

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-354, SUB 364

In the Matter of)	
Application of Carolina Water Service,)	
Inc., of North Carolina, Post Office Box)	TESTIMONY OF
240908, Charlotte, North Carolina)	LYNN FEASEL
28244 for Authority to Adjust and)	PUBLIC STAFF – NORTH
Increase Rates for Water and Sewer)	CAROLINA UTILITIES
Utility Service in All Service Areas in)	COMMISSION
North Carolina)	

**CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA
DOCKET NO. W-354, SUB 364**

**TESTIMONY OF LYNN FEASEL
ON BEHALF OF THE PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION**

November 4, 2019

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **PRESENT POSITION.**

3 A. My name is Lynn Feasel and my business address is 430 N.
4 Salisbury Street, Raleigh, North Carolina. I am a Staff Accountant
5 with the Accounting Division of the Public Staff – North Carolina
6 Utilities Commission, and represent the using and consuming public.

7 **Q. HOW LONG HAVE YOU BEEN EMPLOYED BY THE PUBLIC**
8 **STAFF?**

9 A. I have been employed by the Public Staff since November 6, 2016.

10 **Q. WILL YOU STATE BRIEFLY YOUR EDUCATION AND**
11 **EXPERIENCE?**

12 A. I am a graduate of Baldwin Wallace University with a Master of
13 Business Administration degree in Accounting. I am a Certified Public
14 Accountant licensed in the State of North Carolina. Prior to joining
15 the Public Staff, I was employed by Franklin International in
16 Columbus, Ohio until June 2013. Additionally, I worked for ABB Inc.
17 from September 2013 until October 2016. I joined the Public Staff as
18 a staff accountant in November 2016. Since joining the Public Staff,

1 I have worked on rate cases involving water and sewer and natural
2 gas companies, filed testimony and affidavits in various general rate
3 cases, updated earnings reports for Carolina Water Service, Inc. of
4 North Carolina and Aqua North Carolina, Inc., calculated refunds to
5 consumers from AH4R and Progress Residential, and reviewed
6 franchise and contiguous filings for multiple water and sewer
7 companies.

8 **Q. WHAT ARE YOUR DUTIES?**

9 A. I am responsible for analyzing testimony, exhibits, and other data
10 presented by parties before this Commission. I have the further
11 responsibility of performing the examinations of books and any other
12 data and data request responses provided by public utilities in
13 proceedings before the Commission, and summarizing the results
14 into testimony and exhibits for presentation to the Commission.

15 **Q. WHAT IS THE NATURE OF THE APPLICATION IN THIS**
16 **PROCEEDING?**

17 A. On June 28, 2019, Carolina Water Service, Inc. of North Carolina
18 (CWSNC or Company) filed an application with the Commission
19 seeking authority to adjust rates and charges for water and sewer
20 service in all of its service areas in North Carolina, approve a
21 conservation rate pilot program, and modify certain terms and
22 conditions for the provision of water and sewer services. On October

1 4, 2019, the Company filed updated schedules for this rate case. My
2 investigation included a review of the original and updated application
3 filed by the Company, an examination of the Company's books and records
4 for the test year and post test year, and a review of any additional
5 documentation provided by the Company in response to written and verbal
6 data requests.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
8 **PROCEEDING?**

9 A. The purpose of my testimony in this proceeding is to present the
10 results of my investigation of the levels of revenue, expenses, and
11 investment filed by CWSNC in support of its requested increase in
12 operating revenues for its uniform water operations (CWSNC
13 Uniform Water), uniform sewer operations (CWSNC Uniform Sewer),
14 Bradfield Farms, Fairfield Harbour, and Treasure Cove water
15 operations (BF/FH/TC Water), and Bradfield Farms and Fairfield
16 Harbour sewer operations (BF/FH Sewer).

17 **Q. WOULD YOU BRIEFLY DESCRIBE THE PRESENTATION OF**
18 **YOUR TESTIMONY AND EXHIBITS?**

19 A. Yes. My testimony contains a discussion of each issue resulting from
20 my investigation, and my exhibit consists of schedules showing the
21 calculation of my adjustments to revenues, expenses, and rate base.
22 My schedules also reflect adjustments recommended by other Public

1 Staff witnesses. Schedules 1(a) through 1(d) of my Exhibit I present
2 the return on original cost rate base for water and sewer operations
3 under present rates, Company proposed rates, and Public Staff
4 recommended rates. Schedules 2(a) through 2(d) of Exhibit I, along
5 with their supporting schedules, present the original cost rate base
6 for water and sewer operations. Schedule 3(a) through 3(d) of Exhibit
7 I, along with their supporting schedules, present the calculation of
8 net operating income for a return under present rates, Company
9 proposed rates, and Public Staff recommended rates.

10 **Q. WHAT MODIFICATIONS TO THE TEST PERIOD HAVE YOU**
11 **MADE IN THIS PROCEEDING?**

12 A. In its application, CWSNC made pro forma adjustments to rate base
13 to include construction work in progress (CWIP) projects, net of
14 retirements, which will be placed in service between April 1, 2019,
15 and the hearing date in this proceeding. The Public Staff agrees with
16 the Company that the test year should be updated for certain events
17 that occurred after the test year. Those events, however, should be
18 known and measurable as of a certain date before they should be
19 considered in evaluating the need for rate relief. Therefore, Public
20 Staff witnesses have made adjustments in this proceeding to update
21 the Company's test year to recognize certain events affecting rate
22 base, revenues, and expenses as a result of certain known and
23 measurable events that occurred through September 30, 2019.

1 As part of this overall update adjustment, I have made the
 2 adjustments to recognize changes to plant in service, accumulated
 3 depreciation, contributions in aid of construction (CIAC), purchase
 4 acquisition adjustment (PAA), and to also recognize other rate base
 5 changes that occurred through September 30, 2019. Deferred
 6 charges have been amortized through March 31, 2020.

7 In addition, several major CWIP projects that were completed and
 8 placed in service prior to the hearing in this proceeding have been
 9 included in rate base.

10 **Q. WHAT ARE THE COMPANY'S PROPOSED INCREASES IN**
 11 **SERVICE REVENUES IN THIS CASE?**

12 A. The service revenues under present rates, the Company's proposed
 13 increases, and the Company's proposed rates are as follows:

	Present Rates	Proposed Increase	Proposed Rates
CWSNC Water	\$ 17,485,912	\$ 2,700,751	\$ 20,186,663
CWSNC Sewer	12,961,929	3,982,972	16,944,901
BF/FH/TC Water	1,304,521	189,171	1,493,692
BF/FH Sewer	<u>2,099,870</u>	<u>213,448</u>	<u>2,313,318</u>
Total	<u>\$ 33,852,232</u>	<u>\$ 7,086,342</u>	<u>\$ 40,938,574</u>

14 **Q. WHAT CONCLUSIONS HAVE YOU REACHED AS TO THE**
 15 **COMPANY'S RATE INCREASE REQUEST?**

- 1 A. Based on my investigation, the original cost rate base as of March
 2 31, 2019, updated to September 30, 2019, is as follows:

CWSNC Water	\$	63,141,528
CWSNC Sewer		64,858,204
BF/FH/TC Water		2,976,732
BF/FH Sewer		<u>7,578,733</u>
Total	\$	<u><u>138,555,197</u></u>

- 3 Based on the overall rate of return of 7.15% recommended by Public
 4 Staff witness Hinton, I recommend that rates be set to produce the
 5 following revenues:

	Service Revenues	Other Revenues & Uncollectibles	Total Operating Revenues
CWSNC Water	\$18,010,145	\$58,115	\$18,068,260
CWSNC Sewer	15,777,643	13,037	15,790,680
BF/FH/TC Water	1,261,298	34,904	1,296,202
BF/FH Sewer	2,071,444	-4,284	2,067,160
Total	<u>\$37,120,530</u>	<u>\$101,772</u>	<u>\$37,222,302</u>

- 6 Based on these levels of revenues, I recommend the following
 7 increases in service revenues:

CWSNC Water	\$	524,233
CWSNC Sewer		2,815,714
BF/FH/TC Water		(43,223)
BF/FH Sewer		(28,426)
Total	\$	<u>3,268,298</u>

1 **Q. DOES FEASEL EXHIBIT I REFLECT ADJUSTMENTS**
2 **SUPPORTED BY OTHER PUBLIC STAFF WITNESSES?**

3 A. Yes, my exhibit reflects the following adjustments supported by other
4 Public Staff witnesses:

5 (1) The recommendations of Public Staff witness Casselberry
6 regarding the following items:

- 7 (a) Service revenues at present rates; and
- 8 (b) Service revenues at Company proposed rates.

9 (2) The recommendations of Public Staff witness Darden
10 regarding the following items:

- 11 (a) Purchased water/sewer;
- 12 (b) Purchased power;
- 13 (c) Maintenance and repair;
- 14 (d) Maintenance testing;
- 15 (e) Meter reading; and
- 16 (f) Chemicals.

1 (3) The recommendations of Public Staff witness Boswell
2 regarding the following item:

3 (a) Excess deferred income tax (EDIT).

4 (4) The recommendations of Public Staff witness Henry regarding
5 the following items:

6 (a) Connetsee Falls WWTP and Nags Head WWTP
7 annual amortization; and

8 (b) Connetsee Falls WWTP and Nags Head WWTP
9 adjustment to accumulated depreciation.

10 (5) The recommendations of Public Staff witness Hinton
11 regarding the following items:

12 (a) Capital structure;

13 (b) Embedded cost of long-term debt; and

14 (c) Return on common equity.

15 **Q. WHAT ADJUSTMENTS WILL YOU DISCUSS?**

16 A. The accounting and ratemaking adjustments that I will discuss relate
17 to the following items:

18 (a) Plant in service;

19 (b) Accumulated depreciation;

20 (c) Cash working capital;

- 1 (d) Contributions in aid of construction (CIAC);
- 2 (e) Accumulated deferred income taxes (ADIT);
- 3 (f) Customer deposits;
- 4 (g) Gain on sale and flow back taxes;
- 5 (h) Plant acquisition adjustment (PAA);
- 6 (i) Excess book value;
- 7 (j) Average tax accruals;
- 8 (k) Deferred charges;
- 9 (l) Pro forma plant;
- 10 (m) Miscellaneous revenues;
- 11 (n) Uncollectibles;
- 12 (o) Salaries and wages;
- 13 (p) Maintenance and repair;
- 14 (q) Transportation;
- 15 (r) Operating charge to plant;
- 16 (s) Outside services other;
- 17 (t) Office supplies and other office expense;
- 18 (u) Regulatory commission expense;
- 19 (v) Pension and other benefits;
- 20 (w) Rent;
- 21 (x) Insurance;
- 22 (y) Office utility;
- 23 (z) Miscellaneous expense;

- 1 (aa) Depreciation expense;
- 2 (ab) Amortization of CIAC;
- 3 (ac) Amortization of PAA;
- 4 (ad) Franchise and other taxes;
- 5 (ae) Payroll taxes;
- 6 (af) Regulatory fee;
- 7 (ag) Deferred income tax;
- 8 (ah) State income tax; and
- 9 (ai) Federal income tax.

10 **PLANT IN SERVICE**

11 **Q. IN WHAT AREAS HAVE YOU MADE ADJUSTMENTS TO PLANT**
12 **IN SERVICE?**

13 A. First, I made an adjustment to remove from direct plant in service,
14 plant held for future use. Plant held for future use is not currently
15 used or useful in providing service to CWSNC's water and sewer
16 customers. This adjustment is consistent with similar treatment made
17 by the Public Staff and ordered by the Commission in prior CWSNC
18 rate cases.

19 Second, I've reclassified unrecovered due diligent cost for Riverbend
20 and Pace Utilities from deferred charges to plant in service. This type
21 of cost should be classified as franchise costs under plant in service
22 account instead of deferred charges.

1 Third, I removed software maintenance expense which should have
2 been classified to a pre-paid account but was misclassified to a plant
3 in service account.

4 Fourth, I adjusted direct plant in service to include actual general
5 ledger additions made on the Company's books from April 1, 2019,
6 through September 30, 2019, the update period for rate base items.

7 Direct plant in service was also adjusted to include actual costs for
8 CWIP projects that have been completed and are in service as of
9 September 30, 2019.

10 Fifth, the Company received insurance reimbursement for a portion
11 of the costs incurred to repair damaged sewer systems due to
12 Hurricane Florence. I netted the insurance proceeds against the cost
13 to repair the damaged sewer systems based on information provided
14 by the Company.

15 Sixth, I corrected an adjustment made by the Company to allocate
16 WSC rate base and expenses to Carolina Water. The Company
17 adjusted WSC rate base and expenses by taking the difference
18 between unadjusted ERC percentages and adjusted ERC
19 percentages times WSC per book amount before allocation. This is
20 incorrect because the unadjusted amount does not reflect the
21 amount allocated to CWSNC during the test year. I corrected this

1 error by multiplying the adjusted ERC percentages for Carolina
2 Water by the actual unallocated WSC per book rate base and
3 expenses to determine the amount that should be allocated to
4 CWSNC.

5 The Company did not adjust the allocations of rate base and
6 expenses from the Regional and State cost centers using the
7 adjusted ERC percentages. I corrected this error by calculating the
8 amount of rate base and expenses that should be allocated from the
9 Regional and State cost centers using the adjusted ERC
10 percentages.

11 I compared the sum of my adjusted costs that should be allocated
12 from the WSC, Regional, and State cost centers to the allocated
13 amount on CWSNC's books to get the adjustment that should be
14 made in this proceeding.

15 **ACCUMULATED DEPRECIATION**

16 **Q. HOW HAVE YOU ADJUSTED ACCUMULATED DEPRECIATION?**

17 A. I adjusted accumulated depreciation to include actual and known
18 additions made on the Company's books from April 1, 2019, through
19 September 30, 2019, for direct accumulated depreciation.
20 Accumulated depreciation also reflects a matching adjustment based
21 on the Public Staff's recommended level of depreciation expense.

1 In addition, I adjusted accumulated depreciation to reflect the
2 depreciation related to the reclassification of Riverbend and Pace
3 Utilities' unrecovered due diligence costs from deferred charges to
4 plant in service. I adjusted accumulated depreciation related to the
5 deferred carrying costs of the Connestee Falls and Nags Head
6 WWTPs, based on the recommendation of Public Staff witness
7 Henry.

8 Lastly, I adjusted accumulated depreciation related to adjustments
9 discussed above for corrections to allocated amounts from the WSC,
10 Regional, and State cost centers.

11 **CASH WORKING CAPITAL**

12 **Q. PLEASE DESCRIBE YOUR CALCULATION OF CASH WORKING**
13 **CAPITAL.**

14 A. Cash working capital provides the Company with the funds
15 necessary to carry on the day to day operations of the Company. In
16 my calculation, I have included 1/8 of total adjusted Operating and
17 Maintenance (O&M) and General and Administrative (G&A)
18 expenses, less purchased water and sewer expense, as a measure
19 of cash working capital.

20 **CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)**

21 **Q. PLEASE EXPLAIN YOUR ADJUSTMENTS TO CIAC.**

1 A. CIAC has been adjusted to include actual and known additions made
2 on the Company's books from April 1, 2019, through September 30,
3 2019, for both CIAC and accumulated amortization. Accumulated
4 amortization also reflects a matching adjustment based on the Public
5 Staff's recommended level of amortization expense.

6 **ACCUMULATED DEFERRED INCOME TAXES (ADIT)**

7 **Q. HOW HAVE YOU ADJUSTED ADIT?**

8 A. I have made several adjustments to ADIT. First, I have updated ADIT
9 associated with rate case expense to reflect the unamortized
10 balance recommended by the Public Staff. Next, I have adjusted
11 ADIT to include the amount associated with the Public Staff's
12 recommended levels of unamortized deferred maintenance. Finally,
13 I adjusted ADIT to include the amount allocated from WSC that was
14 not included in the Company's pro forma balance for ADIT listed on
15 the application.

16 The Public Staff will be recommending additional adjustments to
17 ADIT once updated information has been received from the
18 Company, including updated rate case expense.

19 **CUSTOMER DEPOSITS**

20 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO CUSTOMER**
21 **DEPOSITS.**

1 A. Customer deposits were adjusted to reflect the balance as of
2 September 30, 2019, for both customer deposits and customer
3 deposit accrued interest, resulting in an increase in customer
4 deposits for CWSNC Uniform Water, CWSNC Uniform Sewer,
5 BF/FH/TC Water, and BF/FH Sewer.

6 **GAIN ON SALE AND FLOW BACK TAXES**

7 **Q. WHAT ADJUSTMENT DID YOU MAKE TO GAIN ON SALE AND**
8 **FLOW BACK TAXES?**

9 A. I have adjusted gain on sale and flow back taxes to amortize the gain
10 on sale of systems sold to CMUD through September 30, 2019.

11 **PLANT ACQUISITION ADJUSTMENT (PAA)**

12 **Q. PLEASE DESCRIBE YOUR ADJUSTMENTS TO PAA.**

13 A. PAA has been adjusted to include actual general ledger additions
14 made on the Company's books as of September 30, 2019, for both
15 PAA and accumulated amortization. PAA amortization has also been
16 adjusted to include an annualized level of amortization based on the
17 Public Staff's adjusted level of PAA amortization expense.

18 **EXCESS BOOK VALUE**

19 **Q. WHY DID YOU ADJUST EXCESS BOOK VALUE?**

20 A. Excess book value represents the difference between the price paid
21 by CWSNC to purchase stock of water and sewer systems and the

1 net book value of the stock. I have adjusted the excess book value
2 to reflect the accumulated amortization and unamortized balances
3 as of September 30, 2019.

4 **AVERAGE TAX ACCRUALS**

5 **Q. HOW DID YOU CALCULATE AVERAGE TAX ACCRUALS?**

6 A. Average tax accruals, calculated as 1/2 of property taxes plus 1/5 of
7 regulatory fee, are taxes that the Company collects in rates but does
8 not pay to the governmental agency every month. Since the
9 Company has the use of the money until it is paid to the
10 governmental agency, these tax accruals should be deducted from
11 rate base. Payroll taxes are not included in my calculation of average
12 tax accruals since they are paid to the taxing agencies on a more
13 frequent basis.

14 **DEFERRED CHARGES**

15 **Q. PLEASE DESCRIBE YOUR ADJUSTMENTS TO DEFERRED**
16 **CHARGES.**

17 A. I have adjusted deferred charges to reflect the unamortized balance
18 of deferred maintenance costs for tank painting, tank inspection, and
19 wastewater treatment plant painting as of March 31, 2020. I did not
20 include the unamortized balance of the Belvedere pump and haul
21 costs in deferred charges. It is the Public Staff's recommendation

1 that the Company should not be able to earn a return on these
2 unusual and nonrecurring expenses that are abnormally high due to
3 a disagreement with the Belvedere golf course. My exclusion of the
4 unamortized balance of the pump and haul expenses is consistent
5 with the treatment stipulated to by CWSNC and the Public Staff in
6 the Company's W-354, Sub 360 rate case proceeding.

7 Next, I have adjusted unamortized rate case expense to reflect the
8 Public Staff's recommended level of rate case costs, less one year
9 of amortization, as discussed later in my testimony under regulatory
10 commission expense.

11 Lastly, I've reclassified unrecovered due diligent cost for Riverbend
12 and Pace Utilities from deferred charges to plant in service. This type
13 of cost should be classified as franchise costs under plant in service
14 account instead of deferred charges.

15 **PRO FORMA PLANT**

16 **Q. WHY DID YOU ADJUST PRO FORMA PLANT?**

17 A. In this proceeding, CWSNC included in rate base, estimated
18 amounts for CWIP projects expected to be completed and in service
19 by the hearing date. I have removed the estimated cost for these
20 projects from rate base and adjusted plant in service to include the

1 actual costs of CWIP projects completed and in service as of
2 September 30, 2019.

3 **MISCELLANEOUS REVENUES**

4 **Q. WHY DID YOU ADJUST MISCELLANEOUS REVENUES?**

5 A. I adjusted miscellaneous revenues to correct the Company's error in
6 omitting the allocated proceeds from the sale of utility property from
7 its original application.

8 I calculated a forfeited discount rate for CWSNC water and sewer,
9 BF/FH/TC water, and BF/FH sewer operations by dividing the
10 respective test year forfeited discounts by test year service
11 revenues. The resulting rates were then applied to the Public Staff's
12 present, proposed, and recommended levels of service revenues to
13 determine an appropriate level of forfeited discounts to include in
14 miscellaneous revenues.

15 **UNCOLLECTIBLES**

16 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO UNCOLLECTIBLES.**

17 A. I have calculated uncollectibles percentages for CWSNC Water
18 operations, CWSNC Sewer operations, BF/FH/TC Water operations,
19 and BF/FH Sewer operations based on the per books levels of
20 uncollectibles and service revenues for the test year. I then applied
21 these percentages to my adjusted levels of service revenues under

1 present, Company proposed, and recommended rates to derive my
2 adjusted levels of uncollectibles expense.

3 **SALARIES AND WAGES**

4 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO SALARIES AND**
5 **WAGES.**

6 A. I have adjusted salaries and wages to reflect the updated payroll
7 information provided by CWSNC. The Company's updated payroll
8 includes salary and wage increases granted since the end of the test
9 year, the removal of terminated employees, and the addition of new
10 employees hired since the end of the test year. In the original filing,
11 the Company used forecasted salary levels, after taking into
12 consideration an estimated salary increase of 3% in April 2020. I
13 removed this forecasted salary in 2020 and used the actual up-to-
14 date salary and wages expense incurred by the Company.

15 **MAINTENANCE AND REPAIR**

16 **Q. HOW HAVE YOU ADJUSTED MAINTENANCE AND REPAIR**
17 **EXPENSE?**

18 A. Maintenance and repair expense has been adjusted to include
19 amounts recommended by Public Staff witness Darden. In addition,
20 I made the following adjustments to maintenance and repair:

1 (1) I adjusted maintenance and repair to reflect one year of
2 annual amortization expense based on the Public Staff's
3 recommended level of deferred charges discussed above under
4 deferred charges. Hurricane Florence expense incurred by the
5 Company, net of insurance reimbursements, have been amortized
6 over three years, and are reflected in deferred maintenance expense
7 adjustment.

8 (2) I adjusted maintenance and repairs expense related to
9 adjustments discussed above for corrections to allocated amounts
10 from the WSC, Regional, and State cost centers.

11 (3) I adjusted the number of years used to calculate average
12 storm cost. The Company used three years to calculate average
13 storm cost and my recommendation is 10 years would be a more
14 appropriate period of time to calculate an annualized level of storm
15 costs. Using a ten-year average of storm costs incurred would
16 include years in which storm costs were high and low, resulting in a
17 more reasonable average than what would result from using only the
18 three most current years.

19 (4) I removed pro forma maintenance and repair expense
20 adjustments for Pace Utilities. According to information provided by
21 the Company, maintenance work for Pace Utilities will be performed
22 by CWSNC personnel instead of assigned to third parties; therefore,

1 maintenance expense for Pace Utilities has been included in
2 expenses on the Company's books.

3 (5) I removed estimated deferral accounting O&M expenses from
4 maintenance and repair related to the wastewater treatment plants
5 at Connestee Falls and Nags Head. The Company did not provide
6 any actual costs related to deferred O&M expenses.

7 **TRANSPORTATION**

8 **Q. HOW HAVE YOU ADJUSTED TRANSPORTATION EXPENSE?**

9 A. I adjusted transportation expense related to adjustments discussed
10 above for corrections to allocated amounts from the WSC, Regional,
11 and State cost centers.

12 **OPERATING EXPENSE CHARGED TO PLANT**

13 **Q. HOW HAVE YOU ADJUSTED OPERATING EXPENSE CHARGED**
14 **TO PLANT EXPENSE?**

15 A. I adjusted capitalized salaries and wages related to
16 adjustments discussed above for corrections to allocated amounts
17 from the WSC, Regional, and State cost centers. In the updated
18 filing, the Company removed the adjustment for capitalized labor
19 costs related to Hurricane Florence, since Hurricane Florence related
20 labor costs have already been recovered under deferred
21 maintenance expense. The Public Staff agrees with this change. In

1 addition, I also updated capitalized salaries and wages to reflect the
2 actual amount as of September 30, 2019, to match the updated
3 salary level.

4 **OUTSIDE SERVICE OTHER**

5 **Q. HOW HAVE YOU ADJUSTED OUTSIDE SERVICE OTHER**
6 **EXPENSE?**

7 A. I adjusted outside service expense related to adjustments discussed
8 above for corrections to allocated amounts from the WSC, Regional,
9 and State cost centers. I also removed legal fees that were outside
10 of the test period, legal fees that overlapped with the prior rate case,
11 and legal fees related to other jurisdictions.

12 I also removed other outside service fees from account #6050 that
13 were outside of the test period.

14 **OFFICE SUPPLIES AND OTHER OFFICE EXPENSE**

15 **Q. HOW HAVE YOU ADJUSTED OFFICE SUPPLIES AND OTHER**
16 **OFFICE EXPENSE?**

17 A. I adjusted office supplies and other office expense related to
18 adjustments discussed above for corrections to allocated amounts
19 from the WSC, Regional, and State cost centers.

1 **REGULATORY COMMISSION EXPENSE**

2 **Q. PLEASE EXPLAIN HOW YOU CALCULATED REGULATORY**
3 **COMMISSION EXPENSE.**

4 A. Based on the information provided by the Company regarding costs
5 incurred to date and expected costs that will occur to complete this
6 rate case proceeding, I have included rate case expenses for this
7 proceeding, which is comprised of legal fees; capitalized salaries and
8 wages; and consulting fees. I have allocated total rate case expense
9 to CWSNC Uniform Water, CWSNC Uniform Sewer, BF/FH/TC
10 Water, and BF/FH Sewer based on the customer allocation
11 percentages calculated from the Company's equivalent residential
12 connections (ERCs). I also included in my calculation of rate case
13 expense, the unamortized balance of rate case expense from prior
14 rate case proceedings, Docket No. W-354, Sub 360 (Sub 360) and
15 Docket No. W-354, Sub 356 (Sub 356). I am recommending that total
16 rate case expenses for this proceeding and the unamortized balance
17 from Sub 360 and Sub 356 be amortized to operating expense over
18 five years.

19 **PENSION AND OTHER BENEFITS**

20 **Q. PLEASE EXPLAIN HOW YOU ADJUSTED PENSION AND OTHER**
21 **BENEFITS EXPENSE.**

1 A. I updated 2019 pension and other benefit expense for the updated
2 list of employees provided by the Company.

3 **RENT**

4 **Q. PLEASE EXPLAIN HOW YOU ADJUSTED RENT EXPENSE.**

5 A. I removed non-regulated rent expense from NC Owner LLC
6 according to the Company's response to ADR 28 and corrected rent
7 expense for Charlotte Warehouse to reflect the actual Year 6 O&M
8 expense instead of the estimated Year 7 O&M expense.

9 In addition, I also adjusted the rent expense for Piedmont Realty
10 Trust. In the application, the Company used an average annual rent
11 expense from the total lease expenses for 15 years to calculate the
12 annual rent expense for the current rate case. The Public Staff
13 believes that it is not reasonable to use average rent expense instead
14 of the actual rent expense for the upcoming year. The reason is that
15 each year, the actual rent expense is different and it increases on an
16 annual basis. Using average annual rent expense overstates the
17 expense that will actually happen in the upcoming year, and,
18 therefore, is not fair for rate payers to pay more expense than what
19 actually will incur in the near future. Another reason is that the
20 Company is able to terminate the lease contract anytime within 15
21 years, and if this happens, CWSNC will recover more than the actual

1 expense incurred. Therefore, I used the actual rent expense in the
2 upcoming year to calculate a more accurate rent expense.

3 **INSURANCE EXPENSE**

4 **Q. PLEASE EXPLAIN HOW YOU ADJUSTED INSURANCE**
5 **EXPENSE.**

6 A. I adjusted the insurance premiums to reflect the current amount for
7 insurance for Utilities, Inc., the parent company of CWSNC, provided
8 by the Company and allocated them to CWSNC using the following
9 factors:

10 (a) I allocated automobile insurance based on the number of
11 automobiles for CWSNC as a percentage to the total number of
12 automobiles covered by the policy;

13 (b) I allocated workers compensation insurance to reflect the
14 adjusted level of payroll;

15 (c) I allocated property insurance to reflect the value of the property
16 covered by the current insurance policies; and

17 (d) I allocated the remaining insurance items to CWSNC based on
18 the ERC percentage after adjustment for availability customers.

19 Since the pollution liability insurance is a three-year policy, I made
20 an adjustment to include only one-third of the pollution liability

1 insurance premium to reflect an annual level of premium for this
2 policy.

3 **OFFICE UTILITY**

4 **Q. HOW HAVE YOU ADJUSTED OFFICE UTILITY EXPENSE?**

5 A. I adjusted office utilities expense related to adjustments discussed
6 above for corrections to allocated amounts from the WSC, Regional,
7 and State cost centers.

8 **MISCELLANEOUS EXPENSE**

9 **Q. WHAT ADJUSTMENT WAS MADE TO MISCELLANEOUS**
10 **EXPENSE?**

11 A. I adjusted miscellaneous expense related to adjustments discussed
12 above for corrections to allocated amounts from the WSC, Regional,
13 and State cost centers and reclassified excess deferred taxes from
14 depreciation expense. In additions, I made more adjustments for the
15 following items:

16 (a) CWSNC included some expenses that should not be included in
17 the rate case, such as sponsorship, expenses related to other
18 jurisdictions, lobbying-related membership fees, etc. In the updated
19 filing, the Company has corrected some of these errors and I
20 removed the remaining;

1 (b) I removed the expense incurred due to Hurricane Florence from
2 miscellaneous expense because an annualized level has been
3 included in maintenance and repair;

4 (c) I removed annual amortization expense from uncovered due
5 diligent cost for Riverbend and Pace Utilities because these
6 expenses have been reclassified from deferred charges to plant in
7 service and the annual amortization expense was already included
8 in the depreciation expense.

9 **DEPRECIATION EXPENSE**

10 **Q. HOW DID YOU ADJUST DEPRECIATION EXPENSE?**

11 A. I have adjusted depreciation expense to reflect an ongoing annual
12 level of depreciation expense for direct plant in service, based on the
13 Public Staff's adjusted level of plant in service and the depreciation
14 lives for each plant account.

15 My calculation of depreciation also includes the annual amortization
16 of excess book value for both CWSNC Uniform Water and Sewer
17 operations.

18 Finally, I adjusted depreciation expense related to adjustments
19 discussed above for corrections to allocated amounts from the WSC,
20 Regional, and State cost centers.

1 **AMORTIZATION OF CIAC**

2 **Q. WHAT ADJUSTMENT DID YOU MAKE TO AMORTIZATION OF**
3 **CIAC?**

4 A. CIAC amortization expense was adjusted to reflect the Public Staff's
5 recommended level of CIAC times individual amortization rates for
6 each plant in service account related to CIAC.

7 **AMORTIZATION OF PAA**

8 **Q. WHY DID YOU ADJUST AMORTIZATION OF PAA?**

9 A. PAA amortization expense was adjusted to reflect the Public Staff's
10 recommended level of PAA times an amortization percentage, based
11 on the composite overall depreciation rate for the Public Staff's
12 adjusted level of direct plant in service.

13 **FRANCHISE TAX AND OTHER TAXES**

14 **Q. WHY DID YOU ADJUST FRANCHISE TAX AND OTHER TAXES?**

15 A. I adjusted franchise tax expense related to adjustments discussed
16 above for corrections to allocated amounts from the WSC, Regional,
17 and State cost centers.

18 **PAYROLL TAXES**

19 **Q. WHY DID YOU ADJUST PAYROLL TAXES?**

1 A. I have made an adjustment to reflect payroll taxes for operations and
2 maintenance, NC leadership, and shared services based on the
3 Public Staff's recommended level of salaries at the current payroll
4 tax rates.

5 **REGULATORY FEE**

6 **Q. WHAT ADJUSTMENT HAVE YOU MADE TO REGULATORY**
7 **FEE?**

8 A. I have calculated regulatory fee using the statutory rate of 0.13%
9 applied to total revenue under present, Company Proposed, and
10 Public Staff recommended rates.

11 **DEFERRED INCOME TAX**

12 **Q. WHY ADJUSTMENT HAVE YOU MADE TO DEFERRED INCOME**
13 **TAX?**

14 A. I have allocated protected federal EDIT to CWSNC Water, CWSNC
15 Sewer, BF/FH/TC Water, and BF/FH Sewer rate divisions by ADIT
16 percentage calculated from the deferred charge under rate base
17 items. The protected federal EDIT was recommended by Public Staff
18 witness Boswell.

19 **STATE INCOME TAX**

20 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO STATE INCOME**
21 **TAX.**

1 A. State income tax was calculated based on the adjusted levels of
2 revenues and expenses, and the State income tax rate of 2.5%,
3 effective January 1, 2019.

4 **FEDERAL INCOME TAX**

5 **Q. WHAT ADJUSTMENT HAVE YOU MADE TO FEDERAL INCOME**
6 **TAX?**

7 A. Federal income tax was calculated based on the adjusted levels of
8 revenues and expenses, and the federal income tax rate of 21%,
9 effective January 1, 2018.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes, it does.

INDEX TO PUBLIC STAFF FEASEL EXHIBIT I

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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 Exh bit 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 [8] (e)
<u>Present Rates:</u>						
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%	2,388,736 [9]
3	Total	100.00%	<u>\$63,141,528 [3]</u>		<u>6.51%</u>	<u>\$4,111,388 [10]</u>
<u>Company Proposed Rates:</u>						
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%	<u>\$63,141,528 [3]</u>		<u>9.79%</u>	<u>\$6,179,796 [12]</u>
<u>Public Staff Recommended Rates:</u>						
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%	<u>\$63,141,528 [3]</u>		<u>7.15%</u>	<u>\$4,512,876 [14]</u>

- [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 Exh bit I, Schedule 3(a), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exh bit I, Schedule 3(a), Column (e), Line 38.
[13] Line 9 minus Line 7, Column (e).
[14] Feasel Exh bit 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 Exh bit 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)
<u>Present Rates:</u>						
1	Debt	50.90%	\$33,012,826 [2]	5.36% [1]	2.73%	\$1,769,487 [8]
2	Equity	49.10%	31,845,378 [2]	2.23% [6]	1.09%	710,065 [9]
3	Total	100.00%	<u>\$64,858,204 [3]</u>		<u>3.82%</u>	<u>\$2,479,552 [10]</u>
<u>Company Proposed Rates:</u>						
4	Debt	50.90%	\$33,012,826 [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%	<u>\$64,858,204 [3]</u>		<u>8.53%</u>	<u>\$5,529,355 [12]</u>
<u>Public Staff Recommended Rates:</u>						
7	Debt	50.90%	\$33,012,826 [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%	<u>\$64,858,204 [3]</u>		<u>7.15%</u>	<u>\$4,635,571 [14]</u>

- [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 Exh bit I, Schedule 3(b), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exh bit I, Schedule 3(b), Column (e), Line 38.
[13] Line 9 minus Line 7, Column (e).
[14] Feasel Exh bit 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 Exh bit 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)
<u>Present Rates:</u>						
1	Debt	50.90%	\$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%	<u>\$2,976,732</u> [3]		<u>8.25%</u>	<u>\$245,687</u> [10]
<u>Company Proposed Rates:</u>						
4	Debt	50.90%	\$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%	<u>\$2,976,732</u> [3]		<u>13.10%</u>	<u>\$389,825</u> [12]
<u>Public Staff Recommended Rates:</u>						
7	Debt	50.90%	\$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%	<u>\$2,976,732</u> [3]		<u>7.15%</u>	<u>\$212,754</u> [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 Exh bit I, Schedule 3(c), Column (c), Line 38.

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

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

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

[14] Feasel Exh bit 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 Exh bit I
Schedule 1(d)**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)
<u>Present Rates:</u>						
1	Debt	50.90%	\$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%	<u>\$7,578,733 [3]</u>		<u>7.43%</u>	<u>\$563,329 [10]</u>
<u>Company Proposed Rates:</u>						
4	Debt	50.90%	\$3,857,575 [4]	5.36% [1]	2.73%	\$206,766 [8]
5	Equity	49.10%	3,721,158 [4]	13.95% [6]	6.85%	519,198 [11]
6	Total	100.00%	<u>\$7,578,733 [3]</u>		<u>9.58%</u>	<u>\$725,964 [12]</u>
<u>Public Staff Recommended Rates:</u>						
7	Debt	50.90%	\$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%	<u>\$7,578,733 [3]</u>		<u>7.15%</u>	<u>\$541,670 [14]</u>

[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 Exh bit I, Schedule 3(d), Column (c), Line 38.

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

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

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

[14] Feasel Exh bit 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 [1] (b)	Amount Per Public Staff [2] (c)
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)	\$62,364,736	\$776,791	\$63,141,528

[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

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
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)	\$58,052,570	\$6,805,635	\$64,858,204

[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.

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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

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Plant in service	\$6,124,796	\$100,195	\$6,224,991 [3]
2	Accumulated depreciation	(1,973,425)	(71,996)	(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)	\$2,918,635	\$58,097	\$2,976,732

[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.

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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 [1] (b)	Amount Per Public Staff [2] (c)
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)	\$7,535,358	\$43,375	\$7,578,733

[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.

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Nov 04 2019

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**

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	\$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</u> [4]
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	<u>(\$19,700,492)</u>	<u>(\$1,625,720)</u>	<u>(\$21,326,212)</u> [5]
5	Allocation of common accumulated depreciation: Corix, WSC cost center, Regional and NC	<u>(2,690,538)</u>	<u>212,763</u>	<u>(2,477,775)</u> [4]
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	576,996	(68,334)	508,662 [4]
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	(474,654)	43,914	(430,740) [4]
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 furn. & 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	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>\$17,196</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).

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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. 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	1,280,133	8,473,972
8	1300	Struct/improv. treat. plt.	19,729,926	0	6,963,637	26,693,562
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.	3,595,018	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 plt.	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. plt.	18,942,144	0	27,223	18,969,367
28	1405	Treat /disp. equip. rct. wtp.	13,459	0	364	13,823
29	1410	Plant sewers treat. plt.	3,944,724	0	14,022,107	17,966,831
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	1,776	0	0	1,776
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)	\$82,763,331	(\$517,565)	\$24,245,198	\$106,490,964

[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. plt.	419	0	0	419
7	1050	Struct & improv. src. supply	162,898	0	238	163,136
8	1055	Struct & improv. wtr. trt. plt.	82,874	0	61,017	143,891
9	1060	Struct & improv. trans. dist.	461	0	0	461
10	1065	Struct & improv. gen. plt.	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. plt.	48,999	0	951	49,950
17	1105	Electric pump equip. wtp.	347,796	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	28,409	714,768
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 plt. & misc. equip. src. su.	0	0	0	0
28	1165	Other plt. & 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	Plt. 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).

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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 trtmnt 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	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. 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	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	1,809	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 rcl. 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	(2,639)	385,677
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)	\$12,884,980	\$20,976	\$648,100	\$13,554,057

[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)

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	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	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).

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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(b)(2)

CWSNC 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. plt.	0	0	0	-
3	1270	Land & land rights trtmnt plt	0	0	0	-
4	1275	Land & land rights reclaim.	0	0	0	-
5	1285	Land & land rights gen. plt.	0	0	0	-
6	1290	Struct/improv. coll. plt.	0	0	0	-
7	1295	Struct/improv. pump plt. ls.	0	0	0	-
8	1300	Struct/improv. treat. plt.	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. plt.	0	0	0	-
12	1320	Power gen. equip. coll. plt.	0	0	0	-
13	1325	Power gen. equip. pump plt.	0	0	0	-
14	1330	Power gen. equip. treat. plt.	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 plt.	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. plt.	0	0	0	-
28	1405	Treat./disp. equip. rct. wtp.	0	0	0	-
29	1410	Plant sewers treat. plt.	0	0	0	-
30	1415	Plant sewers reclaim wtp.	0	0	0	-
31	1420	Outfall lines	0	0	0	-
32	1425	Other plt. tangible	0	0	0	-
33	1430	Other plt. collection	0	0	0	-
34	1435	Other plt. pump	0	0	0	-
35	1440	Other plt. treatment	0	0	0	-
36	1445	Other plt. reclaim wtr. trt.	0	0	0	-
37	1450	Other plt. 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 plt. 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	Plt. 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)	(\$514,608)	\$0	(\$2,957)	(\$517,565)

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

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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)

BF/FH/TC WATER 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] (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. 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	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	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	1805	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).

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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)

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 trtmnt 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 rcl. wtr.	0	0	0	0
26	1395	Treat./disp. equip. lagoon	0	0	0	0
27	1400	Treat./disp. equip. trt. 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. 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

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Direct accumulated depreciation per application	<u>(\$23,621,429)</u>	<u>(\$19,700,492)</u>	<u>(\$1,387,939)</u>	<u>(\$2,245,646)</u>
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 Conneestee 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	<u>(31,739) [1]</u>	<u>(535,707) [1]</u>	<u>(36,960) [1]</u>	<u>(135,833) [1]</u>
6	Adjustment to accumulated depreciation (Sum of L2 thru L5)	<u>(922,433)</u>	<u>(1,625,720)</u>	<u>(110,494)</u>	<u>103,593</u>
7	Direct accumulated depreciation per Public Staff (L1 + L6)	<u><u>(\$24,543,862)</u></u>	<u><u>(\$21,326,212)</u></u>	<u><u>(\$1,498,433)</u></u>	<u><u>(\$2,142,053)</u></u>

[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)
<u>Cash Working Capital:</u>					
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>
<u>Average Tax Accruals:</u>					
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>\$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			[2]	CWSNC Sewer Operations			[3]
		CIAC (a)	Accumulated Amortization (b)	CIAC, Net of Amortization (c)		CIAC (d)	Accumulated Amortization (e)	CIAC, Net of Amortization (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	<u>0</u>	<u>(1,224) [1]</u>	<u>(1,224)</u>		<u>0</u>	<u>(96,397) [1]</u>	<u>(96,397)</u>	
4	Adjustment to CIAC (L2 + L3)	<u>(61,541)</u>	<u>341,805</u>	<u>280,264</u>		<u>(23,264)</u>	<u>210,579</u>	<u>187,315</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>\$10,430,342</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).

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Nov 04 2019

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			[4]	BF/FH Sewer Operations			[5]
		CIAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization (i)		CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization (l)	
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).

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Nov 04 2019

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)

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)	45,259	(115,922) [6]	(72,254) [9]	(43,668) [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)	(5,478,348) [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)	(5 129 832)	75 154	(5 054 677)	(2 027 716)	(3 026 963)
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)	5,526	(14,154) [7]	(8,822) [9]	(5,332) [9]
16	DEF ST TAX - DEF MA NT	(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)	(580,722) [11]	(556,388) [11]
21	DEF ST TAX - NOL	238,190	0	238,190	148,464	89,726
22	Total State ADIT (Sum of L12 thru L21)	(682 853)	9 177	(673 676)	(302 244)	(371 433)
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)	(\$5 812 684)	\$672 126	(\$5 140 559)	(\$2 106 642)	(\$3 033 919)

[1] Form W-1, tem 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)

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 [8] (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	126,680	132,326
4	DEF FED TAX - RATE CASE	(24,751)	7,107	(17,644) [6]	(8,628) [9]	(9,016) [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)	(536,513) [11]	(1,212,225) [11]
10	DEF FED TAX - NOL	515,996	0	515,996	252,373	263,622
11	Total Federal ADIT (Sum of L1 thru L10)	(862 695)	9 403	(853 292)	(106 900)	(746 394)
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 MA NT	(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)	(62,168) [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)	(28 341)	1 149	(27 192)	22 621	(49 813)
23	Total Direct ADIT (L11 + L22)	(891,036)	10,552	(880,484)	(84,279)	(796,207)
24	ADIT allocated from WSC	0	(10 901) [3]	(10 901)	(5 332)	(5 569)
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	9 757 [12]	91 850 [12]
27	ADIT per Public Staff (L25 + L26)	(\$891 036)	\$101 258	(\$789 778)	(\$79 854)	(\$709 926)

[1] Form W-1, tem 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

<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	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

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

[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.

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Nov 04 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

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)	(\$4,221,513)	\$2,072,277	(\$2,149,236)	(\$627,070)	\$919,880	\$292,810
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>(8 402)</u> [1]	<u>(8 402)</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>4,090</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/TC Water Operations			[4]	BF/FH Sewer Operations			[5]
		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	<u>\$607,436</u>	<u>(\$586,178)</u>	<u>\$21,258</u>		<u>\$1,680,077</u>	<u>(\$715,643)</u>	<u>\$964,434</u>	
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	<u>0</u>	<u>(2 265) [1]</u>	<u>(2 265)</u>		<u>0</u>	<u>(12 513) [1]</u>	<u>(12 513)</u>	
6	Total adjustment to PAA (L2 + L4 + L5)	<u>0</u>	<u>(8,062)</u>	<u>(8,062)</u>		<u>0</u>	<u>(27,467)</u>	<u>(27,467)</u>	
7	PAA per Public Staff (L1 + L6)	<u>\$607,436</u>	<u>(\$594,240)</u>	<u>\$13,196</u>		<u>\$1,680,077</u>	<u>(\$743,110)</u>	<u>\$936,967</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 EXCESS BOOK VALUE

For The Test Year Ended March 31, 2019

Public Staff
Feasel Exhibit I
Schedule 2-9

Line No.	Item	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)	\$456		\$11,970		\$456		\$0	
<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)	\$0		\$17,954		\$0		\$0	

[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

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (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	352,915 [2]	213,249 [4]	42,141 [6]	44,033 [8]
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 364
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] (a)	Amortization Period In Years [1] (b)	Date Amortization Began [1] (c)	Annual Amortization [2] (d)	Accumulated Amortization [3] (e)	Unamortized Balance [4] (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 I
Schedule 3(a)
Page 1 of 2

CWSNC WATER OPERATIONS

		Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
Line No.	Item	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)
<u>Operating Revenues:</u>								
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]	8,102	197,920 [31]	1,572	191,390 [39]
3	Uncollectible accounts	(120,323)	(9,073)	(129,396) [5]	(19,985)	(149,381) [32]	(3,879)	(133,275) [40]
4	Total operating revenues (Sum of L1 thru L3)	17,425,381	120,953	17,546,334	2,688,868	20,235,202	521,926	18,068,260
<u>Maintenance Expenses:</u>								
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	(56,331)	908,798 [8]	0	908,798	0	908,798
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	311,580	(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	(176,664)	495,286 [11]	0	495,286	0	495,286
15	Total maintenance expenses (Sum of L5 thru L14)	7,574,408	(379,794)	7,194,614	0	7,194,614	0	7,194,614
<u>General Expenses:</u>								
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	(59,366)	752,385 [15]	0	752,385	0	752,385
20	Rent	212,380	(35,921)	176,459 [16]	0	176,459	0	176,459
21	Insurance	359,263	(98,168)	261,095 [17]	0	261,095	0	261,095
22	Office utilities	413,091	(1,745)	411,346 [18]	0	411,346	0	411,346
23	Miscellaneous	168,996	(96,199)	72,797 [19]	0	72,797	0	72,797
24	Total general expenses (Sum of L16 thru L23)	3,753,408	(1,116,133)	2,637,275	0	2,637,275	0	2,637,275
<u>Depreciation and Taxes:</u>								
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)	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	(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	23,489 [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	854,671	(226,170)	628,501 [28]	549,830	1,178,331 [35]	106,726	735,227 [43]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,743,716	(140,660)	3,603,057	620,460	4,223,517	120,436	3,723,493
37	Total operating revenue deductions (L15 + L24 + L36)	15,071,532	(1,636,587)	13,434,946	620,460	14,055,406	120,436	13,555,382
38	Net operating income for a return (L4 - L37)	\$2,353,848	\$1,757,540	\$4,111,388	\$2,068,408	\$6,179,796	\$401,490	\$4,512,878

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 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] 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.

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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 I
Schedule 3(b)
Page 1 of 2

CWSNC SEWER OPERATIONS

		Present Rates				Company Proposed Rates				Public Staff Recommended Rates			
Line No.	Item	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)			
<u>Operating Revenues:</u>													
1	Service revenues	\$12,496,671	\$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	10,336	124,500 [4]		11,949	136,449 [31]		8,447	132,947 [39]			
3	Uncollectible accounts	(91,965)	(6,546)	(98,511) [5]		(30,270)	(128,781) [32]		(21,399)	(119,910) [40]			
4	Total operating revenues (Sum of L1 thru L3)	12,518,870	469,048	12,987,918		3,964,651	16,952,569		2,802,762	15,790,680			
<u>Maintenance Expenses:</u>													
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	230,216	1,940,023 [8]		0	1,940,023		0	1,940,023			
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	(106,747)	299,269 [11]		0	299,269		0	299,269			
15	Total maintenance expenses (Sum of L5 thru L14)	6,019,211	1,842	6,021,053		0	6,021,053		0	6,021,053			
<u>General Expenses:</u>													
16	Salaries and wages	791,745	(142,438)	649,307 [12]		0	649,307		0	649,307			
17	Office supplies and other office expense	186,770	(307,347)	(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	(1,055)	248,550 [18]		0	248,550		0	248,550			
23	Miscellaneous	116,738	(71,171)	45,567 [19]		0	45,567		0	45,567			
24	Total general expenses (Sum of L16 thru L23)	2,280,375	(685,180)	1,595,195		0	1,595,195		0	1,595,195			
<u>Depreciation and Taxes:</u>													
25	Depreciation expense	2,787,947	245,819	3,033,767 [20]		0	3,033,767		0	3,033,767			
26	Amortization of CIAC	(616,725)	46,672	(570,053) [21]		0	(570,053)		0	(570,053)			
27	Amortization of PAA	(24,983)	8,115	(16,868) [22]		0	(16,868)		0	(16,868)			
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	(22,376)	172,492 [24]		0	172,492		0	172,492			
32	Regulatory fee	22,858	(5,974)	16,884 [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	97,134	(75,241)	21,893 [27]		98,987	120,880 [34]		69,978	91,871 [42]			
35	Federal income tax	795,525	(616,222)	179,303 [28]		810,707	990,010 [35]		573,119	752,422 [43]			
36	Total depreciation and taxes (Sum of L25 thru L35)	3,346,826	(454,708)	2,892,119		914,848	3,806,967		646,741	3,538,860			
37	Total operating revenue deductions (L15 + L24 + L36)	11,646,412	(1,138,046)	10,508,366		914,848	11,423,214		646,741	11,155,107			
38	Net operating income for a return (L4 - L37)	\$872,457	\$1,607,095	\$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.

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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 I
Schedule 3(c)
Page 1 of 2

BF/FH/TC 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 [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	\$1,304,231	\$290	\$1,304,521 [3]	\$189,171	\$1,493,692 [3]		(\$43,223)	\$1,261,298 [38]	
2	Miscellaneous revenues	48,277	2,783	51,060 [4]	606	51,666 [31]		(138)	50,922 [39]	
3	Uncollectible accounts	(12,774)	(3,793)	(16,567) [5]	(2,403)	(18,970) [32]		549	(16,018) [40]	
4	Total operating revenues (Sum of L1 thru L3)	1,339,735	(721)	1,339,014	187,374	1,526,388		(42,812)	1,296,202	
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	649	63,086 [8]	0	63,086		0	63,086	
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	(18,528)	50,806 [11]	0	50,806		0	50,806	
15	Total maintenance expenses (Sum of L5 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	Pension and other benefits	111,940	(25,366)	86,574 [15]	0	86,574		0	86,574	
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)	461,145	(162,411)	298,734	0	298,734		0	298,734	
Depreciation and Taxes:										
25	Depreciation expense	161,691	7,404	169,095 [20]	0	169,095		0	169,095	
26	Amortization of CIAC	(39,600)	(16,817)	(56,417) [21]	0	(56,417)		0	(56,417)	
27	Amortization of PAA	11,679	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	(13,245)	32,846 [24]	0	32,846		0	32,846	
32	Regulatory fee	2,138	(397)	1,741 [25]	243	1,984 [33]		(56)	1,685 [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	9,988 [34]		(1,069)	4,241 [42]	
35	Federal income tax	39,998	3,488	43,486 [28]	38,315	81,801 [35]		(8,754)	34,732 [43]	
36	Total depreciation and taxes (Sum of L25 thru L35)	240,007	(18,392)	221,614	43,236	264,850		(9,879)	211,735	
37	Total operating revenue deductions (L15 + L24 + L36)	1,291,960	(198,633)	1,093,327	43,236	1,136,563		(9,879)	1,083,448	
38	Net operating income for a return (L4 - L37)	\$47,775	\$197,912	\$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
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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.

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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 I
Schedule 3(d)
Page 1 of 2

BF/FH SEWER OPERATIONS

		Present Rates				Company Proposed Rates				Public Staff Recommended Rates				
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]	Net Company Increase (d)	[29]	Operations After Rate Increase (e)	[30]	Net Public Staff Increase (f)	[36]	Operations After Rate Increase (g)	[37]
<u>Operating Revenues:</u>														
1	Service revenues	\$2,094,948	\$4,922		\$2,099,870	[3]	\$213,448		\$2,313,318	[3]	(\$28,426)		\$2,071,444	[38]
2	Miscellaneous revenues	18,802	3,312		22,114	[4]	683		22,797	[31]	(91)		22,023	[39]
3	Uncollectible accounts	(21,286)	(5,382)		(26,668)	[5]	(2,711)		(29,379)	[32]	361		(26,307)	[40]
4	Total operating revenues (Sum of L1 thru L3)	2,092,464	2,852		2,095,316		211,420		2,306,736		(28,156)		2,067,160	
<u>Maintenance Expenses:</u>														
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	40,800	(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	(20,091)		52,325	[11]	0		52,325		0		52,325	
15	Total maintenance expenses (Sum of L5 thru L14)	806,064	(25,727)		780,337		0		780,337		0		780,337	
<u>General Expenses:</u>														
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	(63,435)		(25,882)	[13]	0		(25,882)		0		(25,882)	
18	Regulatory commission expense	18,071	(7,063)		11,008	[14]	0		11,008		0		11,008	
19	Pension and other benefits	116,917	(23,129)		93,788	[15]	0		93,788		0		93,788	
20	Rent	26,486	(4,480)		22,006	[16]	0		22,006		0		22,006	
21	Insurance	44,804	(12,247)		32,557	[17]	0		32,557		0		32,557	
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)	460,208	(142,985)		317,223		0		317,223		0		317,223	
<u>Depreciation and Taxes:</u>														
25	Depreciation expense	378,417	11,817		390,234	[20]	0		390,234		0		390,234	
26	Amortization of CIAC	(144,644)	(1,538)		(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	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	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	103,268	(10,700)		92,568	[28]	43,232		135,800	[35]	(5,757)		86,811	[43]
36	Total depreciation and taxes (Sum of L25 thru L35)	429,956	4,471		434,427		48,785		483,212		(6,497)		427,930	
37	Total operating revenue deductions (L15 + L24 + L36)	1,696,228	(164,241)		1,531,987		48,785		1,580,772		(6,497)		1,525,490	
38	Net operating income for a return (L4 - L37)	\$396,236	\$167,093		\$563,329		\$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 Exh bit 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)
<u>Present Rates:</u>				
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>
<u>Company Proposed Rates:</u>				
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>
<u>Public Staff Recommended Rates:</u>				
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 Exh bit I
Schedule 3-1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
<u>Present Rates:</u>				
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>
<u>Company Proposed Rates:</u>				
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>
<u>Public Staff Recommended Rates:</u>				
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 Exh bit I
Schedule 3-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
			[3]	[4]
	<u>Present Rates:</u>			
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>
	<u>Company Proposed Rates:</u>			
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>
	<u>Public Staff Recommended Rates:</u>			
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 Exh bit 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 364
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]	\$12,025,466 [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)	0.30%	0.30%	0.32%	0.32%
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)	\$52,458	\$38,886	\$4,174	\$6,720
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)	\$60,560	\$50,835	\$4,780	\$7,403
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)	\$54,030	\$47,333	\$4,036	\$6,629

- [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	<u>119,212 [1]</u>	<u>91,117 [1]</u>	<u>12,646 [1]</u>	<u>21,072 [1]</u>
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)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
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)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
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)	<u>0.74%</u>	<u>0.76%</u>	<u>1.27%</u>	<u>1.27%</u>
12	Uncollectible accounts (L10 x L11)	<u>\$133,275</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)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Salaries & Wages maintenance per application	<u>\$ 2,804,385</u> [1]	<u>\$1,694,510</u> [1]	<u>\$334,852</u> [1]	<u>\$309,683</u> [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

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Nov 04 2019

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)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Salaries & Wages general per application	<u>\$ 1,310,325</u> [1]	<u>\$791,745</u> [1]	<u>\$156,457</u> [1]	<u>\$128,373</u> [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]	(16,362) [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

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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

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	(35,557) [2]	226,717 [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 adjsutment		(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)	(56,331)	230,216	649	(10,620)
13	Maintenance and repair per Public Staff (L1 + L12)	\$908,798	\$1,940,023	\$63,086	\$207,322

- [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 exmination 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)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (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</u> [2]	<u>278,182</u> [2]	<u>9,263</u> [2]	<u>19,408</u> [2]
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

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Transportation per application	\$286,275	\$172,978	\$39,063	\$40,800
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	(89) [1]	(54) [1]	(10) [1]	(11) [1]
4	Total adjustments to transportation (L2+L3)	(2,660)	(1,607)	(317)	(332)
5	Transportation per Public Staff (L1 + L4)	\$283,615	\$171,371	\$38,746	\$40,468

[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.	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

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

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

[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
Feasel 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/TC 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			5				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>33,123</u>	<u>\$17,920</u> [4]	<u>\$10,828</u> [5]	<u>\$2,140</u> [6]	<u>\$2,236</u> [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>132,493.50</u>	<u>71,679</u> [4]	<u>43,312</u> [5]	<u>8,559</u> [6]	<u>8,943</u> [7]
5	Sub 360 and prior rate cases unamor ized rate case expense	<u>\$649,806</u>	<u>(\$0)</u>	649,806 [3]				
6	Amortization period in years			5				
7	Sub 360 and prior rate cases unamor ized annual rate case expense (L5 / L6)			<u>129,961</u>	<u>70,309</u> [4]	<u>42,484</u> [5]	<u>8,395</u> [6]	<u>8,772</u> [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>519,845</u>	<u>281,236</u> [4]	<u>169,937</u> [5]	<u>33,582</u> [6]	<u>35,090</u> [7]
9	Total annual rate case expense (L3 + L7)			<u>\$163,084</u>	<u>\$88,229</u>	<u>\$53,312</u>	<u>\$10,535</u>	<u>\$11,008</u>
10	Total unamortized balance of rate case expense (L4 + L8)			<u>\$652,338</u>	<u>\$352,915</u>	<u>\$213,249</u>	<u>\$42,141</u>	<u>\$44,033</u>

[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
Feasel 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	\$26,486
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 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	(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	\$106,621	\$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

<u>No.</u>	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)	Total (f) [3]
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)	261,095	157,765	31,174	32,557	482,591
12	Less: Company updates on 10.04.2019	99,431 [2]	60,080 [2]	11,872 [2]	12,400 [2]	183,783
13	Less: Amount per Company in original filing	359,263 [2]	217,079 [2]	42,897 [2]	44,804 [2]	664,043
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)

Line No.	Item	Annual Premium [1] (a)	CWSNC Percentage [1] (b)	CWSNC Insurance Expense [6] (c)
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).

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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	\$413,091	\$249,604	\$43,855	\$45,178
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	445 [1]	269 [1]	78 [1]	55 [1]
4	Total adjustments to office utility (L2 + L3)	(1,745)	(1,055)	(603)	(655)
5	Office utility per Public Staff (L1 + L4)	\$411,346	\$248,550	\$43,252	\$44,523

[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 Exh bit I

Schedule 3-15

Line No.		CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (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>(\$651)</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 AIA 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 (j), 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

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

CWSNC WATER OPERATIONS

Line No.	Account	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
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.	2,634,653	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	12,693,634	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	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%	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	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)	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.	8,473,972	2.00%	169,479	
8	1300	Struct/improv. treat. plt.	26,693,562	2.50%	667,339	
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%	33,563	
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.	3,627,036	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 plt.	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. plt.	18,969,367	2.50%	474,234	
28	1405	Treat /disp. equip. rct. wtp.	13,823	2.50%	346	
29	1410	Plant sewers treat. plt.	17,966,831	2.50%	449,171	
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>\$106,490,964</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 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)

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	2.00%	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	511,277	2.00%	10,226	
13	1085	Infiltration gallery	0	2.50%	0	
14	1090	Supply mains	8,953	1.00%	90	
15	1095	Power generation equip.	0	10.00%	0	
16	1100	Electric pump equip. src. plt.	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%	4,888	
25	1145	Hydrants	163,087	2.50%	4,077	
26	1150	Backflow prevention devic.	98	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 furn. & 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)	\$5 537 864		\$121 340	2.19% [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.

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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)

BF/FH SEWER OPERATIONS

Line No.	Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (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. ls.	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. wtp.	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. wtp.	0	2.50%	0	
29	1410	Plant sewers treat. plt.	385,677	2.50%	9,642	
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>\$13,554,057</u>		<u>\$344,616</u>	<u>2.54%</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)

CWS - NC Uniform - Water

Line No.	Account	Description	Tesr Year Per Books AA	April to July Per Books AA	August Per Books AA	September Per Books AA	Total CIAC	Amoprization Rates	CIAC Amortization
			[1]	[1]	[1]	[1]	[2]	[1]	[3]
			[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)

CWS - NC Uniform - Sewer

Line No.	Account	Description	Tesr Year Per Books AA	[1]	April to July Per Books AA	[1]	August Per Books AA	[1]	September Per Books AA	[1]	Total CIAC	[2]	Amoprtization Rates	[1]	CIAC Amortization	[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)	(27 966 359)		(12 763)		(4 600)		(5 900)		(27 989 622)				(569 806)	

[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]

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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)**BF/FH/TC - Water**

Line No.	Account	Description	Tesr Year Per Books AA	[1]	April to July Per Books AA	[1]	August Per Books AA	[1]	September Per Books AA	[1]	Total CIAC	[2]	Amoprtization Rates	[1]	CIAC Amortization	[3]
			[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)	(2,249,286)		(4,400)		(100)		-		(2,253,786)				(56,417)	

[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)

BF/FH - Sewer

Line No.	Account	Description	Tesr Year Per Books AA	[1]	April to July Per Books AA	[1]	August Per Books AA	[1]	September Per Books AA	[1]	Total CIAC	[2]	Amoprtrization Rates	[1]	CIAC Amortization	[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)	(7,088,979)		-	-		-		-	(7,088,979)				(146,182)	

[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

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (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

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
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	(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>2,946</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

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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</u> [2]	<u>1,722,652</u> [4]	<u>1,722,652</u> [6]
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</u> [2]	<u>1,722,652</u> [4]	<u>1,722,652</u> [6]
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)	<u>710,065</u>	<u>3,759,868</u>	<u>2,866,086</u>
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	\$1,339,014	\$1,526,388	\$1,296,202
	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)	1,126,628	1,126,871	1,126,572
15	Taxable income (L1 - L14)	212,386	399,517	169,630
16	State income tax (L15 x 2.5%)	5,310	9,988	4,241
17	Federal taxable income after state income tax (L15 - L16)	207,076	389,529	165,389
18	Federal income tax (L17 x 21%)	43,486	81,801	34,732
19	Excess deferred income tax amortization	(885)	(885)	(885)
20	Net amount (L15 - L16 - L18 - L19)	164,475	308,613	131,542
21	Add: Interest expense	81,212 [2]	81,212 [4]	81,212 [6]
22	Net income for a return (L20 + L21)	\$245,687	\$389,825	\$212,754

[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	\$2,095,316	\$2,306,736	\$2,067,160
	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)	1,643,212	1,643,487	1,643,175
15	Taxable income (L1 - L14)	452,104	663,249	423,985
16	State income tax (L15 x 2.5%)	11,303	16,581	10,600
17	Federal taxable income after state income tax (L15 - L16)	440,801	646,668	413,385
18	Federal income tax (L17 x 21%)	92,568	135,800	86,811
19	Excess deferred income tax amortization	(8,330)	(8,330)	(8,330)
20	Net amount (L15 - L16 - L18 - L19)	356,563	519,198	334,904
21	Add: Interest expense	206,766 [2]	206,766 [4]	206,766 [6]
22	Net income for a return (L20 + L21)	\$563,329	\$725,964	\$541,670

[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.

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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 Exh bit 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%	(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 uncollect bles	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 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 Into collect 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	32,296	0	14,096
32	Adjustment to maintenance and repair	(56,404)	230,516	650	(10,634)	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
Feasel Exh bit II
Schedule 1

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Sum
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	(176,894)	(106,886)	(18,552)	(20,117)	(322,449)
39	Adjustment to general salaries and wages	(236,115)	(142,623)	(32,859)	5,577	(406,020)
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	(80,378)	(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	(35,968)	(21,734)	(4,296)	(4,486)	(66,484)
44	Adjustment to insurance	(98,295)	(59,391)	(11,738)	(12,263)	(181,687)
45	Adjustment to office utility	(1,747)	(1,056)	(604)	(656)	(4,063)
46	Adjustment to miscellaneous	(96,324)	(71,264)	(22,374)	(37,593)	(227,555)
47	Adjustment to depreciation expense	212,724	246,139	7,414	11,833	478,110
48	Adjustment to amortization expense - CIAC	(19,632)	46,733	(16,839)	(1,540)	8,722
49	Adjustment to amortization expense - PAA	(13,048)	8,126	1,626	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)	(13,263)	2,950	(69,820)
53	Rounding	(1)	(1)	(2)	(5)	(9)
54	Revenue impact of Public Staff adjustments (Sum of L2 thru L53)	(2,152,378)	(1,005,322)	(230,352)	(239,459)	(3,627,511)
55	Increase/(decrease) per Public Staff (L1 + I54)	\$521,927	\$2,802,763	(\$42,811)	(\$28,157)	3,253,722
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 Rrecommended change in revenue requirement (L56 + L57)	\$391,720	\$2,612,881	(\$47,538)	(\$72,655)	\$2,884,408