

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

Late Filed Exhibit #7

Line No.	Item	Sub 360		Sub 364	
		Connetsee Falls WWTP	Nags Head WWTP	Connetsee Falls WWTP	Nags Head WWTP
1	Plant additions	\$393,166	\$923,722	\$7,177,326 [1]	\$6,876,116 [1]
2	Less retirements			(400,000) [1]	(844,571) [1]
3	Net plant additions (L1 + L2)	393,166	923,722	6,777,326	6,031,545
4	Less accumulated depreciation (L3 x 2.50%)	(301,386)	(409,945)	(169,433)	(150,789)
5	Less accumulated deferred income taxes	(21,449) [8]	(64,538) [8]	(23,758) [2]	(21,144) [2]
6	Original cost rate base (L3 + L4 + L5)	70,331	449,239	6,584,135	5,859,612
7	Pre tax rate of return	9.26% [3]	9.26% [3]	9.26% [3]	9.26% [3]
8	Return on plant in service	6,513	41,600	609,691	542,600
9	Annual depreciation expense (L3 x 2.50%)	9,829	23,093	169,433	150,789
10	Revenue requirement before regulatory fee	16,342	64,693	779,124	693,389
11	Regulatory fee gross factor (1 - .0014)	99.86%	99.86%	99.86%	99.86%
12	Annual revenue requirement (L10 / L11)	16,365	64,784	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			\$104,029	\$115,727
17	Adjustment to accumulated depreciation			(\$14,119) [5]	(\$37,697) [7]

- [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.
[8] Estimated by CWSNC based on age of assets retired.

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