

Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
**ADJUSTMENT TO FLOWBACK PROTECTED EDIT DUE
TO TAX CUTS AND JOBS ACT**
For the Test Year Ended September 30, 2019

Boswell Exhibit 1

Line No.	Item	Amount
1	<u>Income statement</u>	
2	Annual amortization of protected EDIT - NC retail	(157,444) ^{1/}
3	Income tax impact	<u>36,173</u> ^{2/}
4	Annual amortization of protected EDIT - net of tax (L2 + L3)	<u><u>(\$121,271)</u></u>
5	<u>Rate base</u>	
6	Adjustment to regulatory assets and liabilities (L2)	\$157,444
7	Composite income tax rate	<u>22.9750%</u>
8	Impact to accumulated deferred income taxes (L6 x L7)	<u>(36,173)</u>
9	Adjustment to rate base (L6 + L8)	<u><u>\$121,271</u></u>

1/ Per Company.

2/ Line 2 times composite income tax rate on Line 7.