Balance [4]
		(a)	(b)	(c)	(d)	(e)	(f)
<u>Deferred maintenance - CWSNC Uniform Water</u>							
1	Deferred elevated storage tank painting	\$779,037	10	Various	\$77,904	\$338,220	\$440,817
2	Deferred hydro storage tank painting	852,732	5	Various	170,546	478,339	374,393
3	Deferred hydro storage tank inspection	837,563	5	Various	167,513	547,489	290,074
4	Total deferred maintenance - water (Sum of L1 thru L3)	<u>2,469,332</u>			<u>415,963</u>	<u>1,364,048</u>	<u>1,105,284</u>
<u>Deferred maintenance - CWSNC Uniform Sewer</u>							
5	Belvedere pump and haul	3,424,839	10	Various	342,484	2,618,556	806,283
6	WWTP	200,327	5	Various	40,065	198,445	1,882
7	Total deferred maintenance - sewer (L5 + L6)	<u>3,625,166</u>			<u>382,549</u>	<u>2,817,001</u>	<u>808,165</u>
<u>Deferred maintenance - BF/FH/TC Water</u>							
8	Deferred elevated storage tank painting	66,028	10	Various	6,603	17,607	48,420
9	Deferred hydro storage tank painting	36,500	5	Various	7,300	36,500	0
10	Deferred hydro storage tank inspection	60,189	5	Various	12,038	28,622	31,568
11	Total deferred maintenance - water (Sum of L8 thru L10)	<u>162,717</u>			<u>25,941</u>	<u>82,729</u>	<u>79,988</u>
<u>Deferred maintenance - BF/FH Sewer</u>							
12	WWTP	110,492	5	Various	22,098	110,316	176
13	Total deferred maintenance - sewer (L12)	<u>110,492</u>			<u>22,098</u>	<u>110,316</u>	<u>176</u>
14	Total deferred maintenance (L4 + L7 +L11 +L13)	<u>\$6,367,707</u>			<u>\$846,551</u>	<u>\$4,374,094</u>	<u>\$1,993,613</u>

[1] Per examination of Company's financial records.
[2] Column (a) divided by Column (b).
[3] Total monthly amortization through March 31, 2020.
[4] Column (a) minus Column (e).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

NET OPERATING INCOME FOR A RETURN

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit 1
Schedule 3(a)
Page 1 of 2
Revised

CWSNC WATER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates			Public Staff Recommended Rates	
		Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)	Net Company Increase [29] (d)	Operations After Rate Increase [30] (e)	Net Public Staff Increase [36] (f)	Operations After Rate Increase [37] (g)
Operating Revenues								
1	Service revenues	\$17,373,667	\$112,245	\$17,485,912 [3]	\$2,700,751	\$20,186,663 [3]	\$1,386,342	\$18,872,254 [38]
2	Miscellaneous revenues	172,036	17,782	189,818 [4]	8,102	197,920 [31]	4,159	193,977 [39]
3	Uncollectible accounts	(120,323)	(9,073)	(129,396) [5]	(19,985)	(149,381) [32]	(10,259)	(139,655) [40]
4	Total operating revenues (Sum of L1 thru L3)	17,425,381	120,953	17,546,334	2,688,868	20,235,202	1,380,242	18,926,576
Maintenance Expenses								
5	Salaries and wages	2,804,385	(120,158)	2,684,228 [6]	0	2,684,228	0	2,684,228
6	Purchased power	1,048,858	0	1,048,858	0	1,048,858	0	1,048,858
7	Purchased water	1,465,601	(20,299)	1,445,302 [7]	0	1,445,302	0	1,445,302
8	Maintenance and repair	965,129	(56,749)	908,380 [8]	0	908,380	0	908,380
9	Maintenance testing	203,811	(1,583)	202,228 [7]	0	202,228	0	202,228
10	Meter reading	175,422	0	175,422	0	175,422	0	175,422
11	Chemicals	311,580	(0)	311,580	0	311,580	0	311,580
12	Transportation	286,275	(2,660)	283,615 [9]	0	283,615	0	283,615
13	Operating expenses charged to plant	(358,604)	(2,099)	(360,703) [10]	0	(360,703)	0	(360,703)
14	Outside services - other	671,950	(17,443)	654,506 [11]	0	654,506	0	654,506
15	Total maintenance expenses (Sum of L5 thru L14)	7,574,408	(220,991)	7,353,417	0	7,353,417	0	7,353,417
General Expenses								
16	Salaries and wages	1,310,325	(223,334)	1,086,991 [12]	0	1,086,991	0	1,086,991
17	Office supplies and other office expense	309,101	(314)	308,786 [13]	0	308,786	0	308,786
18	Regulatory commission expense	168,502	(27,914)	140,588 [14]	0	140,588	0	140,588
19	Pension and other benefits	811,750	56,015	867,766 [15]	0	867,766	0	867,766
20	Rent	212,380	(33,674)	178,706 [16]	0	178,706	0	178,706
21	Insurance	359,263	(54,908)	304,355 [17]	0	304,355	0	304,355
22	Office utilities	413,091	(1,745)	411,346 [18]	0	411,346	0	411,346
23	Miscellaneous	168,996	(48,723)	120,273 [19]	0	120,273	0	120,273
24	Total general expenses (Sum of L16 thru L23)	3,753,408	(334,597)	3,418,811	0	3,418,811	0	3,418,811
Depreciation and Taxes								
25	Depreciation expense	3,071,186	127,191	3,198,377 [20]	0	3,198,377	0	3,198,377
26	Amortization of CIAC	(684,695)	(19,606)	(704,302) [21]	0	(704,302)	0	(704,302)
27	Amortization of PAA	(102,638)	(13,031)	(115,669) [22]	0	(115,669)	0	(115,669)
28	Amortization of ITC	(328)	0	(328)	0	(328)	0	(328)
29	Franchise and other taxes	(3,545)	72	(3,473) [23]	0	(3,473)	0	(3,473)
30	Property taxes	154,066	0	154,066	0	154,066	0	154,066
31	Payroll taxes	322,504	(36,480)	286,024 [24]	0	286,024	0	286,024
32	Regulatory fee	28,140	(5,330)	22,810 [25]	3,496	26,306 [33]	1,795	24,605 [41]
33	Deferred Income Tax	0	(26,420)	(26,420) [26]	0	(26,420)	0	(26,420)
34	State income tax	104,355	(49,040)	55,315 [27]	67,134	122,449 [34]	34,461	89,776 [42]
35	Federal income tax	854,671	(401,642)	453,029 [28]	549,830	1,002,859 [35]	282,237	735,266 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,743,716	(424,287)	3,319,430	620,460	3,939,890	318,493	3,637,923
37	Total operating revenue deductions (L15 + L24 + L36)	15,071,532	(979,874)	14,091,658	620,460	14,712,118	318,493	14,410,151
38	Net operating income for a return (L4 - L37)	\$2,353,848	\$1,100,828	\$3,454,676	\$2,068,408	\$5,523,084	\$1,061,749	\$4,516,425

CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)	Net Company Increase [29] (d)	Operations After Rate Increase [30] (e)	Net Public Staff Increase [36] (f)	Operations After Rate Increase [37] (g)
Operating Revenues								
1	Service revenues	\$12,496,671	\$465,258	\$12,961,929 [3]	\$3,982,972	\$16,944,901 [3]	\$2,656,276	\$15,618,205 [38]
2	Miscellaneous revenues	114,164	10,336	124,500 [4]	11,949	136,449 [31]	7,969	132,469 [39]
3	Uncollectible accounts	(91,965)	(6,546)	(98,511) [5]	(30,270)	(128,781) [32]	(20,187)	(118,698) [40]
4	Total operating revenues (Sum of L1 thru L3)	12,518,870	469,048	12,987,918	3,964,651	16,952,569	2,644,058	15,631,976
Maintenance Expenses								
5	Salaries and wages	1,694,510	(72,490)	1,622,020 [6]	0	1,622,020	0	1,622,020
6	Purchased power	845,987	(7,679)	838,308 [7]	0	838,308	0	838,308
7	Purchased sewer	738,618	2,123	740,741 [7]	0	740,741	0	740,741
8	Maintenance and repair	1,709,807	229,117	1,938,924 [8]	0	1,938,924	0	1,938,924
9	Maintenance testing	308,876	(205)	308,671 [7]	0	308,671	0	308,671
10	Meter reading	0	0	0	0	0	0	0
11	Chemicals	351,137	(32,520)	318,617 [7]	0	318,617	0	318,617
12	Transportation	172,978	(1,607)	171,371 [9]	0	171,371	0	171,371
13	Operating expenses charged to plant	(208,717)	(9,249)	(217,966) [10]	0	(217,966)	0	(217,966)
14	Outside services - other	406,016	(10,540)	395,475 [11]	0	395,475	0	395,475
15	Total maintenance expenses (Sum of L5 thru L14)	6,019,211	96,949	6,116,160	0	6,116,160	0	6,116,160
General Expenses								
16	Salaries and wages	791,745	(134,900)	656,845 [12]	0	656,845	0	656,845
17	Office supplies and other office expense	186,770	(190)	186,580 [13]	0	186,580	0	186,580
18	Regulatory commission expense	99,622	(14,673)	84,949 [14]	0	84,949	0	84,949
19	Pension and other benefits	490,489	33,883	524,372 [15]	0	524,372	0	524,372
20	Rent	128,327	(20,348)	107,979 [16]	0	107,979	0	107,979
21	Insurance	217,079	(33,174)	183,905 [17]	0	183,905	0	183,905
22	Office utilities	249,604	(1,055)	248,550 [18]	0	248,550	0	248,550
23	Miscellaneous	116,738	(42,484)	74,254 [19]	0	74,254	0	74,254
24	Total general expenses (Sum of L16 thru L23)	2,280,375	(212,941)	2,067,433	0	2,067,433	0	2,067,433
Depreciation and Taxes								
25	Depreciation expense	2,787,947	33,026	2,820,973 [20]	0	2,820,973	0	2,820,973
26	Amortization of CIAC	(616,725)	46,671	(570,054) [21]	0	(570,054)	0	(570,054)
27	Amortization of PAA	(24,983)	8,052	(16,931) [22]	0	(16,931)	0	(16,931)
28	Amortization of ITC	(251)	0	(251)	0	(251)	0	(251)
29	Franchise and other taxes	(2,639)	44	(2,595) [23]	0	(2,595)	0	(2,595)
30	Property taxes	93,092	0	93,092	0	93,092	0	93,092
31	Payroll taxes	194,868	(22,030)	172,838 [24]	0	172,838	0	172,838
32	Regulatory fee	22,858	(5,974)	16,884 [25]	5,154	22,038 [33]	3,438	20,322 [41]
33	Deferred Income Tax	0	(33,498)	(33,498) [26]	0	(33,498)	0	(33,498)
34	State income tax	97,134	(79,955)	17,179 [27]	98,988	116,167 [34]	66,016	83,195 [42]
35	Federal income tax	795,525	(654,826)	140,699 [28]	810,707	951,406 [35]	540,667	681,366 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,346,826	(708,489)	2,638,337	914,849	3,553,186	610,121	3,248,458
37	Total operating revenue deductions (L15 + L24 + L36)	11,646,412	(824,482)	10,821,931	914,849	11,736,780	610,121	11,432,052
38	Net operating income for a return (L4 - L37)	\$872,457	\$1,293,530	\$2,165,987	\$3,049,802	\$5,215,789	\$2,033,937	\$4,199,924

CAROLINA WATER SERVICE, INC., OF NC
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NET OPERATING INCOME FOR A RETURN
For The Test Year Ended March 31, 2019

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BF/FH/TC WATER OPERATIONS

Line No.	Present Rates		Company Proposed Rates			Public Staff Recommended Rates		
	Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [29]	Operations After Rate Increase [30]	Net Public Staff Increase [36]	Operations After Rate Increase [37]	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues								
1	Service revenues	\$1,304,231	\$290	\$1,304,521 [3]	\$189,171	\$1,493,692 [3]	\$67,886	\$1,372,407 [38]
2	Miscellaneous revenues	48,277	2,783	51,060 [4]	606	51,666 [31]	218	51,278 [39]
3	Uncollectible accounts	(12,774)	(3,793)	(16,567) [5]	(2,403)	(18,970) [32]	(863)	(17,430) [40]
4	Total operating revenues (Sum of L1 thru L3)	1,339,735	(721)	1,339,014	187,374	1,526,388	67,241	1,406,255
Maintenance Expenses								
5	Salaries and wages	334,852	(25,990)	308,862 [6]	0	308,862	0	308,862
6	Purchased power	69,724	0	69,724	0	69,724	0	69,724
7	Purchased water	(32,254)	32,254	0 [7]	0	0	0	0
8	Maintenance and repair	62,438	570	63,008 [8]	0	63,008	0	63,008
9	Maintenance testing	8,357	(43)	8,314 [7]	0	8,314	0	8,314
10	Meter reading	30,753	0	30,753	0	30,753	0	30,753
11	Chemicals	44,189	(0)	44,189	0	44,189	0	44,189
12	Transportation	39,063	(317)	38,746 [9]	0	38,746	0	38,746
13	Operating expenses charged to plant	(35,647)	(5,856)	(41,503) [10]	0	(41,503)	0	(41,503)
14	Outside services - other	69,333	(199)	69,135 [11]	0	69,135	0	69,135
15	Total maintenance expenses (Sum of L5 thru L14)	590,808	421	591,229	0	591,229	0	591,229
General Expenses								
16	Salaries and wages	156,457	(31,381)	125,075 [12]	0	125,075	0	125,075
17	Office supplies and other office expense	35,977	7	35,984 [13]	0	35,984	0	35,984
18	Regulatory commission expense	17,289	(3,085)	14,204 [14]	0	14,204	0	14,204
19	Pension and other benefits	111,940	(12,030)	99,910 [15]	0	99,910	0	99,910
20	Rent	25,359	(4,022)	21,337 [16]	0	21,337	0	21,337
21	Insurance	42,897	(6,559)	36,338 [17]	0	36,338	0	36,338
22	Office utilities	43,855	(603)	43,252 [18]	0	43,252	0	43,252
23	Miscellaneous	27,372	(15,701)	11,671 [19]	0	11,671	0	11,671
24	Total general expenses (Sum of L16 thru L23)	461,145	(73,435)	387,710	0	387,710	0	387,710
Depreciation and Taxes								
25	Depreciation expense	161,691	7,320	169,011 [20]	0	169,011	0	169,011
26	Amortization of CIAC	(39,600)	(16,817)	(56,417) [21]	0	(56,417)	0	(56,417)
27	Amortization of PAA	11,679	1,624	13,303 [22]	0	13,303	0	13,303
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	2,573	10	2,583 [23]	0	2,583	0	2,583
30	Property taxes	10,553	0	10,553	0	10,553	0	10,553
31	Payroll taxes	46,091	(13,180)	32,912 [24]	0	32,912	0	32,912
32	Regulatory fee	2,138	(397)	1,741 [25]	243	1,984 [33]	87	1,828 [41]
33	Deferred income tax	0	(933)	(933) [26]	0	(933)	0	(933)
34	State income tax	4,884	(2,277)	2,607 [27]	4,678	7,285 [34]	1,679	4,286 [42]
35	Federal income tax	39,998	(18,645)	21,353 [28]	38,315	59,668 [35]	13,750	35,103 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	240,007	(43,295)	196,712	43,236	239,948	15,516	212,228
37	Total operating revenue deductions (L15 + L24 + L36)	1,291,960	(116,309)	1,175,651	43,236	1,218,887	15,516	1,191,167
38	Net operating income for a return (L4 - L37)	\$47,775	\$115,588	\$163,363	\$144,138	\$307,501	\$51,725	\$215,088

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

NET OPERATING INCOME FOR A RETURN

For The Test Year Ended March 31, 2019

BF/FH SEWER OPERATIONS

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Line No.	Item	Present Rates		Company Proposed Rates			Public Staff Recommended Rates		
		Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [29]	Operations After Rate Increase [30]	Net Public Staff Increase [36]	Operations After Rate Increase [37]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues									
1	Service revenues	\$2,094,948	\$4,922	\$2,099,870 [3]	\$213,448	\$2,313,318 [3]	\$84,762	\$2,184,632 [38]	
2	Miscellaneous revenues	18,802	3,312	22,114 [4]	683	22,797 [31]	271	22,385 [39]	
3	Uncollectible accounts	(21,286)	(5,382)	(26,668) [5]	(2,711)	(29,379) [32]	(1,077)	(27,745) [40]	
4	Total operating revenues (Sum of L1 thru L3)	2,092,464	2,852	2,095,316	211,420	2,306,736	83,956	2,179,272	
Maintenance Expenses									
5	Salaries and wages	309,683	24,918	334,600 [6]	0	334,600	0	334,600	
6	Purchased power	146,154	0	146,154	0	146,154	0	146,154	
7	Purchased sewer	0	0	0	0	0	0	0	
8	Maintenance and repair	217,942	(11,087)	206,855 [8]	0	206,855	0	206,855	
9	Maintenance testing	25,219	(0)	25,219	0	25,219	0	25,219	
10	Meter reading	0	0	0	0	0	0	0	
11	Chemicals	6,545	12,665	19,210 [7]	0	19,210	0	19,210	
12	Transportation	40,800	(332)	40,468 [9]	0	40,468	0	40,468	
13	Operating expenses charged to plant	(12,695)	(32,266)	(44,961) [10]	0	(44,961)	0	(44,961)	
14	Outside services - other	72,416	(234)	72,182 [11]	0	72,182	0	72,182	
15	Total maintenance expenses (Sum of L5 thru L14)	806,064	(6,338)	799,727	0	799,727	0	799,727	
General Expenses									
16	Salaries and wages	128,373	7,125	135,498 [12]	0	135,498	0	135,498	
17	Office supplies and other office expense	37,553	(39)	37,514 [13]	0	37,514	0	37,514	
18	Regulatory commission expense	18,071	(3,231)	14,840 [14]	0	14,840	0	14,840	
19	Pension and other benefits	116,917	(8,747)	108,171 [15]	0	108,171	0	108,171	
20	Rent	26,486	(4,200)	22,286 [16]	0	22,286	0	22,286	
21	Insurance	44,804	(6,854)	37,950 [17]	0	37,950	0	37,950	
22	Office utilities	45,178	(655)	44,523 [18]	0	44,523	0	44,523	
23	Miscellaneous	42,825	(30,605)	12,219 [19]	0	12,219	0	12,219	
24	Total general expenses (Sum of L16 thru L23)	460,208	(47,207)	413,001	0	413,001	0	413,001	
Depreciation and Taxes									
25	Depreciation expense	378,417	10,399	388,816 [20]	0	388,816	0	388,816	
26	Amortization of CIAC	(144,644)	(1,538)	(146,182) [21]	0	(146,182)	0	(146,182)	
27	Amortization of PAA	30,601	12,241	42,842 [22]	0	42,842	0	42,842	
28	Amortization of ITC	0	0	0	0	0	0	0	
29	Franchise and other taxes	2,822	9	2,830 [23]	0	2,830	0	2,830	
30	Property taxes	11,022	0	11,022	0	11,022	0	11,022	
31	Payroll taxes	32,637	3,018	35,654 [24]	0	35,654	0	35,654	
32	Regulatory fee	3,225	(501)	2,724 [25]	275	2,999 [33]	109	2,833 [41]	
33	Deferred Income Tax	0	(8,276)	(8,276) [26]	0	(8,276)	0	(8,276)	
34	State income tax	12,609	(4,139)	8,470 [27]	5,278	13,748 [34]	2,096	10,566 [42]	
35	Federal income tax	103,268	(33,901)	69,367 [28]	43,232	112,599 [35]	17,168	86,535 [43]	
36	Total depreciation and taxes (Sum of L25 thru L35)	429,956	(22,688)	407,268	48,785	456,053	19,373	426,641	
37	Total operating revenue deductions (L15 + L24 + L36)	1,696,228	(76,233)	1,619,995	48,785	1,668,780	19,373	1,639,368	
38	Net operating income for a return (L4 - L37)	\$396,236	\$79,085	\$475,321	\$162,635	\$637,956	\$64,583	\$539,904	

CAROLINA WATER SERVICE, INC., OF NC

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FOOTNOTES TO SCHEDULE 3(a)

For The Test Year Ended March 31, 2019

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- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Casse berry
- [4] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 5.
- [5] Feasel Exhibit I, Schedule 3-2, Column (a), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (a), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (a), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (a), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (a), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (a), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (a), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (a), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (d), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (a), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (a), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (a), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (a), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (a), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (a), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (a), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (a), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (a), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (a), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(a), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(a), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 10.
- [32] Feasel Exhibit I, Schedule 3-2, Column (a), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(a), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(a), Column (b), Line 18.
- [36]
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38]
- [39] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 15.
- [40] Feasel Exhibit I, Schedule 3-2, Column (a), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(a), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(a), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(b)

For The Test Year Ended March 31, 2019

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- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 5.
- [5] Feasel Exhibit I, Schedule 3-2, Column (b), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (b), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (b), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (b), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (b), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (b), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (b), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (b), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (e), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (b), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (b), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (b), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (b), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (b), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (b), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (b), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (b), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (b), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (b), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(b), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(b), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 10.
- [32] Feasel Exhibit I, Schedule 3-2, Column (b), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(b), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(b), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 15.
- [40] Feasel Exhibit I, Schedule 3-2, Column (b), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(b), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(b), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(c)

For The Test Year Ended March 31, 2019

BF/FH/TC WATER OPERATIONS

Public Staff
Feasel Exhibit I
Schedule 3(c)
Page 2 of 2
Revised

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 6.
- [5] Feasel Exhibit I, Schedule 3-2, Column (c), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (c), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (c), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (c), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (c), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (c), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (c), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (c), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (f), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (c), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (c), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (c), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (c), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (c), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (c), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (c), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (c), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (c), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (c), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(c), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(c), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 12.
- [32] Feasel Exhibit I, Schedule 3-2, Column (c), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(c), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(c), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 18.
- [40] Feasel Exhibit I, Schedule 3-2, Column (c), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(c), Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(c), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

FOOTNOTES TO SCHEDULE 3(d)

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3(d)
Page 2 of 2
Revised

BF/FH SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Casselberry.
- [4] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (d), Line 6.
- [6] Feasel Exhibit I, Schedule 3-3(a), Column (d), Line 6.
- [7] Based on the recommendation of Public Staff Engineer Darden
- [8] Feasel Exhibit I, Schedule 3-4, Column (d), Line 13.
- [9] Feasel Exhibit I, Schedule 3-5, Column (d), Line 5.
- [10] Feasel Exhibit I, Schedule 3-6, Column (d), Line 7.
- [11] Feasel Exhibit I, Schedule 3-7, Column (d), Line 6.
- [12] Feasel Exhibit I, Schedule 3-3(b), Column (d), Line 6.
- [13] Feasel Exhibit I, Schedule 3-8, Column (d), Line 4.
- [14] Feasel Exhibit I, Schedule 3-9, Column (g), Line 9.
- [15] Feasel Exhibit I, Schedule 3-10, Column (d), Line 3.
- [16] Feasel Exhibit I, Schedule 3-11, Column (d), Line 7.
- [17] Feasel Exhibit I, Schedule 3-12, Column (d), Line 11.
- [18] Feasel Exhibit I, Schedule 3-13, Column (d), Line 5.
- [19] Feasel Exhibit I, Schedule 3-14, Column (d), Line 11.
- [20] Feasel Exhibit I, Schedule 3-15, Column (d), Line 5.
- [21] Feasel Exhibit I, Schedule 3-15, Column (d), Line 10.
- [22] Feasel Exhibit I, Schedule 3-15, Column (d), Line 13.
- [23] Feasel Exhibit I, Schedule 3-16, Column (d), Line 3.
- [24] Feasel Exhibit I, Schedule 3-17, Column (d), Line 6.
- [25] Line 4 Column (c) multiplied by 0.13%.
- [26] Based on the recommendation of Public Staff Accountant Boswell.
- [27] Feasel Exhibit I, Schedule 3-18(d), Column (a), Line 16.
- [28] Feasel Exhibit I, Schedule 3-18(d), Column (a), Line 18.
- [29] Column (e) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (d), unless otherwise footnoted.
- [31] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 8.
- [32] Feasel Exhibit I, Schedule 3-2, Column (d), Line 9.
- [33] Line 4 Column (e) multiplied by 0.13%.
- [34] Feasel Exhibit I, Schedule 3-18(d), Column (b), Line 16.
- [35] Feasel Exhibit I, Schedule 3-18(d), Column (b), Line 18.
- [36] Column (g) minus Column (c), unless otherwise footnoted.
- [37] Column (c) plus Column (f), unless otherwise footnoted.
- [38] Revenue requirement as calculated by the Public Staff.
- [39] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 12.
- [40] Feasel Exhibit I, Schedule 3-2, Column (d), Line 12.
- [41] Line 4 Column (g) multiplied by 0.13%.
- [42] Feasel Exhibit I, Schedule 3-18(d); Column (c), Line 16.
- [43] Feasel Exhibit I, Schedule 3-18(d), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exh bit I
Schedule 3-1(a)
Revised

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [4]
Present Rates:				
1	Forfeited discounts	\$47,457 [1]	\$5,001	\$52,458 [5]
2	Other water/sewer revenues	96,140 [1]	0	96,140
3	Reconnection fee	28,440 [1]	0	28,440
4	Sale of utility property	0 [1]	12,780	12,780 [6]
5	Total miscellaneous revenues (Sum of L1 thru L4)	<u>\$172,037</u>	<u>\$17,781</u>	<u>\$189,818</u>
Company Proposed Rates:				
6	Forfeited discounts	\$52,458 [2]	\$8,102	\$60,560 [7]
7	Other water/sewer revenues	96,140 [2]	0	96,140
8	Reconnection fee	28,440 [2]	0	28,440
9	Sale of utility property	12,780 [2]	0	12,780
10	Total miscellaneous revenues (Sum of L6 thru L9)	<u>\$189,818</u>	<u>\$8,102</u>	<u>\$197,920</u>
Public Staff Recommended Rates:				
11	Forfeited discounts	\$52,458 [2]	\$4,159	\$56,617 [8]
12	Other water/sewer revenues	96,140 [2]	0	96,140
13	Reconnection fee	28,440 [2]	0	28,440
14	Sale of utility property	12,780 [2]	0	12,780
15	Total miscellaneous revenues (Sum of L11 thru L14)	<u>\$189,818</u>	<u>\$4,159</u>	<u>\$193,977</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 4.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 6.
- [6]
- [7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 9.
- [8]

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exh bit I
Schedule 3-1(b)
Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [4]
Present Rates:				
1	Forfeited discounts	\$36,272 [1]	\$2,614	\$38,886 [5]
2	Other water/sewer revenues	73,482 [1]	0	73,482
3	Reconnection fee	4,410 [1]	0	4,410
4	Sale of utility property	0 [1]	7,722	7,722 [6]
5	Total miscellaneous revenues (Sum of L1 thru L4)	<u>\$114,164</u>	<u>\$10,336</u>	<u>\$124,500</u>
Company Proposed Rates:				
6	Forfeited discounts	\$38,886 [2]	\$11,949	\$50,835 [7]
7	Other water/sewer revenues	73,482 [2]	0	73,482
8	Reconnection fee	4,410 [2]	0	4,410
9	Sale of utility property	7,722 [2]	0	7,722
10	Total miscellaneous revenues (Sum of L6 thru L9)	<u>\$124,500</u>	<u>\$11,949</u>	<u>\$136,449</u>
Public Staff Recommended Rates:				
11	Forfeited discounts	\$38,886 [2]	\$7,969	\$46,855 [8]
12	Other water/sewer revenues	73,482 [2]	0	73,482
13	Reconnection fee	4,410 [2]	0	4,410
14	Sale of utility property	7,722 [2]	0	7,722
15	Total miscellaneous revenues (Sum of L11 thru L14)	<u>\$124,500</u>	<u>\$7,969</u>	<u>\$132,469</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 4.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 6.
- [6] Added missing other revenue per examination of Company's records
- [7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 9.
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exh bit I
Schedule 3-1(c)
Revised

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments (b)	Amount Per Public Staff (c) [4]
Present Rates:					
1	Forfeited discounts	\$3,144 [1]		\$1,030	\$4,174 [5]
2	Other water/sewer revenues	8,140 [1]		0	8,140
3	Antenna leases	32,254 [1]		0	32,254
4	Reconnection fee	4,740 [1]		0	4,740
5	Sale of utility property	0 [1]		1,752	1,752 [6]
6	Total miscellaneous revenues (Sum of L1 thru L5)	<u>\$48,278</u>		<u>\$2,782</u>	<u>\$51,060</u>
Company Proposed Rates:					
7	Forfeited discounts	\$4,174 [2]		\$606	\$4,780 [7]
8	Other water/sewer revenues	8,140 [2]		0	8,140
9	Antenna leases	32,254 [2]		0	32,254
10	Reconnection fee	4,740 [2]		0	4,740
11	Sale of utility property	1,752 [2]		0	1,752
12	Total miscellaneous revenues (Sum of L7 thru L11)	<u>\$51,060</u>		<u>\$606</u>	<u>\$51,666</u>
Public Staff Recommended Rates:					
13	Forfeited discounts	\$4,174 [2]		\$218	\$4,392 [8]
14	Other water/sewer revenues	8,140 [2]		0	8,140
15	Antenna leases	32,254 [2]		0	32,254
16	Reconnection fee	4,740 [2]		0	4,740
17	Sale of utility property	1,752 [2]		0	1,752
18	Total miscellaneous revenues (Sum of L13 thru L17)	<u>\$51,060</u>		<u>\$218</u>	<u>\$51,278</u>

- [1] Per examination of Company's financial records.
[2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 5.
[3] Column (c) minus Column (a), unless otherwise footnoted.
[4] Column (a) plus Column (b), unless otherwise footnoted.
[5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 6.
[6] Added missing other revenue per examination of Company's records
[7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 9.
[8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-1(d)
Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$5,239 [1]	\$1,481	\$6,720 [5]
2	Other water/sewer revenues	13,564 [1]	0	13,564
3	Sale of utility property	0 [1]	1,830	1,830 [6]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$18,803</u>	<u>\$3,311</u>	<u>\$22,114</u>
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$6,720 [2]	\$683	\$7,403 [7]
6	Other water/sewer revenues	13,564 [2]	0	13,564
7	Sale of utility property	1,830 [2]	0	1,830
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$22,114</u>	<u>\$683</u>	<u>\$22,797</u>
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$6,720 [2]	\$271	\$6,991 [8]
10	Other water/sewer revenues	13,564 [2]	0	13,564
11	Sale of utility property	1,830 [2]	0	1,830
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$22,114</u>	<u>\$271</u>	<u>\$22,385</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 6.
- [6] Added missing other revenue per examination of Company's records
- [7] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 9.
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF FORFEITED DISCOUNTS
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exh bit I
Schedule 3-1(a)(1)
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$16,048,487 [1]	\$12,025,466 [1]	\$997,201 [1]	\$1,661,694 [1]
2	Forfeited discounts	<u>47,457 [1]</u>	<u>36,272 [1]</u>	<u>3,144 [1]</u>	<u>5,239 [1]</u>
3	Forfeited discounts percentage (L2 / L1)	<u>0.30%</u>	<u>0.30%</u>	<u>0.32%</u>	<u>0.32%</u>
Present Rates:					
4	Service revenues	\$17,485,912 [2]	\$12,961,929 [5]	\$1,304,521 [8]	\$2,099,870 [11]
5	Forfeited discounts percentage (L3)	<u>0.30%</u>	<u>0.30%</u>	<u>0.32%</u>	<u>0.32%</u>
6	Forfeited discounts (L4 x L5)	<u>\$52,458</u>	<u>\$38,886</u>	<u>\$4,174</u>	<u>\$6,720</u>
Company Proposed Rates:					
7	Service revenues	\$20,186,663 [3]	\$16,944,901 [6]	\$1,493,692 [9]	\$2,313,318 [12]
8	Forfeited discounts percentage (L3)	<u>0.30%</u>	<u>0.30%</u>	<u>0.32%</u>	<u>0.32%</u>
9	Forfeited discounts (L7 x L8)	<u>\$60,560</u>	<u>\$50,835</u>	<u>\$4,780</u>	<u>\$7,403</u>
Public Staff Recommended Rates:					
10	Service revenues	\$18,872,254 [4]	\$15,618,205 [7]	\$1,372,407 [10]	\$2,184,632 [13]
11	Forfeited discounts percentage (L3)	<u>0.30%</u>	<u>0.30%</u>	<u>0.32%</u>	<u>0.32%</u>
12	Forfeited discounts (L10 x L11)	<u>\$56,617</u>	<u>\$46,855</u>	<u>\$4,392</u>	<u>\$6,991</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

[8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF UNCOLLECTIBLE ACCOUNTS
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-2
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$16,048,487 [1]	\$12,025,466 [1]	\$997,201 [1]	\$1,661,694 [1]
2	Uncollectible accounts	119,212 [1]	91,117 [1]	12,646 [1]	21,072 [1]
3	Uncollectible accounts percentage (L2 / L1)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
Present Rates:					
4	Service revenues	\$17,485,912 [2]	\$12,961,929 [5]	\$1,304,521 [8]	\$2,099,870 [11]
5	Uncollectible accounts percentage (L3)	0.74%	0.76%	1.27%	1.27%
6	Uncollectible accounts (L4 x L5)	<u>\$129,396</u>	<u>\$98,511</u>	<u>\$16,567</u>	<u>\$26,668</u>
Company Proposed Rates:					
7	Service revenues	\$20,186,663 [3]	\$16,944,901 [6]	\$1,493,692 [9]	\$2,313,318 [12]
8	Uncollectible accounts percentage (L3)	0.74%	0.76%	1.27%	1.27%
9	Uncollectible accounts (L7 x L8)	<u>\$149,381</u>	<u>\$128,781</u>	<u>\$18,970</u>	<u>\$29,379</u>
Public Staff Recommended Rates:					
10	Service revenues	\$18,872,254 [4]	\$15,618,205 [7]	\$1,372,407 [10]	\$2,184,632 [13]
11	Uncollectible accounts percentage (L3)	0.74%	0.76%	1.27%	1.27%
12	Uncollectible accounts (L10 x L11)	<u>\$139,655</u>	<u>\$118,698</u>	<u>\$17,430</u>	<u>\$27,745</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

[8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO SALARY AND WAGES MIANTENANCE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-3 (a)
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Salaries & Wages maintenance per application	\$ 2,804,385 [1]	\$1,694,510 [1]	\$334,852 [1]	\$309,683 [1]
2	Adjustment to include company 10.04.2019 updates	(31,851) [1]	(19,573) [1]	(3,868) [1]	(4,040) [1]
3	Salaries & Wages maintenance adjusted for company updates (L1 + L2)	2,772,534	1,674,937	330,984	305,643
4	Public Staff adjustments	(88,306) [1]	(52,917) [1]	(22,122) [1]	28,957 [1]
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(120,158)</u>	<u>(72,490)</u>	<u>(25,990)</u>	<u>24,917</u>
6	Salaries & Wages maintenance per Public Staff (L3 + L4)	<u>\$ 2,684,228</u>	<u>\$ 1,622,020</u>	<u>\$ 308,862</u>	<u>\$ 334,600</u>

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO SALARY AND WAGES GENERAL
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-3 (b)
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Salaries & Wages general per application	\$ 1,310,325 [1]	\$791,745 [1]	\$156,457 [1]	\$128,373 [1]
2		(137,809) [1]	(83,269) [1]	(16,455) [1]	(17,186) [1]
3		1,172,516	708,476	140,002	111,187
4	Public Staff adjustments	(85,525) [1]	(51,631) [1]	(14,927) [1]	24,311 [1]
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(223,334)</u>	<u>(134,900)</u>	<u>(31,382)</u>	<u>7,125</u>
6	Salaries & Wages general per Public Staff (L3 + L4)	<u>\$ 1,086,991</u>	<u>\$ 656,845</u>	<u>\$ 125,075</u>	<u>\$ 135,498</u>

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-4
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Maintenance and repair per application	\$965,129 [1]	\$1,709,807 [1]	\$62,438 [1]	\$217,942 [1]
2	Adjustment to include company 10.04.2019 updates	(\$14,816) [1]	\$0 [1]	\$7,150 [1]	\$0 [1]
3	Maintenance and repair after adjusted for updated (L1 + L2)	\$950,313	\$1,709,807	\$69,588	\$217,942
4	Remove Company adjustment (-L2)	\$14,816	\$0	(\$7,150)	\$0
5	Adjustment to deferred maintenance and repair per update	(35,974) [2]	225,618 [5]	6,470 [6]	(9,083) [7]
6	Adjustments to correct UA adjustments	(7) [3]	(4) [3]	(1) [3]	(1) [3]
7	Adjustment to maintenance and repair expense	(13,719) [4]			
8	Adjustment to sludge hauling		11,758 [4]		(959) [4]
9	Adjustment to remove deferred accounting O&M adjustment		(3,997) [1]		
10	Adjustment to remove Pace Utility maintenance expense			(5,058) [1]	(165) [1]
11	Adjustment to correct years used to calculate average storm cost	(7,048) [1]	(4,258) [1]	(841) [1]	(879) [1]
12	Total adjustment to maintenance and repair (L2 + Sum of L4 thru L11)	<u>(56,749)</u>	<u>229,117</u>	<u>570</u>	<u>(11,087)</u>
13	Maintenance and repair per Public Staff (L1 + L12)	<u>\$908,380</u>	<u>\$1,938,924</u>	<u>\$63,008</u>	<u>\$206,855</u>

- [1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3-4(a), Column (a), Line 3.
[3] Correct UA adjustments per examination of the Company's financial records
[4] Provided by Public Staff Engineer Darden.
[5]
[6] Feasel Exhibit I, Schedule 3-4(a), Column (c), Line 3.
[7]

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO DEFERRED MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-4(a)
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Annual deferred maintenance and repair per Public Staff	272,739 [1]	503,800 [1]	15,733 [1]	10,325 [1]
2	Deferred maintenance and repair per application	<u>308,713 [2]</u>	<u>278,182 [2]</u>	<u>9,263 [2]</u>	<u>19,408 [2]</u>
3	Adjustment to deferred maintenance and repair (L1 - L2)	<u>(\$35,974)</u>	<u>\$225,618</u>	<u>\$6,470</u>	<u>(\$9,083)</u>

[1] Annual depreciation expense of systems that have not been fully retired per reviewing the Company's records

[2] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO TRANSPORTATION

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-5
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Transportation per application	<u>\$286,275</u>	<u>\$172,978</u>	<u>\$39,063</u>	<u>\$40,800</u>
2	Adjustment to remove out of test period transportation fee	(2,571) [1]	(1,553) [1]	(307) [1]	(321) [1]
3	Adjustments to correct UA adjustments	<u>(89) [1]</u>	<u>(54) [1]</u>	<u>(10) [1]</u>	<u>(11) [1]</u>
4	Total adjustments to transportation (L2+L3)	<u>(2,660)</u>	<u>(1,607)</u>	<u>(317)</u>	<u>(332)</u>
5	Transportation per Public Staff (L1 + L4)	<u><u>\$283,615</u></u>	<u><u>\$171,371</u></u>	<u><u>\$38,746</u></u>	<u><u>\$40,468</u></u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO CAPITALIZED TIME ADJUSTMENT
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-6
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Operating expenses charged to plant per application	(\$358,604)	(\$208,717)	(\$35,647)	(\$12,695)
2	Adjustments to include company updates 10.04.2019	(8,682) [1]	(13,210) [1]	0 [1]	(24,537) [1]
3	Operating expenses charged to plant after adjusted per updates (L1 + L2)	(367,286)	(221,927)	(35,647)	(37,232)
4	Adjustment to update salary cap time through 09/30/2019	(29,327) [1]	(17,737) [1]	(9,989) [1]	(12,207) [1]
5	Adjustments to correct UA adjustments	35,910 [1]	21,698 [1]	4,134 [1]	4,478 [1]
6	Total adjustments to capitalized time (L2 + L4 + L5)	(2,099)	(9,249)	(5,856)	(32,266)
7	Operating expenses charged to plant per Public Staff (L3 + L4 + L5)	(\$360,703)	(\$217,966)	(\$41,503)	(\$44,961)

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO OUTSIDE SERVICE OTHER
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-7
Revised

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Outside service other per application	<u>\$671,950</u>	<u>\$406,016</u>	<u>\$69,333</u>	<u>\$72,416</u>
2	Adjustment to remove unqualified legal fees	(11,487) [1]	(6,941) [1]	(122) [1]	(132) [1]
3	Adjustments to correct UA adjustments	634 [1]	383 [1]	97 [1]	79 [1]
4	Adjustment to remove out of test period other outside service fee	<u>(6,590) [1]</u>	<u>(3,983) [1]</u>	<u>(174) [1]</u>	<u>(182) [1]</u>
5	Total adjustments to outside service other (Sum of L2 thru L4)	<u>(17,443)</u>	<u>(10,540)</u>	<u>(199)</u>	<u>(234)</u>
6	Outside service other per Public Staff (L1 + L5)	<u><u>\$654,506</u></u>	<u><u>\$395,475</u></u>	<u><u>\$69,135</u></u>	<u><u>\$72,182</u></u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO OFFICE SUPPLIES AND OTHER OFFICE EXPENSE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-8
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Office supplies & other office expense per application	<u>\$309,101</u>	<u>\$186,770</u>	<u>\$35,977</u>	<u>\$37,553</u>
2	Adjustments to correct UA adjustments	<u>(314) [1]</u>	<u>(190) [1]</u>	<u>7 [1]</u>	<u>(39) [1]</u>
3	Total adjustments to office supplies & other (L2)	<u>(314)</u>	<u>(190)</u>	<u>7</u>	<u>(39)</u>
4	Office supplies & other office expense per Public Staff (L1 + L3)	<u><u>\$308,786</u></u>	<u><u>\$186,580</u></u>	<u><u>\$35,984</u></u>	<u><u>\$37,514</u></u>

[1] Calculated per the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Test Year Ended March 31, 2019

Public Staff
Feasibility Exhibit I
Schedule 3-9
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	CWSNC Water (d)	CWSNC Sewer (e)	BF/FH/TC Water (f)	BF/FH Sewer (g)
1	Rate case expenses for current proceeding	<u>\$485,309</u>	<u>(\$231,763)</u>	\$253,546 [2]				
2	Amortization period in years			<u>5</u>				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>50,709</u>	\$27,434 [4]	\$16,577 [5]	\$3,276 [6]	\$3,423 [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>202,836.56</u>	109,735 [4]	66,307 [5]	13,103 [6]	13,691 [7]
5	Sub 360 and prior rate cases unamortized rate case expense	<u>\$649,806</u>	<u>(\$0)</u>	649,806 [3]				
6	Amortization period in years			<u>5</u>				
7	Sub 360 and prior rate cases unamortized annual rate case expense (L5 / L6)			<u>129,961</u>	70,309 [4]	42,484 [5]	8,395 [6]	8,772 [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>519,845</u>	281,236 [4]	169,937 [5]	33,582 [6]	35,090 [7]
9	Total annual rate case expense (L3 + L7)			\$180,670	\$97,743	\$59,061	\$11,671	\$12,195
10	Miscellaneous regulatory matters per application			<u>\$73,911 [2]</u>	\$42,845 [2]	\$25,888 [2]	\$2,533 [2]	\$2,645 [2]
11	Total regulatory commission expense per Public Staff (L9 + L10)			<u>\$254,581</u>	\$140,588	\$84,949	\$14,204	\$14,840
12	Total unamortized balance of rate case expense (L4 + L8)			<u>\$722,681</u>	\$390,971	\$236,244	\$46,685	\$48,781

[1] Column (c) minus Column (a).

[2] Per examination of the company's response to accounting data requests

[3] Calculated base on amount approved in prior rate cases.

[4] Column (c) multiplied by CWSNC Uniform water allocation factor of 54.10%.

[5] Column (c) multiplied by CWSNC Uniform sewer allocation factor of 32.69%.

[6] Column (c) multiplied by BF/FH water allocation factor of 6.46%.

[7] Column (c) multiplied by BF/FH sewer allocation factor of 6.75%.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO PENSION AND BENEFITS
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-10
Revised

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Pension and benefits per application	<u>\$811,750</u>	<u>\$490,489</u>	<u>\$111,940</u>	<u>\$116,917</u>
2	Adjustments to correct UA adjustments	56,015 [1]	33,883 [1]	(12,090) [1]	(8,747) [1]
3	Pension and benefits per Public Staff (L1 + L2)	<u><u>867,766</u></u>	<u><u>524,372</u></u>	<u><u>99,850</u></u>	<u><u>108,171</u></u>

[1] Calculated per the company's response for accounting data request

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO RENT

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exh bit I
Schedule 3-11
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Rent per application	<u>\$212,380</u>	<u>\$128,327</u>	<u>\$25,359</u>	<u>\$26,486</u>
2	Adjustment to correct Piedmont Realty Trust WSC Office	(29,159) [1]	(17,619) [1]	(3,482) [1]	(3,636) [1]
3	Adjustment to remove non-regulated rent from NC Owner LLC	(4,274) [1]	(2,583) [1]	(511) [1]	(533) [1]
4	Adjustment to update garner commercial center association rent--company updates 10.04.2019	162 [1]	98 [1]	19 [1]	20 [1]
5	Adjustment to correct Charlotte Warehouse O&M expense	<u>(403) [1]</u>	<u>(244) [1]</u>	<u>(48) [1]</u>	<u>(51) [1]</u>
6	Total adjustments to rent (Sum of L2 thru L5)	<u>(33,674)</u>	<u>(20,348)</u>	<u>(4,022)</u>	<u>(4,200)</u>
7	Rent per Public Staff (L1 + L6)	<u>\$178,706</u>	<u>\$107,979</u>	<u>\$21,337</u>	<u>\$22,286</u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ALLOCATION OF INSURANCE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-12
Revised

No.	Item	CWSNC	CWSNC	BF/FH/TC	BF/FH	Total [3]
		Water (a)	Sewer (b)	Water (c)	Sewer (d)	
1	Auto	\$53,557 [1]	\$32,362 [1]	\$6,394 [1]	\$6,678 [1]	\$98,992
2	Workers compensation	55,473 [1]	33,519 [1]	6,623 [1]	6,917 [1]	102,532
3	Property insurance	32,406 [1]	19,581 [1]	3,869 [1]	4,041 [1]	59,898
4	General Liability	10,508 [1]	6,349 [1]	1,255 [1]	1,310 [1]	19,422
5	Excess Liability	34,795 [1]	21,025 [1]	4,154 [1]	4,339 [1]	64,313
6	Umbrella insurance	8,928 [1]	5,395 [1]	1,066 [1]	1,113 [1]	16,502
7	Insurance deductibles	62,034 [1]	37,483 [1]	7,406 [1]	7,735 [1]	114,659
8	Cyber security insurance	2,736 [1]	1,653 [1]	327 [1]	341 [1]	5,057
9	Pollution liability	20,074 [1]	12,130 [1]	2,397 [1]	2,503 [1]	37,104
10	Broker fee	23,844 [1]	14,408 [1]	2,847 [1]	2,973 [1]	44,072
11	Total insurance per Public Staff (Sum of L1 thru L10)	<u>304,355</u>	<u>183,905</u>	<u>36,338</u>	<u>37,950</u>	<u>562,551</u>
12	Less: Company updates on 10.04.2019	<u>99,431 [2]</u>	<u>60,080 [2]</u>	<u>11,872 [2]</u>	<u>12,400 [2]</u>	<u>183,783</u>
13	Less: Amount per Company in original filing	<u>359,263 [2]</u>	<u>217,079 [2]</u>	<u>42,897 [2]</u>	<u>44,804 [2]</u>	<u>664,043</u>
14	Total adjustment to insurance expense (L11 - L12 - L13)	<u>(\$154,339)</u>	<u>(\$93,254)</u>	<u>(\$18,431)</u>	<u>(\$19,254)</u>	<u>(\$285,278)</u>

[1] Column (f) times customer ratios for each rate division.

[2] Based on information provided by the Company.

[3] Feasel Exhibit I, Schedule 3-12(a), Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INSURANCE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-12 (a)
Revised

<u>Line No.</u>	<u>Item</u>	<u>Annual Premium</u> [1] (a)	<u>CWSNC Percentage</u> (b)	<u>CWSNC Insurance Expense</u> [6] (c)
1	Auto	\$527,956	18.75% [2]	\$98,992
2	Workers compensation	492,816	20.81% [3]	102,532
3	Property insurance	839,909	7.13% [4]	59,898
4	General Liability	107,385	18.09% [5]	19,422
5	Excess Liability	355,585	18.09% [5]	64,313
6	Umbrella insurance	91,238	18.09% [5]	16,502
7	Insurance deductibles	633,946	18.09% [5]	114,659
8	Cyber security insurance	27,960	18.09% [5]	5,057
9	Pollution liability	205,148	18.09% [5]	37,104
10	Broker fee	243,675	18.09% [5]	44,072
11	Total insurance per Public Staff (Sum of L1 thru L10)			<u>\$562,551</u>

[1] Based on current insurance policies and information provided by Company.

[2] Percentage of CWSNC automobiles covered under current policy.

[3] Percentage of CWSNC workers compensation insurance based on CSWNC payroll.

[4] Percentage of CWSNC property insurance based on CSWNC value of property covered.

[5] Percentage of CWSNC insurance based on CSWNC customer count.

[6] Column (a) X Column (b).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO OFFICE UTILITY

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-13
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Office utility per application	<u>\$413,091</u>	<u>\$249,604</u>	<u>\$43,855</u>	<u>\$45,178</u>
2	Adjustment to remove out of test period office utility expense	(2,190) [1]	(1,323) [1]	(680) [1]	(711) [1]
3	Adjustments to correct UA adjustments	<u>445 [1]</u>	<u>269 [1]</u>	<u>78 [1]</u>	<u>55 [1]</u>
4	Total adjustments to office utility (L2 + L3)	<u>(1,745)</u>	<u>(1,055)</u>	<u>(603)</u>	<u>(655)</u>
5	Office utility per Public Staff (L1 + L4)	<u><u>\$411,346</u></u>	<u><u>\$248,550</u></u>	<u><u>\$43,252</u></u>	<u><u>\$44,523</u></u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
ADJUSTMENT TO MISCELLANEOUS EXPENSE
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-14
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Miscellaneous expense per application	<u>\$168,996</u>	<u>\$116,738</u>	<u>\$27,372</u>	<u>\$42,825</u>
2	Adjustment to reflect company's updates 10.04.2019	(\$1,234) [1]	(\$3,949) [1]	(\$116) [1]	(\$7,170) [1]
3	Miscellaneous expense after adjusted for company's updates (L1 + L2)	\$167,762	\$112,789	\$27,256	\$35,654
4	Adjustment to remove company's updates 10.04.2019 (-L2)	\$1,234	\$3,949	\$116	\$7,170
5	Adjustments to remove unqualified miscellaneous expense	(17,485) [1]	(9,563) [1]	(1,855) [1]	(1,939) [1]
6	Adjustments to deferred other charges for riverbend and pace utility	(15,994) [1]	0 [1]	(3,586) [1]	(3,586) [1]
7	Adjustments to reclassify hurricane florence expense	(13,051) [1]	(31,597) [1]	(10,015) [1]	(24,807) [1]
8	Adjustments to correct UA adjustments	<u>(2193) [1]</u>	<u>(1325) [1]</u>	<u>(245) [1]</u>	<u>(273) [1]</u>
9	Total miscellaneous adjustments (L2 + Sum of L4 thru L8)	<u>(48,723)</u>	<u>(42,484)</u>	<u>(15,701)</u>	<u>(30,605)</u>
10	Miscellaneous expense per Public Staff (L1 + L9)	<u><u>\$120,273</u></u>	<u><u>\$74,254</u></u>	<u><u>\$11,671</u></u>	<u><u>\$12,219</u></u>

[1] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF DEPRECIATION AND AMORTIZATION EXPENSE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15
Revised

Line No.		CWSNC	CWSNC	BF/FH/TC	BF/FH
		Water	Sewer	Water	Sewer
		(a)	(b)	(c)	(d)
1	Depreciation on direct plant	\$2,953,925 [1]	\$2,693,744 [8]	\$121,256 [13]	\$343,198 [17]
2	Depreciation on allocated plant	341,343 [2]	188,445 [2]	47,755 [2]	45,618 [2]
3	Gain on sale	(84,921) [2]	(43,262) [2]	0 [4]	0 [4]
4	Excess book value	(11,970) [3]	(17,954) [9]	0 [4]	0 [4]
5	Total depreciation expense (Sum of L1 thru L4)	<u>\$3,198,377</u>	<u>\$2,820,973</u>	<u>\$169,011</u>	<u>\$388,816</u>
6	Depreciable AIA	(23,760) [4]	(9,180) [4]	0 [4]	0 [4]
7	Amortization rate	2.74% [5]	2.70% [10]	2.19% [14]	2.55% [18]
8	AIA amortization expense (L6 x L7)	(\$651)	(\$248)	\$0	\$0
9	CIAC amortization expense	<u>(703,651) [6]</u>	<u>(569,806) [11]</u>	<u>(56,417) [15]</u>	<u>(146,182) [19]</u>
10	CIAC and AIAC amortization expense (L8 + L9)	<u>(704,302)</u>	<u>(570,054)</u>	<u>(56,417)</u>	<u>(146,182)</u>
11	Purchase acquisition adjustment	(\$4,221,513) [7]	(\$627,070) [12]	\$607,436 [16]	\$1,680,077 [20]
12	Amortization rate	2.74% [5]	2.70% [10]	2.19% [14]	2.55% [18]
13	PAA amortization expense (L11 x L12)	<u>(\$115,669)</u>	<u>(\$16,931)</u>	<u>\$13,303</u>	<u>\$42,842</u>

- [1] Feasel Exhibit I, Schedule 3-15-1(a), Column (c), Line 46.
- [2] Calculated by the Public Staff based on information provided by the Company.
- [3] Feasel Exhibit I, Schedule 2-9, Column (b), Line 7.
- [4] Per examination of Company's financial records.
- [5] Feasel Exhibit I, Schedule 3-15-1(a), Column (d), Line 46.
- [6] Feasel Exhibit I, Schedule 3-15-2(a), Column (g), Line 21.
- [7] Feasel Exhibit I, Schedule 2-8, Column (a), Line 9.
- [8] Feasel Exhibit I, Schedule 3-15-1(b), Column (c), Line 58.
- [9] Feasel Exhibit I, Schedule 2-9, Column (b), Line 12.
- [10] Feasel Exhibit I, Schedule 3-15-1(b), Column (d), Line 58.

- [11] Feasel Exhibit I, Schedule 3-15-2(b), Column (g), Line 15.
- [12] Feasel Exhibit I, Schedule 2-8, Column (d), Line 9.
- [13] Feasel Exhibit I, Schedule 3-15-1(c), Column (c), Line 46.
- [14] Feasel Exhibit I, Schedule 3-15-1(c), Column (d), Line 46.
- [15] Feasel Exhibit I, Schedule 3-15-2(c), Column (g), Line 21.
- [16] Feasel Exhibit I, Schedule 2-8, Column (g), Line 9.
- [17] Feasel Exhibit I, Schedule 3-15-1(d), Column (c), Line 58.
- [18] Feasel Exhibit I, Schedule 3-15-1(d), Column (d), Line 58.
- [19] Feasel Exhibit I, Schedule 3-15-2(d), Column (g), Line 14.
- [20] Feasel Exhibit I, Schedule 2-8, Column (j), Line 9.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 354
**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**
For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15-1(a)
Revised

CWSNC WATER OPERATIONS

Line No.	Account	Item	Plant In Service (a)	Depreciation Rate (b) [1]	Annual Depreciation (c) [2]	Composite Rate (d) [3]
1	1020	Organization	\$458,604	2.50%	\$11,465	
2	1025	Franchises	229,516	2.50%	5,738	
3	1030	Land & land rights pump	71,437	0.00%	0	
4	1035	Land & land rights water tr.	357,109	0.00%	0	
5	1040	Land & land rights trans.	20,173	0.00%	0	
6	1045	Land & land rights gen. plt.	515,014	0.00%	0	
7	1050	Struct & improv. src. supply	4,324,704	2.00%	86,494	
8	1055	Struct & improv. wtr. trt. plt.	1,393,647	2.00%	27,873	
9	1060	Struct & improv. trans. dist.	266,217	2.00%	5,324	
10	1065	Struct & improv. gen. plt.	335,152	2.00%	6,703	
11	1070	Collecting reservoirs	13,139	2.00%	263	
12	1080	Wells & springs	14,059,822	2.00%	281,196	
13	1085	Infiltration gallery	45,185	2.50%	1,130	
14	1090	Supply mains	481,739	1.00%	4,817	
15	1095	Power generation equip.	158,288	10.00%	15,829	
16	1100	Electric pump equip. src. plt.	2,634,628	14.29%	376,488	
17	1105	Electric pump equip. wtp.	8,387,267	3.33%	279,296	
18	1110	Electric pump equip. trans.	3,354,737	14.29%	479,392	
19	1115	Water treatment equip.	4,600,074	2.50%	115,002	
20	1120	Dist. resv. & standpipes	8,142,035	2.00%	162,841	
21	1125	Trans. & distr. mains	33,508,840	1.00%	335,088	
22	1130	Service lines	12,693,634	2.00%	253,873	
23	1135	Meters	6,285,338	3.33%	209,302	
24	1140	Meter installations	1,228,643	3.33%	40,914	
25	1145	Hydrants	1,225,062	2.50%	30,627	
26	1150	Backflow prevention devic.	28,142	10.00%	2,814	
27	1160	Other plt. & misc. equip. src. su.	260	2.50%	7	
28	1165	Other plt. & misc. equip. wtp.	6,262	2.50%	157	
29	1175	Office struct & improv.	118,562	10.00%	11,856	
30	1180	Office furn. & equip.	378,575	10.00%	37,857	
31		Stores equipment	4,498	3.33%	150	
32	1190	Tool shop & misc. equip.	1,390,499	5.00%	69,525	
33		Laboratory equipment	158,660	10.00%	15,866	
34	1200	Power operated equip.	328,456	10.00%	32,846	
35	1205	Communication equip.	322,016	10.00%	32,202	
36	1210	Misc. equipment	183,572	3.33%	6,113	
37	1215	Water plant allocated	207,809	6.67%	13,861	
38	1220	Other tangible plt. water	36,650	2.50%	916	
39	1555	Transportation equip.	0	0.00%	0	
40	1580	Mainframe computer - wtr	0	2.50%	0	
41	1585	Mini computer - wtr	(11,871)	0.00%	0	
42	1590	Comp. system cost - wtr	59,359	0.00%	0	
43	1595	Micro system cost - wtr	0	0.00%	0	
44	1805	P/L held for future use	(95,528)	0.00%	0	
45		Pro forma plant additions	0	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	<u>\$107,906,924</u>		<u>\$2,953,925</u>	<u>2.74%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 46.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

Public Staff
Feasal Exhibit I
Schedule 3-15-1(b)
Revised

CWSNC SEWER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1245	Organization	\$907,628	2.50%	\$22,691	
2	1250	Franchises intang. plt.	127,476	2.50%	3,187	
3	1270	Land & land rights trmnt plt	39,167	0.00%	0	
4	1275	Land & land rights reclaim.	1,150	0.00%	0	
5	1285	Land & land rights gen. plt.	213,811	0.00%	0	
6	1290	Struct/improv. coll. plt.	87,344	2.00%	1,747	
7	1295	Struct/improv. pump plt. ls.	8,473,947	2.00%	169,479	
8	1300	Struct/improv. treat. plt.	19,915,584	2.50%	497,890	
9	1305	Struct/improv. reclaim. wtp.	3,271	2.50%	82	
10	1310	Struct/improv. reclaim. wtr.	179,922	2.50%	4,498	
11	1315	Struct/improv. gen. plt.	1,678,158	2.00%	33,583	
12	1320	Power gen. equip. coll. plt.	107,623	10.00%	10,762	
13	1325	Power gen. equip. pump plt.	53,009	10.00%	5,301	
14	1330	Power gen. equip. treat. plt.	211,580	10.00%	21,158	
15	1345	Sewer force main/serv. lin.	3,626,996	1.33%	48,239	
16	1350	Sewer gravity main	17,790,880	1.00%	177,909	
17	1353	Manholes	1,030,697	1.00%	10,307	
18	1355	Special coll. structures	6,939	2.00%	139	
19	1360	Services to customers	1,703,167	1.33%	22,652	
20	1365	Flow measure devices	132,854	4.00%	5,314	
21	1370	Flow measure instal	1,106	4.00%	44	
22	1375	Receiving wells	89,444	2.00%	1,789	
23	1380	Pumping equipment pump plt.	4,104,126	14.29%	586,480	
24	1385	Pumping equipment reclaim.	29,342	14.29%	4,193	
25	1390	Pumping equipment rcl. wtr.	44,313	14.29%	6,332	
26	1395	Treat /disp. equip. lagoon	580,369	2.50%	14,509	
27	1400	Treat /disp. equip. trt. plt.	18,969,160	2.50%	474,229	
28	1405	Treat /disp. equip. rct. wtp.	13,823	2.50%	346	
29	1410	Plant sewers treat. plt.	17,966,326	2.50%	449,168	
30	1415	Plant sewers reclaim wtp.	5,155	2.50%	129	
31	1420	Outfall lines	507,277	1.00%	5,073	
32	1425	Other plt. tangible	3,676	2.50%	92	
33	1430	Other plt. collection	21,142	2.50%	529	
34	1435	Other plt. pump	48,419	2.50%	1,210	
35	1440	Other plt. treatment	37,177	2.50%	929	
36	1445	Other plt. reclaim wtr. trt.	650	2.50%	16	
37	1450	Other plt. reclaim wtr. dis.	460	2.50%	11	
38	1455	Office struct & improv.	34,218	10.00%	3,422	
39	1460	Office furn. & equip.	33,133	10.00%	3,313	
40	1465	Stores equipment	6,471	3.33%	215	
41	1470	Tool shop & misc. equip.	205,556	5.00%	10,278	
42	1475	Laboratory equipment	144,480	10.00%	14,448	
43	1480	Power operated equip.	376,400	10.00%	37,640	
44	1485	Communication equip.	73,643	10.00%	7,364	
45	1490	Misc equip. sewer	19,105	3.33%	636	
46	1495	Sewer plant allocated	526,952	6.67%	35,148	
47	1500	Other tangible plt. sewer	1,776	2.50%	44	
48	1535	Reuse dist. reservoirs	3,507	2.00%	70	
49	1540	Reuse transmission & dist.	58,971	2.00%	1,179	
50	1555	Transportation equip.	0	0.00%	0	
51	1575	Desktop computer - wtr	0	0.00%	0	
52	1580	Mainframe computer - wtr	0	0.00%	0	
53	1585	Mini computer - wtr	(7,173)	0.00%	0	
54	1590	Comp. system cost - wtr	35,867	0.00%	0	
55	1595	Micro system cost - wtr	0	0.00%	0	
56	1805	Plt. held for future use	(514,608)	0.00%	0	
57		Pro forma plant additions	0	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$99,711,466</u>		<u>\$2,693,744</u>	<u>2.70%</u> [4]

[1] Feasal Exhibit I, Schedule 2-1(b)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 58.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15-1(c)
Revised

BF/FH/TC WATER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	1020	Organization	\$99,771	2.50%	\$2,494	
2	1025	Franchises	51,240	2.50%	1,281	
3	1030	Land & land rights pump	0	0.00%	0	
4	1035	Land & land rights water tr.	0	0.00%	0	
5	1040	Land & land rights trans.	0	0.00%	0	
6	1045	Land & land rights gen. plt.	419	0.00%	0	
7	1050	Struct & improv. src. supply	163,136	2.00%	3,263	
8	1055	Struct & improv. wtr. trt. plt.	203,891 [2]	2.00%	4,078	
9	1060	Struct & improv. trans. dist.	461	2.00%	9	
10	1065	Struct & improv. gen. plt.	2,130	2.00%	43	
11	1070	Collecting reservoirs	0	2.00%	0	
12	1080	Wells & springs	509,676	2.00%	10,194	
13	1085	Infiltration gallery	0	2.50%	0	
14	1090	Supply mains	8,953 [3]	1.00%	90	
15	1095	Power generation equip.	0	10.00%	0	
16	1100	Electric pump equip. src. plt.	49,592	14.29%	7,087	
17	1105	Electric pump equip. wtp.	354,689	3.33%	11,811	
18	1110	Electric pump equip. trans.	38,135	14.29%	5,449	
19	1115	Water treatment equip.	135,816	2.50%	3,395	
20	1120	Dist. resv. & standpipes	757,915	2.00%	15,158	
21	1125	Trans. & distr. mains	1,849,939	1.00%	18,499	
22	1130	Service lines	714,706	2.00%	14,294	
23	1135	Meters	128,700	3.33%	4,286	
24	1140	Meter installations	146,776	3.33%	4,888	
25	1145	Hydrants	163,087	2.50%	4,077	
26	1150	Backflow prevention devic.	88	10.00%	10	
27	1160	Other plt. & misc. equip. src. su.	0	2.50%	0	
28	1165	Other plt. & misc. equip. wtp.	0	2.50%	0	
29	1175	Office struct & improv.	7,745	10.00%	775	
30	1180	Office fum. & equip.	4,240	10.00%	424	
31	1185	Stores equipment	349	3.33%	12	
32	1190	Tool shop & misc. equip.	97,131	5.00%	4,857	
33	1195	Laboratory equipment	11,419	10.00%	1,142	
34	1200	Power operated equip.	3,815	10.00%	381	
35	1205	Communication equip.	32,582	10.00%	3,258	
36	1210	Misc. equipment	18	3.33%	1	
37	1215	Water plant allocated	0	6.67%	0	
38	1220	Other tangible plt. water	0	2.50%	0	
39	1555	Transportation equip.	0	0.00%	0	
40	1580	Mainframe computer - wtr	0	2.50%	0	
41	1585	Mini computer - wtr	(584)	0.00%	0	
42	1590	Comp. system cost - wtr	0	0.00%	0	
43	1595	Micro system cost - wtr	0	0.00%	0	
44	1805	Plt. held for future use	0	0.00%	0	
45		Pro forma plant additions	0	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	<u>\$5,535,843</u>		<u>\$121,256</u>	<u>2.19% [6]</u>

[1] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), unless otherwise noted

[4] Depreciation rates approved in Docket No. W-354, Sub 344.

[2] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d) plus \$60,000 Pace Utility water plant

[5] Column (a) multiplied by Column (b).

[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d) plus \$4,057 Pace Utility supply main

[6] Column (c) divided by Column (a), Line 46.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF DIRECT PLANT

DEPRECIATION EXPENSE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15-1(d)
Revised

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	1245	Organization	\$16,593	2.50%	\$415	
2	1250	Franchises intang. plt.	41,938	2.50%	1,048	
3	1270	Land & land rights trmnt plt	0	0.00%	0	
4	1275	Land & land rights reclaim.	0	0.00%	0	
5	1285	Land & land rights gen. plt.	0	0.00%	0	
6	1290	Struct/improv. coll. plt.	0	2.00%	0	
7	1295	Struct/improv. pump plt. fs.	1,521,659	2.00%	30,433	
8	1300	Struct/improv. treat. plt.	2,013,607	2.50%	50,340	
9	1305	Struct/improv. reclaim. wtp.	0	2.50%	0	
10	1310	Struct/improv. reclaim. wtr.	2,477	2.50%	62	
11	1315	Struct/improv. gen. plt.	258,772	2.00%	5,175	
12	1320	Power gen. equip. coll. plt.	0	10.00%	0	
13	1325	Power gen. equip. pump plt.	41,826	10.00%	4,183	
14	1330	Power gen. equip. treat. plt.	0	10.00%	0	
15	1345	Sewer force main/serv. lin.	196,485	1.33%	2,613	
16	1350	Sewer gravity main	5,220,340	1.00%	52,203	
17	1353	Manholes	44,379	1.00%	444	
18	1355	Special coll. structures	775	2.00%	16	
19	1360	Services to customers	60,239	1.33%	801	
20	1365	Flow measure devices	17,011	4.00%	680	
21	1370	Flow measure install	0	4.00%	0	
22	1375	Receiving wells	0	2.00%	0	
23	1380	Pumping equipment pump plt.	748,053	14.29%	106,897	
24	1385	Pumping equipment reclaim.	234	14.29%	33	
25	1390	Pumping equipment rcl. wtr.	0	14.29%	0	
26	1395	Treat /disp. equip. lagoon	56	2.50%	1	
27	1400	Treat /disp. equip. trt. plt.	2,792,662	2.50%	69,817	
28	1405	Treat /disp. equip. rct. wtp.	0	2.50%	0	
29	1410	Plant sewers treat. plt.	384,427	2.50%	9,611	
30	1415	Plant sewers reclaim wtp.	0	2.50%	0	
31	1420	Outfall lines	15,379	1.00%	154	
32	1425	Other plt. tangible	0	2.50%	0	
33	1430	Other plt. collection	(224)	2.50%	(6)	
34	1435	Other plt. pump	2,873	2.50%	72	
35	1440	Other plt. treatment	0	2.50%	0	
36	1445	Other plt. reclaim wtr. trt.	5,189	2.50%	130	
37	1450	Other plt. reclaim wtr. dis.	0	2.50%	0	
38	1455	Office struct & improv.	12,031	10.00%	1,203	
39	1460	Office furn. & equip.	1,593	10.00%	159	
40	1465	Stores equipment	2,752	3.33%	92	
41	1470	Tool shop & misc. equip.	14,314	5.00%	716	
42	1475	Laboratory equipment	6,227	10.00%	623	
43	1480	Power operated equip.	47,881	10.00%	4,788	
44	1485	Communication equip.	993	10.00%	99	
45	1490	Misc equip. sewer	9,393	3.33%	313	
46	1495	Sewer plant allocated	0	6.67%	0	
47	1500	Other tangible plt. sewer	0	2.50%	0	
48	1535	Reuse dist. reservoirs	2,763	2.00%	55	
49	1540	Reuse transmission & dist.	1,414	2.00%	28	
50	1555	Transportation equip.	0	0.00%	0	
51	1575	Desktop computer - wtr	0	0.00%	0	
52	1580	Mainframe computer - wtr	0	0.00%	0	
53	1585	Mini computer - wtr	(611)	0.00%	0	
54	1590	Comp. system cost - wtr	0	0.00%	0	
55	1595	Micro system cost - wtr	0	0.00%	0	
56	1805	Plt. held for future use	0	0.00%	0	
57		Pro forma plant additions	0	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$13,483,500</u>		<u>\$343,198</u>	<u>2.55%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d).

[2] Depreciation rates approved in Docket No. W-354, Sub 344.

[3] Column (a) multiplied by Column (b).

[4] Column (c) divided by Column (a), Line 58.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 364
CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15-2(a)
Revised

CWS - NC Uniform - Water

Line No.	Account	Description	Tesr Year	April to	August Per	September	Total CIAC [2]	Amoprization	[1] CIAC Amortization [3]
			Per Books AA	July Per Books AA [1]	Books AA [1]	Per Books AA [1]		Rates [f]	
			[a]	[b]	[c]	[d]	[e]	[f]	[g]
1	3265	Ciac-Struct & Imprv Src S	(51,493)	-	-	-	(51,493)	2.00%	(1,030)
2	3270	Ciac-Struct & Imprv Wtp	(43,000)	-	-	-	(43,000)	2.00%	(860)
3	3295	Ciac-Wells & Springs	(1,013,273)	-	-	-	(1,013,273)	2.00%	(20,265)
4	3315	Ciac-Elec Pump Eqp Src Pu	(27,158)	-	-	-	(27,158)	14.29%	(3,880)
5	3320	Ciac-Elec Pump Eqp Wtp	(86,987)	-	-	-	(86,987)	3.33%	(2,900)
6	3325	Ciac-Elec Pump Eqp Wtp	(200,932)	-	-	-	(200,932)	14.29%	(28,705)
7	3330	Ciac-Elec Pump Eqp Wtp	(47,681)	-	-	-	(47,681)	2.50%	(1,192)
8	3335	Ciac-Dist Resv & Standpip	(183,881)	-	-	-	(183,881)	2.00%	(3,678)
9	3340	Ciac-Trans & Distr Mains	(2,795,838)	-	-	-	(2,795,838)	1.00%	(27,958)
10	3345	Ciac-Service Lines	(209,411)	-	-	-	(209,411)	2.00%	(4,188)
11	3350	Ciac-Meters	(25,400)	-	-	-	(25,400)	3.33%	(847)
12	3360	Ciac-Hydrants	(317,426)	-	-	-	(317,426)	2.50%	(7,936)
13	3365	Ciac-Backflow Prevent Dev	(4,000)	-	-	-	(4,000)	10.00%	(400)
14	3425	Ciac-Misc Equipment	(164,750)	-	-	-	(164,750)	3.33%	(5,486)
15	3430	Ciac-Other Tangible Plt W	(18,508,745)	-	-	-	(18,508,745)	2.50%	(462,719)
16	3435	Ciac-Water-Tap	(3,952,082)	(27,670)	(12,150)	(4,188)	(3,996,090)	2.64%	(105,391)
17	3440	Ciac-Wtr Mgmt Fee	(19,350)	(300)	-	-	(19,650)	2.64%	(518)
18	3445	Ciac-Wtr Res Cap Fee	(39,250)	-	-	-	(39,250)	2.64%	(1,035)
19	3450	Ciac-Wtr Plt Mod Fee	(750,758)	(6,250)	(2,000)	(800)	(759,808)	2.64%	(20,039)
20	3455	Ciac-Wtr Plt Mtr Fee	(167,153)	(4,610)	(850)	(2,723)	(175,336)	2.64%	(4,624)
21		Total - Water (Sum of L1 thru L20)	<u>(28,608,568)</u>	<u>(38,830)</u>	<u>(15,000)</u>	<u>(7,711)</u>	<u>(28,670,108)</u>		<u>(703,651)</u>

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-15-2(b)
Revised

CWS - NC Uniform - Sewer

Line No.	Account	Description	Tesr Year	April to	August Per	September	Total CIAC	Amoprization	CIAC Amortization
			Per Books	July Per	Books AA	Per Books		Rates	
			AA [1]	Books AA [1]	Books AA [1]	AA [1]	[2]	[1]	[3]
			[a]	[b]	[c]	[d]	[e]	[f]	[g]
1	3500	Ciac-Struct/Imprv Pump Pl	(644,068)	-	-	-	(644,068)	2.00%	(12,881)
2	3505	Ciac-Struct/Imprv Treat P	(369,920)	-	-	-	(369,920)	2.50%	(9,248)
3	3520	Ciac-Struct/Imprv Gen Plt	(15,404,489)	-	-	-	(15,404,489)	2.00%	(308,090)
4	3550	Ciac-Sewer Force Main	(167,394)	-	-	-	(167,394)	1.33%	(2,227)
5	3555	Ciac-Sewer Gravity Main	(1,857,909)	-	-	-	(1,857,909)	1.00%	(18,579)
6	3557	Ciac-Manholes	(182,156)	-	-	-	(182,156)	1.00%	(1,822)
7	3565	Ciac-Services To Customer	(198,451)	-	-	-	(198,451)	1.33%	(2,640)
8	3605	Ciac-Treat/Disp Equip Trt	44,800	-	-	-	44,800	2.50%	1,120
9	3700	Ciac-Other Tangible Plt S	372	-	-	-	372	2.50%	9
10	3705	Ciac-Sewer-Tap	(3,168,466)	(11,763)	(3,600)	(5,900)	(3,189,730)	2.34%	(74,614)
11	3710	Ciac-Swr Mgmt Fee	(10,000)	-	-	-	(10,000)	2.34%	(234)
12	3715	Ciac-Swr Res Cap Fee	-	-	-	-	-	2.34%	-
13	3720	Ciac-Swr Plt Mod Fee	(6,008,626)	(1,000)	(1,000)	-	(6,010,626)	2.34%	(140,599)
14	3725	Ciac-Swr Plt Mtr Fee	(50)	-	-	-	(50)	2.34%	(1)
15		Total - Sewer (Sum of L1 thru L14)	<u>(27,966,359)</u>	<u>(12,763)</u>	<u>(4,600)</u>	<u>(5,900)</u>	<u>(27,989,622)</u>		<u>(569,806)</u>

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-15-2(c)
 Revised

BF/FH/TC - Water

Line No.	Account	Description	Tesr Year	April to	August Per	September	Total CIAC [2]	Amoprization	CIAC Amortization [3]
			Per Books AA [1]	July Per Books AA [1]	Books AA [1]	Per Books AA [1]		Rates [1]	
			[a]	[b]	[c]	[d]	[e]	[f]	[g]
1	3265	Ciac-Struct & Imprv Src S	-	-	-	-	-	2.00%	-
2	3270	Ciac-Struct & Imprv Wtp	-	-	-	-	-	2.00%	-
3	3295	Ciac-Wells & Springs	-	-	-	-	-	2.00%	-
4	3315	Ciac-Elec Pump Eqp Src Pu	-	-	-	-	-	14.29%	-
5	3320	Ciac-Elec Pump Eqp Wtp	-	-	-	-	-	3.33%	-
6	3325	Ciac-Elec Pump Eqp Wtp	-	-	-	-	-	14.29%	-
7	3330	Ciac-Elec Pump Eqp Wtp	-	-	-	-	-	2.50%	-
8	3335	Ciac-Dist Resv & Standpip	-	-	-	-	-	2.00%	-
9	3340	Ciac-Trans & Distr Mains	(25,920)	-	-	-	(25,920)	1.00%	(259)
10	3345	Ciac-Service Lines	(24,247)	-	-	-	(24,247)	2.00%	(485)
11	3350	Ciac-Meters	-	-	-	-	-	3.33%	-
12	3360	Ciac-Hydrants	(68,143)	-	-	-	(68,143)	2.50%	(1,704)
13	3365	Ciac-Backflow Prevent Dev	-	-	-	-	-	10.00%	-
14	3425	Ciac-Misc Equipment	-	-	-	-	-	3.33%	-
15	3430	Ciac-Other Tangible Plt W	(1,711,201)	-	-	-	(1,711,201)	2.50%	(42,780)
16	3435	Ciac-Water-Tap	(304,015)	(1,850)	-	-	(305,865)	2.64%	(8,067)
17	3440	Acc Amort Sewer-Tap	-	-	-	-	-	2.64%	-
18	3445	Ciac-Wtr Res Cap Fee	-	-	-	-	-	2.64%	-
19	3450	Ciac-Wtr Plt Mod Fee	(110,435)	-	-	-	(110,435)	2.64%	(2,913)
20	3455	Ciac-Wtr Plt Mtr Fee	(5,325)	(2,550)	(100)	-	(7,975)	2.64%	(210)
21		Total - Water (Sum of L1 thru L20)	<u>(2,249,286)</u>	<u>(4,400)</u>	<u>(100)</u>	<u>-</u>	<u>(2,253,786)</u>		<u>(56,417)</u>

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF CIAC AMORTIZATION

For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-15-2(d)
 Revised

BF/FH - Sewer

Line No.	Account	Description	Tesr Year	April to	August Per	September	Total CIAC	Amoprization	CIAC Amortization
			Per Books	July Per	Books AA	Per Books		Rates	
			AA [1]	Books AA [1]	Books AA [1]	AA [1]	[2]	[1]	[3]
			[a]	[b]	[c]	[d]	[e]	[f]	[g]
1	3500	Ciac-Struct/Imprv Pump Pl	-	-	-	-	-	2.00%	-
2	3505	Ciac-Struct/Imprv Treat P	-	-	-	-	-	2.50%	-
3	3520	Ciac-Struct/Imprv Gen Plt	(5,554,903)	-	-	-	(5,554,903)	2.00%	(111,098)
4	3550	Ciac-Sewer Force Main	-	-	-	-	-	1.33%	-
5	3555	Ciac-Sewer Gravity Main	(59,811)	-	-	-	(59,811)	1.00%	(598)
6	3557	Ciac-Manholes	-	-	-	-	-	1.00%	-
7	3565	Ciac-Services To Customer	-	-	-	-	-	1.33%	-
8	3605	Ciac-Treat/Disp Equip Trt	-	-	-	-	-	2.50%	-
9	3700	Ciac-Other Tangible Plt S	-	-	-	-	-	2.50%	-
10	3705	Ciac-Sewer-Tap	(475,292)	-	-	-	(475,292)	2.34%	(11,118)
11	3710	Ciac-Swr Mgmt Fee	-	-	-	-	-	2.34%	-
12	3715	Ciac-Swr Res Cap Fee	(707,193)	-	-	-	(707,193)	2.34%	(16,543)
13	3720	Ciac-Swr Plt Mod Fee	(291,780)	-	-	-	(291,780)	2.34%	(6,825)
14		Total - Sewer (Sum of L1 thru L13)	<u>(7 088 979)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7 088 979)</u>		<u>(146 182)</u>

[1] Per examination of the company's response to accounting data requests

[2] Sum of Column [a] thru Column [d]

[3] Column [e] multiplied by Column [f]

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 364
ADJUSTMENT TO FRANCHISE TAX & OTHER TAX
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-16
 Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Franchise tax & other tax per application	<u>(\$3,545)</u>	<u>(\$2,639)</u>	<u>\$2,573</u>	<u>\$2,822</u>
2	Adjustments to correct UA adjustments	72 [1]	44 [1]	10 [1]	9 [1]
3	Franchise tax & other tax per Public Staff (L1 + L2)	<u><u>(\$3,473)</u></u>	<u><u>(\$2,595)</u></u>	<u><u>\$2,583</u></u>	<u><u>\$2,830</u></u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

ADJUSTMENT TO PAYROLL TAX

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-17
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Payroll taxes per application	<u>\$ 322,504</u>	<u>\$194,868</u>	<u>\$46,091</u>	<u>\$32,637</u>
2	Adjustment to include company 10.04.2019 updates	(7,980)	(4,822)	(953)	(995)
3	Payroll taxes adjusted for company updates (L1 + L2)	314,524	190,047	45,139	31,641
4	Public Staff adjustments	(28,500) [1]	(17,209) [1]	(12,227) [1]	4,013 [1]
5	Combined adjustments for company and Public Staff (L2 + L4)	<u>(36,480)</u>	<u>(22,030)</u>	<u>(13,180)</u>	<u>3,017</u>
6	Payroll taxes per Public Staff (L1 + L5)	<u>\$ 286,024</u>	<u>\$ 172,838</u>	<u>\$ 32,912</u>	<u>\$ 35,654</u>

[1] Per examination of the company's response to accounting data requests

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-18(a)
Revised**CWSNC WATER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$17,546,334</u>	<u>\$20,235,202</u>	<u>\$18,926,576</u>
	Operating revenue deductions:			
2	Maintenance expenses	7,353,417	7,353,417	7,353,417
3	General expenses	3,418,811	3,418,811	3,418,811
4	Depreciation expense	3,198,377	3,198,377	3,198,377
5	Amortization of CIAC	(704,302)	(704,302)	(704,302)
6	Amortization of PAA	(115,669)	(115,669)	(115,669)
7	Amortization of ITC	(328)	(328)	(328)
8	Franchise and other taxes	(3,473)	(3,473)	(3,473)
9	Property taxes	154,066	154,066	154,066
10	Payroll taxes	286,024	286,024	286,024
11	Regulatory fee	22,810	26,306	24,605
12	Gross receipts tax	0	0	0
13	Interest expense	1,724,006 [2]	1,724,006 [4]	1,724,006 [6]
14	Total deductions (Sum of L2 thru L13)	<u>15,333,740</u>	<u>15,337,236</u>	<u>15,335,535</u>
15	Taxable income (L1 - L14)	<u>2,212,594</u>	<u>4,897,966</u>	<u>3,591,041</u>
16	State income tax (L15 x 2.5%)	<u>55,315</u>	<u>122,449</u>	<u>89,776</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,157,279</u>	<u>4,775,517</u>	<u>3,501,265</u>
18	Federal income tax (L17 x 21%)	<u>453,029</u>	<u>1,002,859</u>	<u>735,266</u>
19	Excess deferred income tax amortization	<u>(26,420)</u>	<u>(26,420)</u>	<u>(26,420)</u>
20	Net amount (L15 - L16 - L18 - L19)	1,730,670	3,799,078	2,792,419
21	Add: Interest expense	<u>1,724,006 [2]</u>	<u>1,724,006 [4]</u>	<u>1,724,006 [6]</u>
22	Net income for a return (L20 + L21)	<u>\$3,454,676</u>	<u>\$5,523,084</u>	<u>\$4,516,425</u>

[1] Feasel Exhibit I, Schedule 3(a), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(a), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(a), Column (g).

[6] Feasel Exhibit I, Schedule 1(a), Column (e), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364
CALCULATION OF INCOME TAXES
 For The Test Year Ended March 31, 2019

Public Staff
 Feasel Exhibit I
 Schedule 3-18(b)
 Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$12,987,918</u>	<u>\$16,952,569</u>	<u>\$15,631,976</u>
	Operating revenue deductions:			
2	Maintenance expenses	6,116,160	6,116,160	6,116,160
3	General expenses	2,067,433	2,067,433	2,067,433
4	Depreciation expense	2,820,973	2,820,973	2,820,973
5	Amortization of CIAC	(570,054)	(570,054)	(570,054)
6	Amortization of PAA	(16,931)	(16,931)	(16,931)
7	Amortization of ITC	(251)	(251)	(251)
8	Franchise and other taxes	(2,595)	(2,595)	(2,595)
9	Property taxes	93,092	93,092	93,092
10	Payroll taxes	172,838	172,838	172,838
11	Regulatory fee	16,884	22,038	20,322
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,603,191</u> [2]	<u>1,603,191</u> [4]	<u>1,603,191</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>12,300,742</u>	<u>12,305,896</u>	<u>12,304,180</u>
15	Taxable income (L1 - L14)	<u>687,176</u>	<u>4,646,673</u>	<u>3,327,796</u>
16	State income tax (L15 x 2.5%)	<u>17,179</u>	<u>116,167</u>	<u>83,195</u>
17	Federal taxable income after state Income tax (L15 - L16)	<u>669,997</u>	<u>4,530,506</u>	<u>3,244,601</u>
18	Federal income tax (L17 x 21%)	<u>140,699</u>	<u>951,406</u>	<u>681,366</u>
19	Excess deferred income tax amortization	<u>(33,498)</u>	<u>(33,498)</u>	<u>(33,498)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>562,796</u>	<u>3,612,598</u>	<u>2,596,733</u>
21	Add: Interest expense	<u>1,603,191</u> [2]	<u>1,603,191</u> [4]	<u>1,603,191</u> [6]
22	Net income for a return (L20 + L21)	<u>\$2,165,987</u>	<u>\$5,215,789</u>	<u>\$4,199,924</u>

[1] Feasel Exhibit I, Schedule 3(b), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(b), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(b), Column (g).

[6] Feasel Exhibit I, Schedule 1(b), Column (e), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES
For The Test Year Ended March 31, 2019Public Staff
Feasel Exhibit I
Schedule 3-18(c)
Revised**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	\$1,339,014	\$1,526,388	\$1,406,255
	Operating revenue deductions:			
2	Maintenance expenses	591,229	591,229	591,229
3	General expenses	387,710	387,710	387,710
4	Depreciation expense	169,011	169,011	169,011
5	Amortization of CIAC	(56,417)	(56,417)	(56,417)
6	Amortization of PAA	13,303	13,303	13,303
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	2,583	2,583	2,583
9	Property taxes	10,553	10,553	10,553
10	Payroll taxes	32,912	32,912	32,912
11	Regulatory fee	1,741	1,984	1,828
12	Gross receipts tax	0	0	0
13	Interest expense	82,103 [2]	82,103 [4]	82,103 [6]
14	Total deductions (Sum of L2 thru L13)	1,234,727	1,234,970	1,234,814
15	Taxable income (L1 - L14)	104,287	291,418	171,441
16	State income tax (L15 x 2.5%)	2,607	7,285	4,286
17	Federal taxable income after state income tax (L15 - L16)	101,680	284,133	167,155
18	Federal income tax (L17 x 21%)	21,353	59,668	35,103
19	Excess deferred income tax amortization	(933)	(933)	(933)
20	Net amount (L15 - L16 - L18 - L19)	81,260	225,398	132,985
21	Add: Interest expense	82,103 [2]	82,103 [4]	82,103 [6]
22	Net income for a return (L20 + L21)	\$163,363	\$307,501	\$215,088

[1] Feasel Exhibit I, Schedule 3(c), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(c), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(c), Column (g).

[6] Feasel Exhibit I, Schedule 1(c), Column (e), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 364

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 3-18(d)
Revised

BF/FH SEWER OPERATIONS

<u>Line No.</u>	<u>Item</u>	<u>Present Rates</u> [1] <u>(a)</u>	<u>Company Proposed Rates</u> [3] <u>(b)</u>	<u>Public Staff Recommended Rates</u> [5] <u>(c)</u>
1	Operating revenue	<u>\$2,095,316</u>	<u>\$2,306,736</u>	<u>\$2,179,272</u>
	Operating revenue deductions:			
2	Maintenance expenses	799,727	799,727	799,727
3	General expenses	413,001	413,001	413,001
4	Depreciation expense	388,816	388,816	388,816
5	Amortization of CIAC	(146,182)	(146,182)	(146,182)
6	Amortization of PAA	42,842	42,842	42,842
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	2,830	2,830	2,830
9	Property taxes	11,022	11,022	11,022
10	Payroll taxes	35,654	35,654	35,654
11	Regulatory fee	2,724	2,999	2,833
12	Gross receipts tax	0	0	0
13	Interest expense	206,092 [2]	206,092 [4]	206,092 [6]
14	Total deductions (Sum of L2 thru L13)	<u>1,756,526</u>	<u>1,756,801</u>	<u>1,756,635</u>
15	Taxable income (L1 - L14)	<u>338,790</u>	<u>549,935</u>	<u>422,637</u>
16	State income tax (L15 x 2.5%)	<u>8,470</u>	<u>13,748</u>	<u>10,566</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>330,320</u>	<u>536,187</u>	<u>412,071</u>
18	Federal income tax (L17 x 21%)	<u>69,367</u>	<u>112,599</u>	<u>86,535</u>
19	Excess deferred income tax amortization	<u>(8,276)</u>	<u>(8,276)</u>	<u>(8,276)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>269,229</u>	<u>431,864</u>	<u>333,812</u>
21	Add: Interest expense	<u>206,092 [2]</u>	<u>206,092 [4]</u>	<u>206,092 [6]</u>
22	Net income for a return (L20 + L21)	<u>\$475,321</u>	<u>\$637,956</u>	<u>\$539,904</u>

[1] Feasel Exhibit I, Schedule 3(d), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(d), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(d), Column (g).

[6] Feasel Exhibit I, Schedule 1(d), Column (e), Line 7.

CAROLINA WATER SERVICE, INC. OF NC

Docket No. W-354, Sub 364

**CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS**

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit II
Schedule 1
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Sum
1	Increase/(decrease) in total revenue per Company	\$2,674,305	\$3,808,085	\$187,541	\$211,302	6,881,233
2	Difference in calculation of revenue requirement based on Company amounts	0	0	0	0	0
3	Adjust capital structure to 50.9% debt and 49.1% equity	59,702	55,575	2,794	7,213	125,284
4	Adjust debt cost rate to 5.36%	(71,805)	(66,841)	(3,360)	(8,675)	(150,681)
5	Adjust return on equity to 9.0%	(696,614)	(648,448)	(32,600)	(84,169)	(1,461,831)
6	Adjustment to reflect regulatory rate change impact on operating deduction	(1,412)	(1,076)	(125)	(159)	(2,772)
7	Adjustment to reflect regulatory rate change impact on rate base	(595)	(554)	(29)	(71)	(1,249)
8	Adjustment to uncollectibles	9,073	6,546	3,793	5,382	24,794
9	Adjustment to forfeited discounts	(5,001)	(2,614)	(1,030)	(1,481)	(10,126)
10	Adjustment to miscellaneous revenues	(12,780)	(7,722)	(1,752)	(1,830)	(24,084)
11	Update revenues to 9/30/2019	(112,245)	(465,258)	(290)	(4,922)	(582,715)
12	Adjustment to include plant held for future use	(8,097)	(43,620)	0	0	(51,717)
13	Adjustment to remove pro forma estimates	(140,009)	(1,249,067)	0	(68,461)	(1,457,537)
14	Adjustment to cost center rate base	0	0	0	0	0
15	Adjustment to correct cost centers adjustments	(948)	(573)	(33)	(118)	(1,672)
16	Adjustment to update rate base for depreciation and amortization	(1,720)	(39,916)	(182)	(7,945)	(49,763)
17	Adjustment to include actual GL additions	199,609	1,433,402	6,239	74,151	1,713,401
18	Adjustments to include deferred accounting accumulated depreciation	0	(4,392)	0	0	(4,392)
19	Adjustment to reclass Intoollect LLC	(415)	(251)	(50)	(52)	(768)
20	Adjustment to remove AA Pace Utilities	9,762	0	1,792	1,792	13,346
21	Adjustment to cash working capital	(5,672)	(1,251)	(774)	(567)	(8,264)
22	Adjustment to ADIT	68,537	(13,034)	1,493	6,862	63,858
23	Adjustment to customer deposits	(588)	(355)	(8)	(9)	(960)
24	Adjustment to gain on sale	(16,497)	(7,756)	0	0	(24,253)
25	Adjustment to excess book value	28	0	0	0	28
26	Adjustment to average tax accruals	(13,018)	(7,966)	(840)	(910)	(22,734)
27	Adjustment for excess deferred taxes	(34,345)	(43,546)	(1,213)	(10,759)	(89,863)
28	Adjustment to deferred charges	(20,921)	(5,017)	56	(3,161)	(29,043)
29		(120,314)	(72,584)	(26,023)	24,950	(193,971)
30	Adjustment to purchased power	0	(7,689)	0	0	(7,689)
31		(20,326)	2,126	32,296	0	14,096
32	Adjustment to maintenance and repair	(56,822)	229,415	571	(11,102)	162,062

1/19

CAROLINA WATER SERVICE, INC. OF NC

Docket No. W-354, Sub 364

**CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS**

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit II
Schedule 1
Revised

Line No.	Item	CWSNC	CWSNC	BF/FH/TC	BF/FH/TC	Sum
		Water (a)	Sewer (b)	Water (c)	Sewer (d)	
33	Adjustment to maintenance testing	(1,585)	(206)	(43)	0	(1,834)
34	Adjustment to meter reading	0	0	0	0	0
35	Adjustment to chemicals	0	(32,563)	0	12,681	(19,882)
36	Adjustment to transportation	(2,663)	(1,609)	(317)	(332)	(4,921)
37	Adjustment to capitalized time	(2,102)	(9,261)	(5,863)	(32,308)	(49,534)
38	Adjustment to outside services - other	(17,466)	(10,554)	(199)	(235)	(28,454)
39	Adjustment to general salaries and wages	(223,625)	(135,076)	(31,422)	7,134	(382,989)
40	Adjustment to office supplies and other office exp.	(315)	(190)	7	(39)	(537)
41	Adjustment to regulatory commission expense	(27,951)	(14,692)	(3,090)	(3,235)	(48,968)
42	Adjustment to pension and benefits	56,088	33,927	(12,106)	(8,758)	69,151
43	Adjustment to rent	(33,718)	(20,374)	(4,027)	(4,205)	(62,324)
44	Adjustment to insurance	(54,979)	(33,217)	(6,567)	(6,863)	(101,626)
45	Adjustment to office utility	(1,747)	(1,056)	(604)	(656)	(4,063)
46	Adjustment to miscellaneous	(48,786)	(42,539)	(15,722)	(30,645)	(137,692)
47	Adjustment to depreciation expense	127,356	33,069	7,330	10,413	178,168
48	Adjustment to amortization expense - CIAC	(19,632)	46,732	(16,839)	(1,540)	8,721
49	Adjustment to amortization expense - PAA	(13,048)	8,063	1,626	12,257	8,898
50	Adjustment to franchise tax	72	44	10	9	135
51	Adjustment to property tax	0	0	0	0	0
52	Adjustment to payroll tax	(36,527)	(22,059)	(13,197)	3,021	(68,762)
53	Rounding	(1)	(1)	(2)	(4)	(8)
54	Revenue Impact of Public Staff adjustments (Sum of L2 thru L53)	<u>(1,294,062)</u>	<u>(1,164,028)</u>	<u>(120,300)</u>	<u>(127,346)</u>	<u>(2,705,736)</u>
55	Increase/(decrease) per Public Staff (L1 + I54)	<u>\$1,380,243</u>	<u>\$2,644,057</u>	<u>\$67,241</u>	<u>\$83,956</u>	<u>4,175,497</u>
56	Public Staff recommended increase(decrease) (L55)	1,380,243	2,644,057	67,241	83,956	4,175,497
57	Federal Unprotected EDIT Rider	(141,138)	(178,941)	(4,984)	(44,213)	(369,276)
58	Public Staff Rrecommended change in revenue requirement (L56 + L57)	<u>\$1,239,105</u>	<u>\$2,465,116</u>	<u>\$62,257</u>	<u>\$39,743</u>	<u>\$3,806,221</u>

DeStefano

Carolina Water Service, Inc of North Carolina
 Docket No. W-354, Sub 364
 Test Year: March 31, 2019

Supplemental Exhibit #1
 Supplement to Schedule E
 Page 1 of 2

Consumption Adjustment Mechanism

Rate Group [A]	Consumption [B]	Proposed Rate per TG [C]	Percent of Total Consumption [D]
Uniform Water: Residential and Commercial			
Volumetric - Uniform Water	778,381,529	\$8.82	75.03%
Volumetric - Irrigation	497,490	\$5.12	0.05%
Purchased Water:			
Carolina Forest	6,660,122	\$3.19	0.64%
High Vista Estates	11,320,518	\$3.43	1.09%
Riverbend	5,872,416	\$7.20	0.57%
Riverpointe	14,901,410	\$6.48	1.44%
Whispering Pines	94,050,995	\$2.23	9.07%
White Oak/Lee Forest/Winston	26,283,097	\$2.65	2.53%
Woodrun	18,284,751	\$3.19	1.76%
Yorktown	3,544,045	\$5.19	0.34%
Zemosa Acres	11,728,736	\$5.27	1.13%
Carolina Trace	65,901,224	\$2.21	6.35%
Total	1,037,426,332		100.00%

EOP Customers times 12 Monthly Bills 306,924

Usage per Customer per Month 3,380.08

Rate Group [A]	Consumption [B]	Proposed Rate per TG [C]	Percent of Total Consumption [D]
Uniform Sewer: Residential and Commercial			
Volumetric - Uniform Sewer	454,352,968	\$5.80	80.49%
Purchased Sewer Treatment:			
White Oak/Lee Forest/Winston	21,287,437	5.57	3.77%
Kings Grant	8,349,240	\$3.98	1.48%
College Park	2,380,496	\$5.70	0.42%
Mt. Carmel	12,373,183	\$6.16	2.19%
Corolla Light/Monteray Shores	62,764,710	\$5.80	11.12%
Fairfield Mountain	2,945,870	\$13.93	0.52%
Total	564,453,904		100.00%

EOP Customers times 12 Monthly Bills 156,372

Usage per Customer per Month 3,609.69

Rate Group [A]	Consumption [B]	Proposed Rate per TG [C]	Percent of Total Consumption [D]
BF/FH/TC Water: Residential and Commercial			
Volume - BF/FH/TC/PU	161,198,156	\$4.45	100.00%

EOP Customers times 12 Monthly Bills 38,964

Usage per Customer per Month 4,137.10

Rate Group [A]	Consumption [B]	Proposed Rate per TG [C]	Percent of Total Consumption [D]
BF/FH/TC Sewer: Residential and Commercial			
Volume - BF/FH/TC/PU	1,326,581	\$1.72	100.00%

EOP Customers times 12 Monthly Bills 228

Usage per Customer per Month 5,818.34

[A] = Volumetric rate group per Appendix 6, Schedule E.
 [B] = Consumption for both residential and commercial under proposed rates per Appendix 6, Schedule E.
 [C] = Proposed rate per 1,000 gallons (TG) per Appendix 6, Schedule E.
 [D] = Column [B] divided by Total Consumption for the respective Rate Division.

Consumption Adjustment Mechanism - Sample Calculation

Line	Rate Group	Consumption	Proposed Rate per TG	Percent of Total Consumption	Weighted TG Rate	Annual Revenue Variance
	[A]	[B]	[C]	[D]	[E]	[F]
Uniform Water: Residential and Commercial						
1	Volumetric - Uniform Water	778,381,529	\$8.82	75.03%	\$6.62	
2	Volumetric - Irrigation	497,490	\$5.12	0.05%	\$0.00	
3	Purchased Water:					
4	Carolina Forest	6,660,122	\$3.19	0.64%	\$0.02	
5	High Vista Estates	11,320,518	\$3.43	1.09%	\$0.04	
6	Riverbend	5,872,416	\$7.20	0.57%	\$0.04	
7	Riverpointe	14,901,410	\$6.48	1.44%	\$0.09	
8	Whispering Pines	94,050,995	\$2.23	9.07%	\$0.20	
9	White Oak/ Lee Forest/ Winston	26,283,097	\$2.65	2.53%	\$0.07	
10	Woodrun	18,284,751	\$3.19	1.76%	\$0.06	
11	Yorktown	3,544,045	\$5.19	0.34%	\$0.02	
12	Zemosa Acres	11,728,736	\$5.27	1.13%	\$0.06	
13	Carolina Trace	65,901,224	\$2.21	6.35%	\$0.14	
14	Total Consumption	1,037,426,332		100.00%	\$7.36	\$67,925.99
15	EOP Customers times 12 Monthly Bills	306,924			% Charge	0.39% [1]
16	Authorized Usage per Customer per Month	3,380.08	Actual	3,410.17	Variance	30.09
Uniform Sewer: Residential and Commercial						
17	Volumetric - Uniform Sewer	454,352,968	\$5.80	80.49%	\$4.67	
18	Purchased Sewer Treatment:					
19	White Oak/ Lee Forest/ Winston	21,287,437	\$5.57	3.77%	\$0.21	
20	Kings Grant	8,349,240	\$3.98	1.48%	\$0.06	
21	College Park	2,380,496	\$5.70	0.42%	\$0.02	
22	Mt. Carmel	12,373,183	\$6.16	2.19%	\$0.14	
23	Corolla Light/ Monterey Shores	62,764,710	\$5.80	11.12%	\$0.64	
24	Fairfield Mountain	2,945,870	\$13.93	0.52%	\$0.07	
25	Total Consumption	564,453,904		100.00%	\$5.81	(\$40,177.77)
26	EOP Customers times 12 Monthly Bills	156,372			One-Time Flat Credit	(\$3.08) [2]
27	Authorized Usage per Customer per Month	3,609.69	Actual	3,565.50	Variance	(44.19)
BF/FH/TC Water: Residential and Commercial						
28	Volume - BF/FH/TC/PU	161,198,156	\$4.45	100.00%	\$4.45	(\$5,539.80)
29	EOP Customers times 12 Monthly Bills	38,964			One-Time Flat Credit	(\$1.71) [2]
30	Usage per Customer per Month	4,137.10	Actual	4,105.15	Variance	(31.95)
BF/FH/TC Sewer: Residential and Commercial						
31	Volume - BF/FH/TC/PU	1,326,581	\$1.72	100.00%	\$1.72	\$38.03
32	EOP Customers times 12 Monthly Bills	228			% Charge	0.17% [1]
33	Usage per Customer per Month	5,818.34	Actual	5,915.05	Variance	96.71

[A] = Volumetric rate group per Appendix 6, Schedule E.

[B] = Consumption for both residential and commercial under proposed rates per Appendix 6, Schedule E.

[C] = Proposed rate per 1,000 gallons (TG) per Appendix 6, Schedule E.

[D] = Column [B] divided by Total Consumption (Lines 14, 25, 28, and 31) for the respective Rate Division.

[E] = Column [C] x Column [D]

[F] = Column [E] / 1000 x Usage per Customer per Month Variance x EOP Customers times 12 Monthly Bills

[1] = % Charge determined by Annual Revenue Variance divided by proposed revenues for applicable customers per Appendix 6, Schedule E.

[2] = Monthly Credit determined by Annual Revenue Variance divided by EOP Customers times 12 Monthly Bills divided by 12

Public Staff - DeStefano Cross-Exam
Exhibit 1

I/A

Carolina Water Service, Inc. of NC
Docket No. W-354, Sub 364
Public Staff Data Request No. 81-DeStefano Rebuttal
Date Requested: November 22, 2019
Date Due: November 26, 2019

Public Staff Technical Contact: Windley Henry
Phone #: (919) 733-0949
Email: windley.henry@psncuc.nc.gov

Charles Junis
Phone #: (919) 733-0891
Email: charles.junis@psncuc.nc.gov

Public Staff Legal Contact: John Little
Phone #: (919) 733-0976
Email: john.little@psncuc.nc.gov

Subject of Data Request: Rebuttal Testimony of Dante DeStefano

Please provide any available responses electronically in a searchable format. If in Excel format, be sure to include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title.

The following questions refer to: Attachment 1 to the Rebuttal Testimony of Dante DeStefano filed on November 20, 2019:

1. On page 4, the Company stated in Reply Comments that "major technological upgrades such as the Company's AMR meter projects are the type of projects for which deferred accounting is appropriate." Please provide the Company's definition of "major technological upgrade" and the criteria that distinguishes major, typical, and minor.

RESPONSE:

Please see discussion on page 5 of the referenced Company Reply Comments---filed in Docket No. W-354, Sub 365 on October 21, 2019---which details CWSNC's distinction of the significance its AMR projects in comparison to typical, "in-kind" replacements. The Company has not discussed or referenced "minor" upgrades.

2. On page 5, the Company stated in Reply Comments that "[t]hese projects will benefit customers by minimizing estimated reads, re-reads, high/low reads, and water loss." The Company further stated that "[t]hese meter projects also provide safety and operational efficiency benefits to CWSNC and its employees." Please

**Public Staff - DeStefano Cross-Exam,
Exhibit 1**

provide any and all cost-benefit analyses prepared by the Company and its consultants for AMR meter installation (metering an unmetered premise) and/or AMR meter replacement (replacement of a standard meter with an AMR meter). Please include whether each cost-benefit analysis considered the cost impact of deferred accounting.

RESPONSE:

(a) This quote from CWSNC's Reply Comments (dated October 21, 2019) was contained at page 4 in the Sub 365 Petition, filed on June 28, 2019.

(b) The Company has engaged in extensive discussions with Public Staff (including representatives of the Water and Legal Divisions) over its last several rate cases (and between rate cases) as to the need and benefits of implementing AMR meters for its mountain systems.

(c) The bases of support for these meters have consistently included the factors set forth above, from p. 5 of CWSNC's Reply Comments (and originally from p. 4 of the Petition).

The Company has proceeded with and plans to continue implementing AMR meters in this region to facilitate employee and contractor safety during winter months and operational efficiencies, such as discontinuing contract meter reading, as was reflected in the Company's Schedule 26, in response to W-1, Item #10.

3. Related to the asserted benefits to customers above, please provide a detailed narrative of how the Company is providing meter read data to customers. Please include how customers can receive the meter read data (e.g. daily reads, hourly reads, alerts, etc.). If customers cannot access the meter read data, when does the Company anticipate making that data readily available to customers and how?

RESPONSE:

CWSNC objects to this DR for the reason that it is neither relevant nor likely to lead to any information relevant in this docket, in that it is not consistent with the NCUC's established criteria for consideration of Deferred Accounting, nor Staff's or the Company's comments submitted in this Docket. The Public Staff has had ample opportunity to inquire into these matters, both after the filing of the Sub 365 Petition for Deferral Accounting on June 28, 2019 and prior to the Staff's filing of Direct Testimony, and has declined to submit DR's or testimony on the topic.

However, in the interest of courtesy, the Company explains that as the meters installed are AMR and not AMI, daily and hourly data is not available and will not be available until and unless the Company implements AMI technology. The Company's myUtilityConnect mobile application provides customers access to their monthly usage data outside of the billing process.

**Public Staff - DeStefano Cross-Exam
Exhibit 1**

4. On page 6, the Company stated in Reply Comments that “[t]hese are among the first major implementations of AMR meters in the Company’s system, and much more meter replacement work must be done in the coming years.” Please provide a table of other AMR implementation projects completed by the Company, including but not limited to, for each system the system name, number of customers, number of AMR meters installed, project completion date, and project cost (broken down into meter, transmitter, installation, and allocated costs). In addition, please provide the name of systems and number of meters that the Company anticipates to replace in “the coming years” (annually for at least the next 5 years).

RESPONSE: Please see below for AMR subdivision meter installation projects completed, beyond the Fairfield Mountain and Connestee Falls projects included in the current case. Also noted are the Docket Numbers within which each of the projects were reviewed by Public Staff for rate case recovery:

In-Service	Total Cost	Meters	System	Docket #
9/30/2015	104,605.57	146	Misty Mtn	Sub 344
9/30/2015	179,802.14	233	Mt Mitchell	Sub 344
8/31/2015	162,630.90	239	Powder Horn	Sub 344
9/30/2015	172,506.06	79	Ski Country	Sub 344
9/30/2015	79,830.71	48	Crystal Mtn	Sub 344
8/31/2015	370,584.85	142	Wautuga Vista	Sub 344
9/30/2015	218,640.85	270	High Meadows	Sub 344
8/31/2017	919,545.63	382	Linville	Sub 356
7/31/2016	374,952.91	335	Elk River	Sub 356
11/30/2015	559,339.05	1723	Sapphire Valley	Sub 356

Please see below anticipated AMR subdivision meter replacement projects:

Year	System	# of Meters
2020	Sugar Mountain	1368
2021	Sherwood Forest	263
2021	Ski Mountain	255
2021	High Vista	247
2022	Bent Creek	305
2022	Hound Ears	450
2023	Wolf Laurel	710
2023	Bear Paw	363

5. On page 6, footnote 1, the Company stated in Reply Comments that “the Public Staff argues, without evidence....” Please provide the Company’s current Meter Replacement Plan or a detailed narrative description of the Company’s current

**Public Staff - DeStefano Cross-Exam
Exhibit 1**

Meter Replacement Program. In addition, please provide the previous version of such a plan or program that existed prior to the current version.

RESPONSE: See the response to #2 above, regarding discussions with Public Staff on prioritizing transitioning the Company's mountain systems to AMR, and the response to #4 above, identifying upcoming mountain system AMR replacement projects. In addition, the Company follows AWWA guidelines for meter replacement based on testing results and replaces meters based on leak investigations.

6. On page 7, the Company stated that "the most reasonable and fair course of action in this case is to collectively consider and evaluate the materiality of the total costs of all four capital projects proposed of accounting cost deferral by the Company." Please explain any orders issued by this Commission supporting the Company's conclusion that all four projects should be evaluated in total for deferred accounting treatment.

RESPONSE: Please see the citation on page 7 of the Company's Reply Comments, Docket E-7 Sub 874, Final Order dated 3/31/2009, in particular page 26, "Conclusions" section and footnote 10.

7. On page 5, of Destefano Rebuttal Testimony, he stated that "Indeed, the Company's actual earned overall rate of return during the test year for this rate case was only 3.69%" Please provide work papers, calculations, schedules and any other documentation supporting the actual earned overall rate of return of 3.69%.

RESPONSE: Please see Excel files "Rate Filing Template CWS-NC Uniform" and "Rate Filing Template BF-FH-TC", submitted to Public Staff at the time of the filing of the current rate case. In particular, see the former file, Rate Base tab, Cell Z34.

8. Please provide work papers, calculations, schedules and any other documentation supporting the Company's actual earned overall rate of return during the test year for Uniform Sewer Operations

RESPONSE: See response to #7 above.

- Connestee Falls Wastewater Treatment Plant ("WWTP")
- Nags Head WWTP
- Fairfield Mountain Automated Meter Reading ("AMR") Meters
- Connestee Falls AMR Meters

2. On July 18, 2019, the Commission entered an *Order Requesting Comments* in this docket. That Order allowed interested parties to file petitions to intervene by August 30, 2019, and set that same date for the Public Staff and any intervenors to file initial comments. The Order further provided that all parties could file reply comments by September 30, 2019. The deadlines for filing initial and reply comments were subsequently extended by two Commission Orders to September 20, 2019, and October 21, 2019, respectively.

3. On September 20, 2019, the Public Staff filed Initial Comments in this docket. No other parties intervened or filed initial comments on that date. In Paragraph 10 of its initial comments, the Public Staff addressed the Company's request regarding its Nags Head and Connestee Falls WWTPs as follows:

The Public Staff has evaluated the deferrals requested in CWSNC's petition against the criteria set forth above. Based on these criteria and other Commission precedent, the Public Staff does not oppose deferral accounting treatment for costs related to the WWTPs at Nags Head and Connestee Falls. These costs are related to major construction projects involving WWTPs that are not yet in service but are expected to be completed and in operation prior to the date of the evidentiary hearing in CWSNC's pending general rate case. The deferral accounting request was made contemporaneously with the filing of the rate case application, and the deferral period is not so long as to cause undue concern that the ratepayers who pay rates that include costs incurred to provide service during the deferral period may not be the same ratepayers who received the service. The impact of the costs, if not deferred, on the Company's ROE [return on equity] of 9.75% approved in the Sub 360 Rate Case will be significant. Without deferral, the

Company's earnings can be expected to decline due to the WWTPs becoming plant in service. Thus, in the Public Staff's view, the WWTPs at Nags Head and Connestee Falls present the kind of circumstances in terms of nature, impact, and timing for which deferral accounting treatment may be appropriate.

4. In Paragraph 11 of its Initial Comments, the Public Staff addressed the Company's request regarding its AMR meter projects at Fairfield Mountain and Connestee Falls, in pertinent part, as follows:

In regard to the installation costs of AMR meters in Fairfield Mountain and Connestee Falls, the Public Staff believes that CWSNC has failed to make a clear, complete, and convincing showing that the costs in question are of an unusual or extraordinary nature and, absent deferral, will have a material impact on the Company's financial condition....

5. In Paragraph 12, the Public Staff concluded its Initial Comments with the following recommendation:

In conclusion, the Public Staff submits that the requested deferral accounting treatment with respect to the cost of the WWTPs at Nags Head and Connestee Falls be granted and that the requested deferral accounting treatment with respect to the AMR meters installed in Fairfield Mountain and Connestee Falls be denied in its entirety.

CWSNC's Reply Comments

CWSNC appreciates the position taken by the Public Staff in support of the Company's request for approval of deferral accounting with respect to the cost of the WWTPs at Nags Head and Connestee Falls. However, the Company opposes the Public Staff's position in opposition to CWSNC's request for approval of deferred accounting with respect to the installation of AMR meters at the Fairfield Mountain and Connestee Falls systems. CWSNC offers the following Reply

Comments in support of its position regarding AMR meters and in response to the Public Staff.

The Commission should authorize deferred accounting for the Company's Fairfield Mountain and Connestee Falls AMR meter projects for the following reasons: (1) contrary to the Public Staff's assertion, major technological upgrades such as the Company's AMR meter projects are the type of projects for which deferred accounting is appropriate; (2) the financial impact to the Company of all of its projects for which deferred accounting has been proposed is significant and material, and it is appropriate to consider the totality of the adverse regulatory lag impacts; but (3) even if only the isolated financial impacts of the AMR meter projects are considered, those financial impacts support deferred accounting treatment, especially in light of the Company's current earned ROE.

The Company has attached to these Reply Comments updated Schedules 1 and 2, which reflect the actual costs for the four projects, updated deferral calculation, and updated ROE impact. The figures noted throughout the comments below utilize the information in the updated Schedules 1 and 2.

Deferred Accounting Treatment is Appropriate for Major Investments in New Metering Technology. The Fairfield Mountain AMR meter project involves the installation of approximately 1,110 new automated meter reading meters at a cost of \$449,560. The Connestee Falls AMR meter project involves the installation of approximately 1,419 new automated meter reading meters at a cost of \$430,649. Together, these two AMR meter projects will result in a total investment by CWSNC of nearly \$900,000 in used and useful utility plant to serve

customers. These meter projects will benefit customers by minimizing estimated reads, re-reads, high/low reads, and water loss. These meter projects also provide safety and operational efficiency benefits to CWSNC and its employees.

At pages 7 - 8 of its Initial Comments, the Public Staff asserts that "...the Company's decision to upgrade does not change the nature of the typical and expected project of meter replacements." To the contrary, CWSNC asserts that replacing aged, manually-read, analog meters en masse with more modern remote-read meters, which require RF devices, touchpads and new software support to be properly utilized, is a significant — not typical — change in the operating processes and nature of service for both the Company and its affected customers. Unlike typical meter replacements, which are made when an individual meter fails, is damaged, or is found to be inaccurate, the Company has embarked on a mass replacement of its aging analog meters with digital AMR meters in two mountainous service areas of its service territory. These AMR meter replacement projects have been undertaken to improve service, efficiency, and safety, through the use of advanced technology. These technology investments are quite different from the typical, individual meter replacements the Public Staff cites. The Company agrees that deferred accounting would not be appropriate for the typical, individual analog meter replacements that take place regularly across a utility system: such replacements could potentially meet the "in-kind" criterion for WSIC eligibility, which would present an alternative recovery option. However, the Fairfield Mountain and Connestee Falls AMR projects differ markedly in scope, scale, purpose, and financial impact from such routine meter change-outs.

Further, on page 8, the Public Staff states that: "Additionally, traditional meter and AMR meter replacement projects have not been proposed for deferral accounting in the past." Even if that is the case, this rationale is unpersuasive. These are among the first major implementations of AMR meters in the Company's system, and much more meter replacement work must be done in the coming years. The proposed rejection of deferred accounting here, as well as the inability of CWSNC to recover the costs of depreciation and a return on the full investment of AMR meters in a WSIC filing, has the effect of significantly penalizing the Company through denial of timely cost recovery for investments in modernizing its water system operations. If CWSNC's cost recovery for AMR meters is limited solely to a final decision in a general rate case (with no interim deferred accounting), the Company's earnings will be materially affected to its detriment.¹

Moreover, state regulatory commissions have authorized deferred accounting in connection with meter replacement projects. *See, for example, In re Verified Petition of Southern Indiana Gas and Electric Company, Cause No. 44910*

¹ At page 8 of its Initial Comments, the Public Staff argues, without evidence, that: "The increased cost of AMR meters and number of meters replaced is the result of management decisions by CWSNC and a failure to implement a systematic and measured meter replacement program." This allegation is inconsistent with the Public Staff's comment on Page 7 - in that same paragraph - that: "It is not unusual for a water and sewer utility to undertake a meter replacement project that includes an entire subdivision or service area, because it promotes efficiency of time and cost when replacing a number of meters having similar ages due to being installed within a similar time period." In this instance, CWSNC undertook necessary, prudent, and comprehensive meter replacement projects affecting all of its customers served within its Fairfield Mountain and Conestee Falls mountain water systems. CWSNC's actions with regard to these two mountain system projects were reasonable and prudent and continue the Company's planned implementation of an expanded AMR footprint throughout the mountain systems as demonstrated by the Prefiled Direct Testimony of J. Bryce Mendenhall at pages 8 (beginning at line 17) and 9 (ending at line 9) in CWSNC's pending rate case, Docket No. W-354, Sub 364.

(IURC; Sept. 20, 2017); *In the Matter of Northwest Natural Gas*, Order No. 10-076; UM 1413(1) (Ore. PUC; Mar. 2, 2010); *In the Matter of the Application of Avista Corp.*, Case No. AVU-E-04-1, AVU-G-04-1; Order No. 29602 (Idaho PUC; Oct. 8, 2004).

Notably, this Commission has considered the collective financial impact of various different types of projects when determining whether to grant deferred accounting authorization. For example, in a 2009 Duke Energy Carolinas case, the Commission authorized the utility to use deferred accounting for both environmental compliance costs and the purchase of a portion of the Catawba Nuclear Station, finding that "if the requested deferral is not allowed, it would appear to be very likely that the Company's 2008 ROE, of 9.79%, would be further eroded in 2009, due to the fact that the ROE impact of the costs for which deferral is requested is estimated to be 114 basis points (67 basis points for the Allen scrubbers and 47 basis points for the Catawba Nuclear Station acquisition)." See *In the Matter of Petition of Duke Energy Carolinas*, Docket No. E-7, Sub 874 (NCUC; Mar. 31, 2009).

The Financial Impact of All Four Projects for Which Deferred Accounting Treatment is Sought is Significant and Should Be Considered in Total. The Public Staff gives separate consideration to the issue of materiality by segregating the costs of the two WWTP projects from the costs of the two AMR meter projects and then evaluating them separately. The most reasonable and fair course of action in this case is to collectively consider and evaluate the materiality of the total cost all four capital projects proposed for accounting cost

deferral by the Company. All four projects are part of the Company's pending general rate case and all four of the projects, though beneficial to customers, combine to adversely impact the Company's financial condition due to regulatory lag. Accordingly, all four projects should be evaluated collectively for deferred accounting treatment, rather than separately.

Importantly, all four projects for which CWSNC seeks deferred accounting treatment will result in improved service and benefits to customers as well as operational and efficiency improvements during the pendency of CWSNC's general rate case in Docket No. W-354, Sub 364, and well in advance of the effective date of the 2020 Rate Order in that case.

Moreover, as indicated in updated Schedule 2 attached to these Reply Comments, CWSNC calculates that the post-in-service depreciation expense and financing costs that will be incurred with respect to these four projects, between their respective in-service dates and the estimated date of the 2020 Rate Order, will be approximately \$167,679 and \$507,894, respectively. CWSNC has calculated these impacts based on the Utility Plant In-Service additions net of any retirements

Without approval of this deferred accounting request in full, CWSNC's earnings during 2019 and 2020 will be adversely impacted by approximately \$675,573, as shown in updated Schedule 2 attached hereto. Absent a deferral of costs or rate case recovery, the Company would experience an adverse impact on return on equity of approximately 187 basis points (167 basis points for the two WWTP projects and 20 basis points for the two AMR meter projects), as shown in

updated Schedule 1 attached hereto. At the same time, the ultimate impact of this deferred accounting on a typical residential customer, assuming a five-year amortization period, would be \$0.03 per month for water customers and \$0.53 per month for sewer customers, as shown in updated Schedule 2.

The financial impacts to CWSNC from placing these four major new projects in service, without corresponding deferred accounting relief, would be material and adverse, and would degrade the Company's earnings. Approval of this deferral request in total will benefit CWSNC and its customers by helping to assure access to capital on reasonable terms. These deferral costs should then be eligible for cost-recovery in CWSNC's pending Sub 364 general rate case.

Even if Analyzed on a Separate Basis, Deferred Accounting Treatment is Warranted for the AMR Meter Projects. Even if the Commission ultimately determines to conduct separate evaluations for purposes of materiality, CWSNC asserts that deferred accounting treatment is appropriate for the AMR meter projects, based on the projects' impact on the Company's ROE — particularly given the Company's current material underearning position.

Without deferred accounting treatment for the AMR meter projects, the Company will, according to Public Staff, experience an approximately 22-basis point negative impact on its earned ROE based upon the initial cost estimates contained in the Company's Petition.² At the same time, the Company is not

² Curiously, at page 8 of its Initial Comments, the Public Staff states that: "The financial impact of including AMR meters in CWSNC's Uniform Water operations is not material..." However, the Public Staff subsequently calls the validity of that statement into question by asserting that it "...believes the materiality of the impact of the AMR meters on CWSNC's Uniform Water operations, absent deferral, is **questionable**." (Emphasis added)

earning a return anywhere close to its current authorized overall rate of return of 7.75%. Indeed, the Company's actual earned overall rate of return during the test year for its pending Sub 364 rate case was only 3.69%.³ In another deferred accounting case, this Commission granted deferred accounting treatment for plant additions that were projected to produce similar ROE reductions in the absence of deferred accounting treatment. See *In the Matter of Duke Energy Carolinas*, Docket No. E-7, Sub 999 (NCUC; June 20, 2012) (deferred accounting approved for Buck and Bridgewater generation additions, estimated to reduce ROE by 24 basis points and 5 basis points, respectively, in the absence of such approval). At the same time, CWSNC's situation is distinguishable from the 2013 Duke Energy deferred accounting request rejected by this Commission. In that case, the Commission concluded that an 11-basis point ROE impact, when the utility was earning a robust ROE in excess of other recently stipulated electric utility ROEs, was insufficient to justify deferral accounting approval. See *In the Matter of the Petition of Duke Energy Carolinas*, Docket No. E-7, Sub 1029 (NCUC; April 03, 2013). Based upon the Company's updated Schedules, CWSNC will experience a minimum 20-basis point negative ROE impact if deferral accounting is not granted for the AMR meter projects, while already materially underearning its authorized return.

Given CWSNC's size and current under earnings position, a 20-basis point AMR meter impact is, unquestionably, material to the Company, even standing alone, and is even more so when combined with the negative earnings impact

³ Prefiled Direct Testimony of Catherine E. Heigel, Docket W-354, Sub 364, Appendix 8, Schedule G-1, at Page 5, lines 13-15.

which accompanies the Company's Nags Head and Connestee Falls WWTP projects. Under either analysis, deferred accounting treatment is appropriate and should be granted.

CONCLUSION

An accounting order granting the relief that CWSNC seeks will benefit both the Company and its customers, is equitable, and ultimately will not materially increase rates. Therefore, as described above, the Company respectfully petitions the Commission to allow CWSNC to establish a regulatory asset and defer for inclusion in CWSNC's pending Sub 364 general rate case the incremental post-in-service depreciation expense and financing (or return) costs associated with the four major new projects described in the Petition.

The Company's request reflects the financial imperative, fully experienced by water and wastewater companies in the face of sharply increased investment requirements, to address and combat the corrosive impact of regulatory lag on earnings. This impact manifests more strongly at higher and persistent levels of investment, which are and will continue to be experienced by CWSNC.

Accordingly, CWSNC requests that the Commission (1) grant the Public Staff's recommendation in support of the Company's requested deferred accounting treatment with respect to the cost of the WWTPs at Nags Head and Connestee Falls and (2) deny the Public Staff's recommendation in opposition to the Company's requested deferred accounting treatment with respect to the AMR meters installed in Fairfield Mountain and Connestee Falls (thereby affirmatively granting the Company's entire request for deferred accounting).

Respectfully submitted, this the 21st day of October 2019.

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**ATTORNEYS FOR CAROLINA WATER
SERVICE, INC. OF NORTH CAROLINA**

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 365
Petition for Deferred Accounting of Major Capital Projects
Calculation of Deferral to be Included in W-354, Sub 364 and Customer Impact

Schedule 2
Updated for Reply Comments

Line No.	Item	Costs	Notes - References to W-354, Sub 364 Schedules
CWSNC Uniform Sewer:			
1	Conestee Falls WWTP: In-Service 10/3/2019		
2	Net Plant Additions	6,130,174.56	Per Schedule 15, line 3, Column C
3	Rate of Return on Net Plant Additions (10/2019-3/2020)	237,544.26	L2 * 6 months * RoR
4	Depreciation Expense (10/2019-3/2020)	76,627.18	Per Schedule 15, line 3, Column E * 6 months
5			
6	Total Deferred Carrying Costs (L3 + L4)	\$ 314,171.45	
7	Nags Head WWTP: In-Service 8/31/2019		
8	Net Plant Additions	6,054,544.52	Per Schedule 15, line 7, Column C
9	Rate of Return on Net Plant Additions (10/2019-3/2020)	234,613.60	L8 * 6 months * RoR
10	Depreciation Expense (10/2019-3/2020)	75,681.81	Per Schedule 15, line 7, Column E * 6 months
11			
12	Total Deferred Carrying Costs (L9 + L10)	\$ 310,295.41	
13	Total Uniform Sewer Deferred Costs (L6 + L12)	\$ 624,466.85	
14	Annual Amortization, 5-year term	\$ 124,893.37	
CWSNC Uniform Water:			
14	Fairfield Mountain AMR: In-Service 8/31/2019		
15	Net Plant Additions	409,485.04	Per Schedule 15, line 24, Column C
16	Rate of Return on Net Plant Additions (9/2019-3/2020)	18,512.14	L15 * 7 months * RoR
17	Depreciation Expense (9/2019-3/2020)	7,962.21	Per Schedule 15, line 24, Column E * 7 months
18			
19	Total Deferred Carrying Costs (L3 + L4)	26,474.35	
20	Conestee Falls AMR: In-Service 8/31/2019		
21	Net Plant Additions	380,983.87	Per Schedule 15, line 23, Column C
22	Rate of Return on Net Plant Additions (9/2019-3/2020)	17,223.65	L21 * 7 months * RoR
23	Depreciation Expense (9/2019-3/2020)	7,408.02	Per Schedule 15, line 23, Column E * 7 months
24			
25	Total Deferred Carrying Costs (L3 + L4)	24,631.67	
26	Total Uniform Water Deferred Costs (L19 + L25)	\$ 51,106.01	
27	Annual Amortization, 5-year term	\$ 10,221.20	
28	Total Annual Water Customer Bills per Schedule E, W-354, Sub 364	365,400	
29	Monthly Water Charge per Customer (L27/L28)	\$ 0.03	
30	Total Annual Sewer Customer Bills per Schedule E, W-354, Sub 364	236,012	
31	Monthly Sewer Charge per Customer (L14/L30)	\$ 0.53	

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 365
Petition for Deferred Accounting of Major Capital Projects
Rate of Return Drag

Schedule 1
Updated for Reply Comments

Authorized Combined Capital Structure, W-354 Sub 360

	Rate Base	Ratio	Cost	RoR	Operating Income
Equity	58,617,524	50.91%	9.75%	4.96%	5,715,209
Debt	56,521,985	49.09%	5.68%	2.79%	3,210,449
Total	115,139,509	100.00%		7.75%	8,925,657
Adjustments:	12,975,188	Net Plant Additions			330,967
	(43,212)	ADIT			(21,194)
	(330,967)	A/D			(71,186)
	127,740,518	Adj Rate Base			8,687,070

Adjusted Combined Capital Structure, W-354 Sub 360

6.80% Adj RoR

	Rate Base	Ratio	Cost	RoR	Operating Income
Equity	65,032,698	50.91%	7.88%	4.01%	5,125,266
Debt	62,707,820	49.09%	5.68%	2.79%	3,561,804
Total	127,740,518	100.00%		6.80%	8,687,070
Rate Base Change	12,601,009		-1.87%	ROE Lag	(238,587)
					Operating Loss

E/A

PUBLIC STAFF CALCULATION OF FINANCIAL IMPACT OF DEFERRED ACCOUNTING CARRYING COSTS

	Fairfield AMR/Meters	Connetsee AMR/Meters	Combined Water	Connetsee WWTP	Nags Head WWTP	Combined Sewer	Combined Water/Sewer
1	Deferred carrying costs	\$33,535	\$31,201	\$64,736	\$520,144	\$578,634	\$1,098,778
2	Amortization period in years	5	5	5	5	5	5
3	Annual amortization	\$6,707	\$6,240	\$12,947	\$104,029	\$115,727	\$219,756
4	Annual amortization	\$6,707	\$6,240	\$12,947	\$104,029	\$115,727	\$219,756
5	Retention factor	0.99860	0.99860	0.99860	0.99860	0.99860	0.99860
6	Revenue requirement	\$6,716	\$6,249	\$12,965	\$104,175	\$115,889	\$220,064
7	Return on common equity Sub 360 rate case			9.75%			9.75%
8	Deferral accounting return on common equity			9.51%			5.41%
9	Decrease in return on common equity			-0.24%			-4.34%
10	Return on rate base Sub 360 rate case			7.75%			7.75%
11	Deferral accounting return on rate base			7.63%			5.54%
12	Decrease in return on rate base			-0.12%			-2.21%
13	Sub 360 net operating income			\$4,722,829			\$3,371,077
14	Deferred accounting net operating income			4,706,233			3,100,374
15	Decrease in net operating income			(\$16,596)			(\$270,703)
16	Percentage decrease in net operating income			-0.35%			-8.03%
17	Decrease in net operating income			(\$16,596)			(\$270,703)
18	Retention factor			0.7652272			0.7652272
19	Revenue requirement decrease			(\$21,688)			(\$353,755)
20	Revenue requirement decrease			(\$21,688)			(\$353,755)
21	Sub 360 service revenues			17,421,890			12,976,941
22	Percentage decrease in service revenues			-0.12%			-2.73%

11/A

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 365

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition of Carolina Water Service, Inc. of)
North Carolina, 4944 Parkway Plaza)
Boulevard, Suite 375, Charlotte, North)
Carolina 28217, for Accounting Order to)
Defer Post In-Service Depreciation and)
Financing Costs Relating to Major New)
Projects That Will be In Service Prior to the)
Date of An Order in Petitioner's Pending Base)
Rate Case)

INITIAL COMMENTS
OF THE
PUBLIC STAFF

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Acting Executive Director, David T. Drooz¹, and pursuant to the Order issued on July 19, 2019, in the above captioned docket, respectfully submits its comments regarding the Petition filed by Carolina Water Service, Inc. of North Carolina (CWSNC or Company), on June 28, 2019, for an Accounting Order to Defer Post-In-Service Depreciation and Financing Costs Related to Major New Projects (Petition) from the date those assets are placed in service until the date the cost are reflected in base rates. Also, on June 28, 2019, in Docket No. W-354, Sub 364, CWSNC filed an application for a general increase in its rates for all of its North Carolina service territories, effective July 28, 2019 (Sub 364 Rate Case).

¹ Prior to assuming the position of the Executive Director of the Public Staff, Christopher J. Ayers represented Carolina Water Service, Inc. of North Carolina, Pluris, LLC, and a number of other water and sewer utilities in various proceedings before the Commission. In order to avoid any conflict of interest or the appearance of a conflict of interest, Mr. Ayers has recused himself from participation in this matter and has designated the Public Staff Chief Counsel to serve as Acting Executive Director of the Public Staff for purposes of this docket.

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THE COMPANY'S PETITION

1. In its Petition, CWSNC describes four major new projects for which the Company is requesting authority to defer, for inclusion in the Sub 364 Rate Case, the incremental post-in-service depreciation expense and financing costs; specifically:

- a) Connestee Falls wastewater treatment plant (WWTP) in Buncombe County with an estimated project cost of \$7.1 million and an expected in-service date of July 31, 2019.
- b) Nags Head WWTP in Dare County with an estimated cost of \$6.55 million and an expected in-service date of August 31, 2019.
- c) Farifield Mountain automated meter reading (AMR) meters to be installed in Transylvania County with an estimated cost of \$381,927 and an expected in-service date of July 31, 2019.
- d) Connestee Falls AMR meters to be installed in Buncombe County with an estimated cost of \$418,111 and an expected in-service date of July 31, 2019.

2. In support of the deferral request, CWSNC asserts all of the above projects will be providing service and benefits to customers as well as operational and efficiency improvements during the pendency of CWSNC's base rate case in the companion Sub 364 Rate Case and well in advance of the anticipated effective date of an Order (2020 Rate Order).

3. CWSNC estimates that the post-in-service depreciation expense that will be incurred with respect to these four projects, between their respective in-service dates and the estimated date of the 2020 Rate Order, will be approximately \$211,675. The Company also estimates that the post-in-service financing cost that will be incurred with respect to these four projects, between their respective in-service dates and the estimated date of the 2020 Rate Order, will be approximately \$643,961.

4. The Company states that assuming the Commission approves the request for deferred accounting treatment for these incremental post-in-service costs, such costs will be submitted as a cost component of CWSNC's pending Sub 364 Rate Case, with a proposed amortization period of five years. The deferred costs to be recorded on CWSNC's accounting records will be based on the actual costs for the projects, any related retirements, the project in-service dates, and the effective date of rates established in the Sub 364 Rate Case.

5. CWSNC requests Commission authorization to defer the incremental post-in-service depreciation expense and financing or return costs (calculated based on CWSNC's overall weighted cost of capital as approved in its last base rate case in Docket No. W-354, Sub 360).

6. CWSNC asserts that the financial impacts to the Company from placing these major new projects in service, without corresponding deferred accounting relief, would be material and adverse, and would degrade the Company's earnings. As calculated on Schedule 1 attached to the Company's Petition, the impact of is a reduction of CWSNC's combined return on equity from

9.75%² to 7.82%, and a reduction of CWSNC's combined overall rate of return from 7.75% to 6.77%.

7. Without approval of this deferred accounting request, CWSNC claims its earnings during 2019 and 2020 will be adversely impacted by approximately \$855,636 in carrying costs not recovered timely in rates. Additionally, absent a deferral of costs or rate recovery, the Company contends it would experience an adverse impact on equity of approximately 193 basis points. Additionally, assuming a five-year amortization period, CWSNC estimates the impact of this deferred accounting on a typical residential customer to be \$0.02 per month for water customers and \$0.68 per month for sewer customers.

PUBLIC STAFF REVIEW OF CWSNC'S PETITION

8. In its *Order Approving Deferral Accounting with Conditions*, issued on March 31, 2009, in Docket No. E-7, Sub 874, the Commission stated at page 24:

[T]he Commission has historically treated deferral accounting as a tool to be allowed only as an exception to the general rule, and its use has been allowed sparingly. That is due, in part, to the fact that deferral accounting, typically, provides for the future recovery of costs for utility services provided to ratepayers in the past; and . . . the longer the deferral period, the greater the likelihood that the ratepayers who are ultimately required to pay rates including the deferred charges, which are related to resources consumed by the utility in providing services in earlier periods, may not be the same ratepayers who received the services. The Commission has also been reluctant to allow deferral accounting because it, typically, equates to single-issue ratemaking for the period of deferral, contrary to the well-established, general

² The Commission approved a return on equity of 9.75% and an overall rate of return of 7.75% for CWSNC in its general rate case, Docket No. W-354, Sub 360, by Order dated February 21 2018.

ratemaking principle that all items of revenue and costs germane to the ratemaking and cost-recovery process should be examined in their totality in determining the appropriateness of the utility's existing rates and charges.

In its *Order Approving in Part and Denying in Part Request for Deferral Accounting*, issued on April 3, 2013, in Docket No. E-7, Sub 1029, the Commission stated at pages 12-13:

In determining whether to allow deferral requests, the Commission has consistently and appropriately based its decision on whether, absent deferral, the costs in question would have a material impact on the company's financial condition, and in particular, the company's achieved level of earnings.

Thus, the Commission's receptivity to deferral requests is not unlimited or without regard for traditional ratemaking principles. The Commission has required "a clear and convincing showing that the costs in question were of an unusual and/or extraordinary nature and that, absent deferral, [the costs] would have a material impact on the Company's financial condition."

9. In determining whether to grant a deferral request, the Commission has based its decision largely on the impact the costs would have on currently achieved earnings of the utility. As described by the Commission in *Duke Energy Carolinas, LLC*, 99 N.C.U.C 226-27, Docket No. E-7, Sub 874 (2009), the appropriate test and criteria are as follows

The impact on earnings, typically, has been measured and assessed in terms of ROE, considered in conjunction with (1) the return on equity (ROE) realized and (2) the company's currently authorized ROE. Also . . . current economic conditions; the Company's need for new investment capital;

and the impact that the Commission decision will have on future availability and cost of such capital are also relevant to the appropriate resolution of matters of this nature. Additionally, whether the company has requested or is contemplating requesting a general rate increase and the timing, or proposed timing, of the filing of such a request is also pertinent.

10. The Public Staff has evaluated the deferrals requested in CWSNC's petition against the criteria set forth above. Based on these criteria and other Commission precedent, the Public Staff does not oppose deferral accounting treatment for costs related to the WWTPs at Nags Head and Connestee Falls. These costs are related to major construction projects involving WWTPs that are not yet in service but are expected to be completed and in operation prior to the date of the evidentiary hearing in CWSNC's pending general rate case. The deferral accounting request was made contemporaneously with the filing of the rate case application, and the deferral period is not so long as to cause undue concern that the ratepayers who pay rates that include costs incurred to provide service during the deferral period may not be the same ratepayers who received the service. The impact of the costs, if not deferred, on the Company's ROE of 9.75% approved in the Sub 360 Rate Case will be significant. Without deferral, the Company's earnings can be expected to decline due to the WWTPs becoming plant in service. Thus, in the Public Staff's view, the WWTPs at Nags Head and Connestee Falls present the kind of circumstances in terms of nature, impact, and timing for which deferral accounting treatment may be appropriate.

11. In regard to the installation costs of AMR meters in Fairfield Mountain and Connestee Falls, the Public Staff believes that CWSNC has failed to make a

clear, complete, and convincing showing that the costs in question are of an unusual or extraordinary nature and, absent deferral, will have a material impact on the Company's financial condition. CWSNC asserts that the AMR meter projects will benefit customers by minimizing estimated reads, re-reads, high/low reads, leaks and water loss. In addition, the Company states that the projects will also provide safety and efficiency benefits to CWSNC and its employees. For the mountain systems, some of the potential benefits of AMR and/or AMI meters are more evident. The Public Staff reiterates the importance of customer data being made available to customers because customers bear the burden of the increased capital costs and associated return over traditional meters.

It is the Public Staff's position that meter replacement of any kind (AMR, AMI, traditional, etc.) is not an extraordinary or unusual project but should be routine as part of a properly planned and managed meter replacement program. Water meters have an industry recognized 10 to 20-year useful life before degradation of functionality and accuracy necessitate replacement. CWSNC has water meters in service that range in age and condition. It is not unusual for a water and sewer utility to undertake a meter replacement project that includes an entire subdivision or service area, because it promotes efficiency of time and cost when replacing a number of meters having similar ages due to being installed within a similar time period. Due to the nature of the meter replacement being an expected and usual occurrence, the only difference in this request is the increased cost of the new meter. The Company states that the upgraded technology will benefit the Company and the customers, but the Company's decision to upgrade does not

change the nature of the typical and expected project of meter replacements. The increased cost of AMR meters and number of meters replaced is the result of management decisions by CWSNC and a failure to implement a systematic and measured meter replacement program. Additionally, traditional meter and AMR meter replacement projects have not been proposed for deferral accounting in the past.

The financial impact of including AMR meters in CWSNC's Uniform Water operations is not material as stated by the Company in its Petition. Based on the estimated costs provided by the Company on Schedules 1 and 2 of the Petition, the Public Staff has calculated a reduction of only 22 basis points of the Company's ROE allowed in the Sub 360 Rate Case. Additionally, the deferred revenues, as calculated by the Public Staff, are only one-half of one percent of the total service revenues granted by the Commission in the Sub 360 Rate Case. The Public Staff's calculations also show that the cost of the AMR meters represents only .65% of plant in service included in rate base from the Sub 360 Rate Case. Thus, the Public Staff believes the materiality of the impact of the AMR meters on CWSNC's Uniform Water operations, absent deferral, is questionable.

12. In conclusion, the Public Staff submits that the requested deferral accounting treatment with respect to the cost of the WWTPs at Nags Head and Connestee Falls be granted and that the requested deferral accounting treatment with respect to the AMR meters installed in Fairfield Mountain and Connestee Falls be denied in its entirety.

13. The Public Staff further recommends that the deferrals be without prejudice to the right of all parties in CWSNC's pending general rate case to present testimony and exhibits concerning the appropriate level of deferred depreciation and cost of capital and the appropriate amortization and ratemaking treatment to be given to these items.

WHEREFORE, the Public Staff prays that the Commission take these comments into consideration in reaching its decision in this proceeding.

This the 20th day of September, 2019.

PUBLIC STAFF
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Electronically submitted
s/ Gina C. Holt
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CERTIFICATE OF SERVICE

I certify that a copy of these Initial Comments of the Public Staff has been served on all parties of record or their attorneys, or both, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 20th day of September, 2019.

Electronically submitted
s/ Gina C. Holt