

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 356

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Carolina Water Service, Inc. of North)
Carolina, 4944 Parkway Plaza Boulevard, Suite 375,)
Charlotte, North Carolina 28217, for Authority to)
Adjust and Increase Rates for Water and Sewer) JOINT STIPULATION
Utility Service in All of its Service Areas in North)
Carolina, Except Corolla Light and Monteray Shores)
Service Area and Elk River Development)

Carolina Water Service, Inc. of North Carolina ("CWSNC" or "Company")
and the Public Staff - North Carolina Utilities Commission ("Public Staff"),
(collectively, the "Stipulating Parties"), through counsel and pursuant to
Section 62-69 of the North Carolina General Statutes and Rule R1-24(c) of the
Rules and Regulations of the North Carolina Utilities Commission ("Commission"
or "NCUC"), respectfully submit the following Joint Stipulation for consideration by
the Commission in this proceeding. The Stipulating Parties hereby stipulate and
agree as follows:

1. Background.

A. On April 22, 2016, CWSNC, Bradfield Farms Water Company
(Bradfield Farms), Carolina Trace Utilities, Inc. (Carolina Trace), CWS Systems,
Inc. (CWSS), Elk River Utilities, Inc. (Elk River), and Transylvania Utilities, Inc.
(Transylvania) filed a Joint Application for Approval of Merger with the Commission
in Docket No. W-354, Sub 350 requesting approval of the merger of

Bradfield Farms, Carolina Trace, CWSS, Elk River, and Transylvania (all of which, like CWSNC, were wholly-owned subsidiaries of Utilities, Inc. ("UI")) into CWSNC. On August 17, 2016, the Commission entered an *Order Approving Merger*. The Articles of Merger were filed with the North Carolina Secretary of State on August 30, 2016. Since that date, CWSNC has owned and operated all of the merged water and sewer systems previously owned and operated by the five former UI subsidiaries.

B. On February 24, 2017, CWSNC filed a 30-day advance written notice in this docket stating the Company's intent to file a general rate case application with the Commission. This notice was filed pursuant to Commission Rule R1-17(a).

C. On March 31, 2017, CWSNC filed an application in this proceeding (1) seeking authority to increase and adjust its rates for water and sewer utility service in all of its service areas in North Carolina, except for the Corolla Light/Monteray Shores and Elk River service areas; (2) requesting authority for a pass-through of any increases in purchased bulk water rates, subject to sufficient proof by CWSNC of the increase, as well as a pass-through of any increased costs of wastewater treatment performed by third parties and billed to CWSNC; and (3) to increase certain charges.

D. This is the first general rate case filed by CWSNC since the merger was approved by the Commission on August 17, 2016. By its Application, CWSNC proposes to establish four Rate Divisions for ratemaking purposes in this proceeding as follows:

CWSNC Uniform Water

CWSNC Uniform Sewer

Bradfield Farms/Fairfield Harbour Water

Bradfield Farms/Fairfield Harbour Sewer

E. As proposed in the Application, the CWSNC Uniform Water and Sewer Rate Divisions will consist of all water and sewer systems currently owned and operated by the Company, except the Bradfield Farms and Fairfield Harbour service areas. The Bradfield Farms and Fairfield Harbour water and sewer service areas have been combined into separate Water and Sewer Rate Divisions for purposes of this case with uniform water and sewer rates within each Rate Division. CWSNC's stated goal, in future general rate cases, is to move Bradfield Farms and Fairfield Harbour into the CWSNC Uniform Water and Sewer Rate Divisions.

F. As a matter of rate design in this case, CWSNC proposed no rate changes for customers in the Company's Elk River and Corolla Light/Monteray Shores service areas. Customers in the Elk River service area were impacted by a recent rate increase effective September 20, 2016, and, for that reason, the Company is reluctant, at this time, to further increase rates for those particular customers by applying CWSNC's uniform water and sewer rates to them. CWSNC will reevaluate this course of action in the Company's next general rate case. As for the Corolla Light/Monteray Shores service area, CWSNC's proposal to not increase (but hold constant) the water and sewer rates for those affected customers is consistent with the ratemaking and rate design approved by the

Commission in the Company's last two general rate cases (Docket Nos. W-354, Subs 336 and 344) and will continue the orderly process of moving the Corolla Light/Monteray Shores service area toward full inclusion in the Company's uniform water and sewer rates in future general rate cases.

G. On April 26, 2017, the Commission issued its *Order Establishing General Rate Case and Suspending Rates*.

H. On May 23, 2017, the Corolla Light Community Association, Inc. ("CLCA") filed a petition to intervene in this proceeding, stating that it is the homeowners association for the Corolla Light development; that its membership includes more than 450 residents in the development; that its members are provided wastewater treatment services by CWSNC; and that the Community Association and its members have an interest in the subject matter of these proceedings. The CLCA petition to intervene was granted by Commission Order dated June 16, 2017.

I. On June 2, 2017, the Commission issued its *Order Scheduling Hearings and Requiring Customer Notice*.

J. On June 19, 2017, CWSNC filed the Commission-required Certificate of Service indicating that the Notices to Customers were served in conformity with the *Order Scheduling Hearings and Requiring Customer Notice*.

K. On July 13, 2017, Mr. William R. Colyer, in his capacity as Secretary of the Board of Directors of the Bradfield Farms Homeowners Association, filed a petition to intervene in this proceeding. On August 10, 2017, the Commission

entered an *Order Denying Petition to Intervene Without Prejudice* which denied the petition because it had not been signed or verified by a licensed attorney as required by Commission Rule R1-5(d) and G.S. 84-2.1 *et. seq.*

L. On July 21, 2017 CWSNC filed a Notice Regarding Semiannual WSIC/SSIC Surcharge Applications pursuant to G.S. 62-133.12 and Commission Rules R7-39 and R10-26. The purpose of this filing was to notify the Commission, the Public Staff, and other interested parties that CWSNC did not intend to file applications for semiannual adjustments of the Company's Commission-authorized WSIC/SSIC surcharge mechanisms on August 1, 2017, to become effective on October 1, 2017.

M. On August 7, 2017, CWSNC filed the direct testimony and exhibit of Company witness Richard Linneman.

N. On August 7, 2017, the Public Staff and CWSNC filled a Stipulation regarding cost of capital and capital structure issues.

O. On August 29, 2017, CWSNC filed a report regarding customer concerns raised at the public hearings held in Asheville and Boone on July 25, 2017, and July 26, 2017, respectively.

P. On September 11, 2017, CWSNC filed a report regarding customer concerns raised at the public hearings held in Charlotte and New Bern on August 1, 2017 and August 22, 2017, respectively.

Q. On September 18, 2017, CWSNC filed a report regarding customer concerns raised at the public hearings held in Wilmington and Raleigh on August 23, 2017 and August 29, 2017, respectively.

R. On August 30, 2017, the Public Staff filed a motion to extend the due date for the filing of Public Staff and Intervenor testimony in this docket to September 12, 2017, and for the filing of rebuttal testimony to September 15, 2017. The motion was granted by Commission Order dated September 1, 2017.

S. Subsequent to the filing of the Company's Application in this docket, the Public Staff engaged in substantial discovery of CWSNC regarding the matters addressed by the Company's Application and further examined the relevant books and records of CWSNC with respect to the Company's Application. The Public Staff's discovery efforts spanned a period of 15 weeks and entailed 54 sets of data requests directed to the Company and numerous informal follow-up questions. The Public Staff also conducted field inspections of the water systems at Ski Mountain, Crestview, Misty Mountain, Chapel Hill, Powder Horn Mountain, Fairfield Harbor, Belvedere Plantation, Olde Point, Treasure Cove, Bradfield Farms, Wildlife Bay, Zemosa Acres, and Kings Grant and the sewer systems at Fairfield Harbor, Belvedere Plantation, Bradfield Farms, Danby, Independent/Hemby and Kings Grant; followed up on written customer protests and concerns raised at the public hearings and through e-mails and letters; and reviewed North Carolina Department of Environment and Natural Resources ("DENR") records.

T. Following completion of the Public Staff's investigation of the Company's Application and accompanying documents, review of the results of its examination of the Company's books and records, and review of the Company's responses to the Public Staff's data requests, CWSNC and the Public Staff met and participated in meetings and conference calls over the course of several business days to discuss possible settlement.

U. On September 12, 2017, the Public Staff filed a second motion to extend the due date for the filing of Public Staff and Intervenor testimony and a stipulation and settlement agreement in this docket to September 19, 2017. The motion was granted by Commission Order dated September 14, 2017.

V. After significant negotiations, in which substantial concessions from their litigation positions were made by CWSNC and the Public Staff, the Stipulating Parties were ultimately able to arrive at a settlement, the terms of which are reflected in the following sections of this Joint Stipulation and the schedules and exhibits attached hereto. The Joint Stipulation involved substantial adjustments to the Company's filed case, as shown on the revenue reconciliation attached hereto as Exhibit B, and resulted in an agreement to increase the Company's combined water and wastewater revenues by approximately 12.85% percent of the Company's total operating revenues or roughly 67.56% percent of the combined rate increase requested in the Application.

W. On September 19, 2017, the Public Staff pre-filed the testimony and exhibits of Public Staff witnesses Sonja Johnson, Gina Y. Casselberry, Lindsay

Quant and Calvin C. Craig, III. CWSNC has reviewed the Public Staff's pre-filed testimony and exhibits and accepts the Public Staff's recommended revenue requirements, rate design, and other recommendations.

X. The Stipulating Parties agree that the levels of rate base, revenues and expenses set forth in Johnson Exhibit I, which are incorporated by reference herein, are the appropriate levels for use in this proceeding.

2. Test Period. The test period for this rate case is the twelve months ended December 31, 2016, adjusted for certain changes in plant, revenues, and costs that were not known at the time the case was filed but are based upon circumstances occurring or becoming known through July 31, 2017. In addition, several major construction projects completed and placed in service by the date of this Joint Stipulation, have been included in rate base.

3. Rate Base. The original cost rate base used and useful in providing service to the Company's customers is \$51,860,184 for CWSNC Uniform Water operations, \$39,028,369 for CWSNC Uniform Sewer operations, \$1,830,765 for Bradfield Farms/Fairfield Harbour Water operations, and \$5,559,273 for Bradfield Farms/Fairfield Harbour Sewer operations, for a total rate base for combined operations of \$98,278,591, as shown on Exhibit A attached hereto and incorporated herein by reference.

4. Revenue Requirement.

A. The appropriate present level of operating revenues under present rates for use in this proceeding is \$15,202,586 for CWSNC Uniform Water

operations, \$11,810,369 for CWSNC Uniform Sewer operations, \$748,466 for Bradfield Farms/Fairfield Harbour Water operations, and \$1,371,245 for Bradfield Farms/Fairfield Harbour Sewer operations, for a total level of operating revenues for combined operations of \$29,132,666, as shown on Exhibit A.

B. The overall level of operating expenses under the present rates appropriate for use in this proceeding is \$12,597,944 for CWSNC Uniform Water operations, \$9,306,364 for CWSNC Uniform Sewer operations, \$752,840 for Bradfield Farms/Fairfield Harbour Water operations, and \$1,165,406 for Bradfield Farms/Fairfield Harbour Sewer operations, for a total level of operating revenues under present rates for combined operations of \$23,822,555, as shown on Exhibit A.

C. As agreed to in the Stipulation between CWSNC and the Public Staff regarding cost of capital and capital structure issues, dated August 7, 2017, the capital structure appropriate for use in this proceeding is a capital structure consisting of 52% common equity and 48% long-term debt at a cost of 5.93% as shown on Exhibit C.

D. As agreed to in the Stipulation dated August 7, 2017, between CWSNC and the Public Staff, the rate of return on common equity (ROE) that the Company should be allowed an opportunity to earn is 9.60%, as shown on Exhibit C. This agreed level of ROE represents a significant compromise by the Stipulating Parties from their respective litigation positions. For purposes of this proceeding, this agreed ROE is deemed by each Stipulating Party to be a

reasonable rate of return on common equity that will provide the Company with a reasonable opportunity, by sound management to: produce a fair return for its shareholders, considering changing economic conditions and other factors; maintain its facilities and services in accordance with the reasonable requirements of its customers in the territory covered by its franchises; and compete in the market for capital funds on terms that are fair to its customers and to its existing investors. The Stipulating Parties further agree that such agreed rate of return on common equity, together with the agreed capital structure and adjustments to the Company's rate base and operating expenses, results in a revenue requirement that is just and reasonable to the Company's customers in light of changing economic conditions.

E. The overall rate of return that the Company should be allowed an opportunity to earn on its rate base is 7.84%, as shown on Exhibit A.

F. The Company should be authorized to increase its annual level of operating revenues through the rates and charges approved in this case by \$3,743,691, consisting of an increase for CWSNC Uniform Water operations of \$2,284,306, an increase for CWSNC Uniform Sewer operations of \$868,435, an increase for Bradfield Farms/Fairfield Harbour Water operations of \$231,310, an increase for Bradfield Farms/Fairfield Harbor Sewer operations of \$359,640, and no change in revenues for the Corolla Light/Monteray Shores service area and Elk River Development. After giving effect to these increases, the annual operating revenues for the Company would be \$32,876,357, consisting of \$17,486,892 for CWSNC Uniform Water operations, \$12,678,804 for CWSNC Uniform Sewer

operations, \$979,776 for Bradfield Farms/Fairfield Mountain Water operations, and \$1,730,885 for Bradfield Farms/Fairfield Harbour Sewer operations, as shown on Exhibit A.

G. The Company should be allowed to increase its new sewer customer charge from \$21.95 to \$27.00; increase the return check fee from \$24.94 to \$25.00; increase the meter testing fee from \$19.95 to \$20.00; new water customer charge from \$26.93 to \$27.00; the reconnection charge from \$26.93 to \$27.00; and the charge for processing NFS checks from \$24.94 to \$25.00. These charges were not increased or changed for Corolla Light/Monteray Shores and Elk River Development customers.

5. Rate Design. The Stipulating Parties agree that it is reasonable and appropriate to adopt the four Rate Divisions proposed by CWSNC for purposes of designing rates in this proceeding. The Stipulating Parties agree to the changes in rates set forth in Exhibits D and E. Exhibit F shows the calculation of the average monthly residential bills.

As an additional matter of rate design in this case, CWSNC proposed no rate changes for customers in the Company's Elk River and Corolla Light/Monteray Shores service areas. The Stipulating Parties agree that it is reasonable and appropriate for purposes of this case to hold rates constant and unchanged for customers in those service areas.

Customers in the Elk River service area were impacted by a recent rate increase effective September 20, 2016, and, for that reason, the Company is

reluctant, at this time, to further increase rates for those particular customers by applying CWSNC's uniform water and sewer rates to them. Accordingly, the Stipulating Parties recommend that the current system-specific rates for the Elk River service area should remain unchanged from those previously established and currently in effect from the 2016 rate case. This course of action will be reevaluated by CWSNC and the Public Staff in the Company's next general rate case.

As for the Corolla Light/Monteray Shores service area, CWSNC's proposal to not increase (but hold constant) the water and sewer rates for those affected customers is consistent with the ratemaking and rate design approved by the Commission in the Company's last two general rate cases (Docket Nos. W-354, Subs 336 and 344) and will continue the orderly process of moving the Corolla Light/Monteray Shores service area toward full inclusion in the Company's uniform water and sewer rates in future general rate cases. Therefore, as a further step in the process, the Stipulating Parties recommend that in this proceeding the current system-specific sewer rates for CLMS should remain unchanged from those previously established.

6. Belvedere Pump and Haul Costs. The Stipulating Parties agree that CWSNC's pump and haul expenses and the new spray charges are not a part of Belvedere's system modification project, but are a result of an extraordinary expense and should continue to be amortized for a 10-year amortization period with no unamortized balance included in rate base. For the Belvedere pump and haul costs, only invoiced costs should be included, and not capitalized time or

interest during construction. The Stipulating Parties agree there will not be any additional pump and haul expenses added to the current deferred balance in future proceedings before the Commission.

7. Regulatory Fee Adjustment. The Stipulating Parties agree that the revenue requirement set forth herein reflects the statutory regulatory fee rate of 0.14%, applied to total operating revenues at present rates, Company proposed rates, and Public Staff recommended rates.

8. State Income Tax. The state corporate income tax rate is currently 3%, effective for taxable years beginning on or after January 1, 2017. The Stipulating Parties agree that it is reasonable and appropriate to calculate state income taxes based on the statutory corporate rate of 3%, which became effective January 1, 2017.

9. Gain on Sale Unamortized Balance. The Stipulating Parties agree that the unamortized balance of the gain on sale of systems sold to the Charlotte-Mecklenburg Utility Department ("CMUD") as of December 31, 2017, should be amortized over an additional three-year period.

10. Rate Case Expense. The Stipulating Parties agree that, for purposes of this rate case, it is appropriate to use rate case costs of \$710,275, consisting of \$424,336 related to the current proceeding and \$285,939 of unamortized rate case expense from prior proceedings, to be amortized and collected over a three-year period, for an annual level of rate case expense of \$236,758.

11. WSIC and SSIC Mechanism. Pursuant to G.S. 62-133.12 and Commission Rules R7-39 and R10-26, the Commission found it to be in the public interest to authorize CWSNC, as part of the Company's 2014 and 2015 general rate cases in Docket Nos. W-354, Subs 336 and 344, to implement Water and Sewer System Improvement Charge ("WSIC/SSIC") Mechanisms applicable to all of the Company's pre-merger customers. CWS Systems and Elk River were also authorized by the Commission to implement WSIC/SSIC Mechanisms in their last pre-merger general rate cases in Docket Nos. W-778, Sub 91 and W-1058, Sub 7, respectively. Bradfield Farms, Carolina Trace, and Transylvania did not have pre-merger general rate cases by which those companies were authorized to implement WSIC/SSIC Mechanisms; thus, to date, the WSIC/SSIC Mechanisms are not authorized and in effect for the Bradfield Farms, Carolina Trace, and Transylvania post-merger CWSNC service territories.

By these statutorily and Commission-authorized Mechanisms, the Company is allowed to recover the annual incremental depreciation expense and capital costs of eligible water and sewer system improvements completed and placed in service between rate cases.

Consistent with NCUC Rules R7-39(k) and R10-26(k), CWSNC's Commission-authorized WSIC and SSIC surcharges will be reset to zero as of the effective date of new base rates established in this general rate case. Thereafter, only the incremental depreciation expense and capital costs of new eligible water and sewer system improvements that have not previously been reflected in the

Company's rates will be recoverable through the WSIC/SSIC Mechanisms on a going-forward basis.

All of CWSNC's post-merger customers are subject to the Application in this general rate case. Therefore, the Stipulating Parties acknowledge and agree that CWSNC's Commission-authorized WSIC/SSIC rate adjustment mechanism will, on a going-forward basis, now apply to all of the Company's customers and all current service areas, including those customers incorporated into the Company as a result of the Commission-authorized 2016 corporate merger.

The Stipulating Parties further agree that the On-Going Three-Year WSIC/SSIC Plan filed by CWSNC in this docket as Appendix C to the Rate Case Application on March 31, 2017, is reasonable and meets the requirements of Commission Rules R7-39(m) and R10-39(m).

12. Pro Forma Project No. 2017022 – RedZone Investigation – BU No. 187101 Carolina Trace Sewer. The Stipulating Parties have agreed to exclude this project from cost recovery in this rate case proceeding in view of the position taken by the Public Staff that this is not yet a completed project, but is the initial step in identifying sewer mains for a sewer main replacement project for the Company's Carolina Trace service area. While CWSNC does not, for purposes of this Stipulation, agree with the Public Staff's position as to whether this project is complete, the Company, for settlement purposes only and without setting a precedent, accepts this ratemaking adjustment, subject to with following agreement with the Public Staff. The Stipulating Parties agree that CWSNC will

be entitled to recover the reasonable and prudent capitalized cost of this project (as determined by the Commission) in the Company's next general rate case (or in a WSIC/SSIC proceeding if a replacement cost project or projects are submitted by CWSNC for WSIC/SSIC cost recovery).

13. CIAC Amortization Expense and CIAC Accumulated Amortization.

Based on the Company's Rate Case Application, there is a difference of opinion between CWSNC and the Public Staff when it comes to the calculation methodology used for these two items. While CWSNC does not, for purposes of this Joint Stipulation, agree with the Public Staff's position on this issue, the Company, for settlement purposes only and without setting a precedent, accepts this ratemaking adjustment in this case, but reserves the right to request and advocate for a change in methodology in a future general rate case. The Public Staff, while defending its position in this case, does not dispute or oppose the Company's right to seek a change in methodology in a subsequent rate case.

14. Base Facility Charge. The Stipulating Parties agree that for purposes of this rate case, in recognition of the significant impact the Company's proposed base facility charge would have on a relatively small number of residential customers in this case, the Company agrees that all residential sewer customers should pay the same base facility charge regardless of meter size.

15. Metered Sewer Rates. The Company agrees to consider implementing metered sewer rates for customers in its Fairfield Harbour, Bradfield Farms, and Sapphire Valley service areas in the Company's next general rate case filing and

reserves the right to independently propose metered sewer rates for these systems.

16. Agreement to Support Settlement; Non-Waiver. The Stipulating Parties will support this Joint Stipulation in any proposed order or brief and in any hearing before the Commission in this docket; provided, however, that the settlement of any issue pursuant to this Joint Stipulation shall not be cited as precedent by the Stipulating Parties in any other proceeding or docket before this Commission. The provisions of this Joint Stipulation do not necessarily reflect any position asserted by the Stipulating Parties. Rather, the provisions of this Joint Stipulation reflect a settlement among the Stipulating Parties as to all issues, and no Stipulating Party waives the right to assert any position in any future docket before the Commission.

17. Final Order and Waiver of Right to File Exceptions and Appeal. The Stipulating Parties agree that any Order approving rates and charges agreed to in this Joint Stipulation may become the Final Order of the Commission upon issuance and waive the right to file exceptions and appeal the Final Order of the Commission incorporating the matters stipulated herein.

18. Introduction/Withdrawal of Testimony and Waiver of Cross-Examination. The Stipulating Parties agree that all Company pre-filed testimony and exhibits, as well as the testimony and exhibits filed by the Public Staff in support of this Joint Stipulation, may be introduced into evidence without objection, and the Stipulating Parties waive their respective right to cross-examine all witnesses with respect to all such pre-filed testimony and exhibits. If questions

should be asked by any person, including a Commissioner, who is not a Stipulating Party, the Stipulating Parties may present testimony and/or exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and/or exhibits; provided, however, that such testimony, exhibits, and/or cross-examination shall not be inconsistent with this Joint Stipulation. The Stipulating Parties further agree that the Public Staff will file testimony in support of this Joint Stipulation provided that such testimony shall not be inconsistent with this Joint Stipulation.

19. Binding Only if Entire Stipulation Accepted. This Joint Stipulation is the product of give-and-take negotiations, and no portion of this Joint Stipulation shall be binding on the Stipulating Parties unless the entire Joint Stipulation is accepted by the Commission. The terms and conditions set forth above represent, in full, the agreement of the Stipulating Parties.

The foregoing is agreed and stipulated to this the 19th day of September, 2017.

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SCHEDULE OF EXHIBITS

Exhibit A	-	Net Operating Income, Rate Base and Overall Return
Exhibit B	-	Revenue Impact of Stipulated Adjustments
Exhibit C	-	Calculation of Gross Revenue Effect Factors
Exhibit D	-	Rate Comparisons – CWSNC Uniform
Exhibit E	-	Rate Comparisons -- Fairfield Harbour and Bradfield Farms
Exhibit F	-	Calculation of Average Monthly Residential Bills

Exhibit A
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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 356
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2016
COMBINED OPERATIONS

Line No.	Item	Amount Per Application (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR A RETURN						
Operating Revenues:						
1.	Service revenues	\$28,968,056	(\$1,211)	\$28,966,845	\$3,759,480	\$32,726,325
2.	Miscellaneous revenues	267,700	87,689	355,389	10,568	365,957
3.	Uncollectible accounts	(192,129)	2,561	(189,568)	(26,357)	(215,925)
4.	Total operating revenues	<u>29,043,627</u>	<u>89,039</u>	<u>29,132,666</u>	<u>3,743,691</u>	<u>32,876,357</u>
Operating Expenses:						
5.	Maintenance expenses	12,618,434	157,736	12,776,170	0	12,776,170
6.	General expenses	5,788,996	(685,802)	5,103,194	0	5,103,194
7.	Depreciation expense	5,170,174	251,909	5,422,083	0	5,422,083
8.	Amortization of CIAC	(1,316,240)	(410,479)	(1,726,719)	0	(1,726,719)
9.	Amortization of PAA	(84,776)	9,459	(75,317)	0	(75,317)
10.	Amortization of ITC	(519)	0	(519)	0	(519)
11.	Franchise and other taxes	142,030	0	142,030	0	142,030
12.	Property taxes	219,393	0	219,393	0	219,393
13.	Payroll taxes	509,444	(163)	509,281	0	509,281
14.	Regulatory fee	0	40,787	40,787	5,240	46,027
15.	Gross receipts tax	(9,640)	9,640	0	0	0
16.	State income tax	0	117,747	117,747	112,154	229,901
17.	Federal income tax	0	1,294,425	1,294,425	1,232,941	2,527,366
18.	Total operating expenses	<u>23,037,296</u>	<u>785,259</u>	<u>23,822,555</u>	<u>1,350,335</u>	<u>25,172,890</u>
19.	Net operating income for a return	<u>\$6,006,331</u>	<u>(\$696,220)</u>	<u>\$5,310,111</u>	<u>\$2,393,356</u>	<u>\$7,703,467</u>
RATE BASE						
20.	Plant in service	\$193,003,812	\$8,929,277	\$201,933,089	\$0	\$201,933,089
21.	Accumulated depreciation	(49,936,546)	(686,163)	(50,622,709)	0	(50,622,709)
22.	Net plant in service	143,067,266	8,243,114	151,310,380	0	151,310,380
23.	Cash working capital	2,057,044	(56,639)	2,000,405	0	2,000,405
24.	Contributions in aid of construction	(43,999,837)	965,006	(43,034,831)	0	(43,034,831)
25.	Advances in aid of construction	(32,940)	0	(32,940)	0	(32,940)
26.	Accumulated deferred income taxes	(10,150,959)	(560,691)	(10,711,650)	0	(10,711,650)
27.	Customer deposits	(302,471)	(48,665)	(351,136)	0	(351,136)
28.	Gain on sale and flow back taxes	(775,797)	255,440	(520,357)	0	(520,357)
29.	Plant acquisition adjustment	(1,101,962)	57,723	(1,044,239)	0	(1,044,239)
30.	Excess book value	(527,641)	363,059	(164,582)	0	(164,582)
31.	Cost-free capital	0	(261,499)	(261,499)	0	(261,499)
32.	Average tax accruals	104,218	(222,073)	(117,855)	0	(117,855)
33.	Regulatory liability for excess deferred taxes	(369,944)	0	(369,944)	0	(369,944)
34.	Deferred charges	2,256,740	(679,901)	1,576,839	0	1,576,839
35.	Pro forma plant	8,966,599	(8,966,599)	0	0	0
36.	Original cost rate base	<u>\$90,223,717</u>	<u>\$8,054,874</u>	<u>\$98,278,591</u>	<u>\$0</u>	<u>\$98,278,591</u>
37.	Overall Rate of Return on Rate Base	6.66%		5.40%		7.84%

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 355
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For the Test Year Ended December 31, 2016
CWSNC WATER OPERATIONS

Exhibit A
Page 2 of 5

Line No.	Item	Amount Per Application (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR A RETURN						
1.	Operating Revenues:					
2.	Service revenues	\$15,118,194	\$4,735	\$15,122,929	\$2,292,099	\$17,415,028
3.	Miscellaneous revenues	136,591	35,316	171,907	6,189	178,096
4.	Uncollectible accounts	(93,986)	1,736	(92,250)	(13,982)	(106,232)
	Total operating revenues	15,160,799	41,787	15,202,586	2,284,305	17,486,892
Operating Expenses:						
5.	Maintenance expenses	7,009,278	(232,734)	6,776,544	D	6,776,544
6.	General expenses	2,988,217	(199,981)	2,788,236	D	2,788,236
7.	Depreciation expense	2,624,984	148,420	2,773,404	D	2,773,404
8.	Amortization of CIAC	(515,503)	(236,015)	(752,518)	D	(752,518)
9.	Amortization of PAA	(79,539)	(30,805)	(110,344)	D	(110,344)
10.	Amortization of TTC	(291)	0	(291)	0	(291)
11.	Franchise and other taxes	71,480	0	71,480	0	71,480
12.	Property taxes	126,424	0	126,424	D	126,424
13.	Payroll taxes	274,501	(3)	274,498	0	274,498
14.	Regulatory fee	0	21,284	21,284	3,198	24,482
15.	Gross receipts tax	(5,409)	5,409	0	0	0
16.	State income tax	0	52,882	52,882	68,433	121,315
17.	Federal income tax	0	581,345	581,345	752,310	1,333,655
18.	Total operating expenses	12,488,142	109,802	12,597,944	823,941	13,421,885
19.	Net operating income for a return	\$2,672,657	(\$68,015)	\$2,604,642	\$1,460,365	\$4,065,007
RATE BASE						
20.	Plant in service	\$98,097,571	\$5,720,252	\$103,817,823	\$0	\$103,817,823
21.	Accumulated depreciation	(25,978,450)	(440,347)	(26,418,797)	D	(26,418,797)
22.	Net plant in service	72,119,121	5,279,905	77,399,026	0	77,399,026
23.	Cash working capital	1,078,109	(43,960)	1,034,149	0	1,034,149
24.	Contributions in aid of construction	(19,250,422)	486,760	(18,763,662)	0	(18,763,662)
25.	Advances in aid of construction	(23,760)	0	(23,760)	0	(23,760)
26.	Accumulated deferred income taxes	(5,327,852)	(369,144)	(5,696,996)	0	(5,696,996)
27.	Customer deposits	(165,619)	(27,514)	(197,133)	0	(197,133)
28.	Gain on sale and flow back taxes	(519,035)	169,230	(349,805)	0	(349,805)
29.	Plant acquisition adjustment	(2,386,479)	81,810	(2,304,669)	0	(2,304,669)
30.	Excess book value	(232,088)	165,650	(66,438)	0	(66,438)
31.	Cost-free capital	0	(121,791)	(121,791)	D	(121,791)
32.	Average tax accruals	60,228	(127,597)	(67,369)	0	(67,369)
33.	Regulatory liability for excess deferred taxes	(197,164)	0	(197,164)	D	(197,164)
34.	Deferred charges	1,186,681	47,866	1,235,597	0	1,235,597
35.	Pro forma plant	4,824,862	(4,824,862)	0	0	0
36.	Original cost rate base	\$51,143,932	\$716,252	\$51,860,184	\$0	\$51,860,184
37.	Overall Rate of Return on Rate Base	5.23%		5.02%		7.84%

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 356
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2016
CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR A RETURN						
Operating Revenues:						
1.	Service revenues	\$11,759,683	(\$3,942)	\$11,755,741	\$871,485	\$12,627,226
2.	Miscellaneous revenues	106,842	20,672	127,514	2,353	129,867
3.	Uncollectible accounts	(73,516)	630	(72,886)	(5,403)	(78,289)
4.	Total operating revenues	<u>11,793,009</u>	<u>17,360</u>	<u>11,810,369</u>	<u>868,435</u>	<u>12,678,804</u>
Operating Expenses:						
5.	Maintenance expenses	4,766,270	369,614	5,135,884	0	5,135,884
6.	General expenses	2,049,207	(387,341)	1,661,866	0	1,661,866
7.	Depreciation expense	2,069,366	117,093	2,186,459	0	2,186,459
8.	Amortization of CIAC	(621,136)	(134,136)	(755,272)	0	(755,272)
9.	Amortization of PAA	(14,466)	(2,402)	(16,868)	0	(16,868)
10.	Amortization of ITC	(228)	0	(228)	0	(228)
11.	Franchise and other taxes	55,912	0	55,912	0	55,912
12.	Property taxes	74,840	0	74,840	0	74,840
13.	Payroll taxes	164,156	141	164,297	0	164,297
14.	Regulatory fee	0	16,535	16,535	1,215	17,750
15.	Gross receipts tax	(4,231)	4,231	0	0	0
16.	State income tax	0	65,281	65,281	26,017	91,298
17.	Federal income tax	0	717,658	717,658	286,009	1,003,667
18.	Total operating expenses	<u>8,539,690</u>	<u>766,674</u>	<u>9,306,364</u>	<u>313,241</u>	<u>9,619,605</u>
19.	Net operating income for a return	<u>\$3,253,319</u>	<u>(\$749,314)</u>	<u>\$2,504,005</u>	<u>\$555,194</u>	<u>\$3,059,199</u>
RATE BASE						
20.	Plant in service	\$77,801,962	\$2,469,614	\$80,271,576	\$0	\$80,271,576
21.	Accumulated depreciation	(18,908,391)	(558,333)	(19,466,724)	0	(19,466,724)
22.	Net plant in service	58,893,571	1,911,281	60,804,852	0	60,804,852
23.	Cash working capital	775,203	824	776,027	0	776,027
24.	Contributions in aid of construction	(19,151,675)	353,325	(18,798,350)	0	(18,798,350)
25.	Advances in aid of construction	(9,180)	0	(9,180)	0	(9,180)
26.	Accumulated deferred income taxes	(3,210,139)	(274,731)	(3,484,870)	0	(3,484,870)
27.	Customer deposits	(100,204)	(16,253)	(116,457)	0	(116,457)
28.	Gain on sale and flow back taxes	(256,762)	86,210	(170,552)	0	(170,552)
29.	Plant acquisition adjustment	236,753	23,020	259,773	0	259,773
30.	Excess book value	(295,553)	197,409	(98,144)	0	(98,144)
31.	Cost-free capital	0	(139,708)	(139,708)	0	(139,708)
32.	Average tax accruals	36,268	(76,995)	(40,727)	0	(40,727)
33.	Regulatory liability for excess deferred taxes	(122,016)	0	(122,016)	0	(122,016)
34.	Deferred charges	839,016	(671,294)	167,722	0	167,722
35.	Pro forma plant	3,479,209	(3,479,209)	0	0	0
36.	Original cost rate base	<u>\$41,114,491</u>	<u>(\$2,086,122)</u>	<u>\$39,028,369</u>	<u>\$0</u>	<u>\$39,028,369</u>
37.	Overall Rate of Return on Rate Base	7.91%		6.42%		7.84%

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 356
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2016
BRADFIELD FARMS/FAIRFIELD HARBOUR WATER OPERATIONS

Line No.	Item	Amount Per Application (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR A RETURN						
Operating Revenues:						
1.	Service revenues	\$719,407	(\$1,898)	\$717,509	\$233,246	\$950,755
2.	Miscellaneous revenues	8,352	31,000	39,352	793	40,145
3.	Uncollectible accounts	(8,476)	81	(8,395)	(2,729)	(11,124)
4.	Total operating revenues	<u>719,283</u>	<u>29,183</u>	<u>748,466</u>	<u>231,310</u>	<u>979,776</u>
Operating Expenses:						
5.	Maintenance expenses	324,615	10,265	334,880	0	334,880
6.	General expenses	323,434	(18,032)	305,402	0	305,402
7.	Depreciation expense	148,059	(17,874)	130,185	0	130,185
8.	Amortization of CIAC	(35,750)	(8,081)	(43,831)	0	(43,831)
9.	Amortization of PAA	9,916	1,012	10,928	0	10,928
10.	Amortization of ITC	0	0	0	0	0
11.	Franchise and other taxes	5,038	0	5,038	0	5,038
12.	Property taxes	8,414	0	8,414	0	8,414
13.	Payroll taxes	32,662	(140)	32,522	0	32,522
14.	Regulatory fee	0	1,048	1,048	324	1,372
15.	Gross receipts tax	0	0	0	0	0
16.	State income tax	0	(2,647)	(2,647)	6,930	4,283
17.	Federal income tax	0	(29,099)	(29,099)	76,179	47,080
18.	Total operating expenses	<u>816,388</u>	<u>(63,548)</u>	<u>752,840</u>	<u>83,433</u>	<u>836,273</u>
19.	Net operating income for a return	<u>(\$97,105)</u>	<u>\$92,731</u>	<u>(\$4,374)</u>	<u>\$147,877</u>	<u>\$143,503</u>
RATE BASE						
20.	Plant in service	\$5,184,997	\$77,407	\$5,262,404	\$0	\$5,262,404
21.	Accumulated depreciation	<u>(1,833,158)</u>	<u>92,007</u>	<u>(1,741,151)</u>	<u>0</u>	<u>(1,741,151)</u>
22.	Net plant in service	3,351,839	169,414	3,521,253	0	3,521,253
23.	Cash working capital	84,806	(4,771)	80,035	0	80,035
24.	Contributions in aid of construction	(1,153,155)	22,145	(1,131,010)	0	(1,131,010)
25.	Advances in aid of construction	0	0	0	0	0
26.	Accumulated deferred income taxes	(725,853)	38,477	(687,376)	0	(687,376)
27.	Customer deposits	(15,187)	(2,279)	(17,466)	0	(17,466)
28.	Gain on sale and flow back taxes	0	0	0	0	0
29.	Plant acquisition adjustment	(10,498)	(5,950)	(16,448)	0	(16,448)
30.	Excess book value	0	0	0	0	0
31.	Cost-free capital	0	0	0	0	0
32.	Average tax accruals	3,511	(7,928)	(4,417)	0	(4,417)
33.	Regulatory liability for excess deferred taxes	(23,008)	0	(23,008)	0	(23,008)
34.	Deferred charges	156,676	(47,474)	109,202	0	109,202
35.	Pro forma plant	<u>153,728</u>	<u>(153,728)</u>	<u>0</u>	<u>0</u>	<u>0</u>
36.	Original cost rate base	<u>\$1,822,859</u>	<u>\$7,906</u>	<u>\$1,830,765</u>	<u>\$0</u>	<u>\$1,830,765</u>
37.	Overall Rate of Return on Rate Base	-5.33%		-0.24%		7.84%

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 356
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2016
BRADFIELD FARMS/FAIRFIELD HARBOUR SEWER OPERATIONS

Line No.	Item	Amount Per Application (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR A RETURN						
Operating Revenues:						
1.	Service revenues	\$1,370,772	(\$106)	\$1,370,666	\$362,650	\$1,733,316
2.	Miscellaneous revenues	\$15,915	\$701	\$16,616	\$1,233	\$17,849
3.	Uncollectible accounts	<u>(\$16,351)</u>	<u>\$114</u>	<u>(\$16,037)</u>	<u>(\$4,243)</u>	<u>(\$20,280)</u>
4.	Total operating revenues	<u>1,370,536</u>	<u>709</u>	<u>1,371,245</u>	<u>359,640</u>	<u>1,730,885</u>
Operating Expenses:						
5.	Maintenance expenses	518,271	10,590	528,861	0	528,861
6.	General expenses	433,138	(80,448)	352,690	0	352,690
7.	Depreciation expense	327,765	4,270	332,035	0	332,035
8.	Amortization of CIAC	(142,851)	(32,247)	(175,098)	0	(175,098)
9.	Amortization of PAA	(687)	41,654	40,967	0	40,967
10.	Amortization of ITC	0	0	0	0	0
11.	Franchise and other taxes	9,600	0	9,600	0	9,600
12.	Property taxes	9,715	0	9,715	0	9,715
13.	Payroll taxes	38,125	(161)	37,964	0	37,964
14.	Regulatory fee	0	1,920	1,920	503	2,423
15.	Gross receipts tax	0	0	0	0	0
16.	State income tax	0	2,231	2,231	10,774	13,005
17.	Federal income tax	0	24,521	24,521	118,443	142,964
18.	Total operating expenses	<u>1,193,076</u>	<u>(27,670)</u>	<u>1,165,406</u>	<u>129,720</u>	<u>1,295,126</u>
19.	Net operating income for a return	<u>\$177,460</u>	<u>\$28,379</u>	<u>\$205,839</u>	<u>\$229,920</u>	<u>\$435,759</u>
RATE BASE						
20.	Plant in service	\$11,919,282	\$662,004	\$12,581,286	\$0	\$12,581,286
21.	Accumulated depreciation	<u>(\$3,216,547)</u>	<u>\$220,511</u>	<u>(\$2,996,036)</u>	<u>0</u>	<u>(\$2,996,036)</u>
22.	Net plant in service	8,702,735	882,515	9,585,250	0	9,585,250
23.	Cash working capital	\$118,926	(\$8,732)	\$110,194	0	\$110,194
24.	Contributions in aid of construction	(\$4,444,585)	\$102,776	(\$4,341,809)	0	(\$4,341,809)
25.	Advances in aid of construction	\$0	\$0	\$0	0	\$0
26.	Accumulated deferred income taxes	(\$887,115)	\$44,707	(\$842,408)	0	(\$842,408)
27.	Customer deposits	(\$17,461)	(\$2,619)	(\$20,080)	0	(\$20,080)
28.	Gain on sale and flow back taxes	\$0	\$0	\$0	0	\$0
29.	Plant acquisition adjustment	\$1,058,262	(\$41,156)	\$1,017,106	0	\$1,017,106
30.	Excess book value	\$0	\$0	\$0	0	\$0
31.	Cost-free capital	\$0	\$0	\$0	0	\$0
32.	Average tax accruals	\$4,211	(\$9,453)	(\$5,242)	0	(\$5,242)
33.	Regulatory liability for excess deferred taxes	(\$27,756)	\$0	(\$27,756)	0	(\$27,756)
34.	Deferred charges	\$93,017	(\$8,999)	\$84,018	0	\$84,018
35.	Pro forma plant	<u>\$508,800</u>	<u>(\$508,800)</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>
36.	Original cost rate base	<u>\$5,109,034</u>	<u>\$450,239</u>	<u>\$5,559,273</u>	<u>\$0</u>	<u>\$5,559,273</u>
37.	Overall Rate of Return on Rate Base	3.47%		3.70%		7.84%

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 356
REVENUE IMPACT OF STIPULATED ADJUSTMENTS
For The Test Year Ended December 31, 2016

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH Water (c)	BF/FH Sewer (d)
1.	Increase/(decrease) in total revenue per Company	\$3,290,544	\$1,538,630	\$310,166	\$418,159
2.	Difference in calculation of revenue requirement based on Company amounts	13	(10)	(1)	0
3.	Amort. of ITC not included in oper. rev. deduct.	0	(228)	0	0
4.	GRT included in error by the Company	5,415	4,237	0	0
5.	Adjust capital structure to 48% debt and 52% equity	(43,344)	(34,843)	(1,545)	(4,329)
6.	Adjust debt cost rate to 5.93%	(159,793)	(128,457)	(5,695)	(15,962)
7.	Adjust return on equity to 9.6%	(291,197)	(234,094)	(10,378)	(29,089)
8.	Adjustment to uncollectibles	(1,736)	(630)	(81)	(114)
9.	Adjustment to forfeited discounts	(36)	170	(4)	(19)
10.	Adjustment to miscellaneous revenues	(35,280)	(20,842)	(30,995)	(682)
11.	Update revenues to 6/30/2017	(4,735)	3,942	1,898	106
12.	Adjustment to include plant held for future use	(10,182)	(54,852)	0	0
13.	Adjustment to remove pro forma estimates	(514,277)	(370,845)	(16,386)	(54,232)
14.	Adjustment to include cost centers GL additions	33,790	18,721	4,620	5,027
15.	Adjustment to update rate base	40,157	28,723	591	7,714
16.	Adjustment to include actual GL additions	559,619	251,243	14,573	87,893
17.	Adjustment to cash working capital	(4,686)	88	(509)	(931)
18.	Adjustment to ADIT	(39,347)	(29,283)	4,101	4,765
19.	Adjustment to customer deposits	(2,933)	(1,732)	(243)	(279)
20.	Adjustment to gain on sale	18,038	9,189	0	0
21.	Adjustment to excess book value	17,656	21,042	0	0
22.	Adjustment to cost free capital	(12,982)	(14,891)	0	0
23.	Adjustment to average tax accruals	(13,611)	(8,207)	(845)	(1,008)
24.	Adjustment to deferred charges	5,102	(71,553)	(5,060)	(959)
25.	Adjustment to maintenance salaries	114,750	226,232	(21,865)	19,687
26.	Adjustment to purchased water/sewer	(81,149)	(24,347)	30,445	0
27.	Adjustment to maintenance and repair	(195,216)	95,014	(4,027)	(590)
28.	Adjustment to maintenance testing	32,535	(30,747)	542	(3,306)
29.	Adjustment to chemicals	(103,980)	103,981	5,185	(5,185)
30.	Adjustment to general salaries and wages	(15,443)	(275,925)	3,035	(53,232)
31.	Adjustment to regulatory commission expense	(86,096)	(50,865)	(9,572)	(13,432)
32.	Adjustment to miscellaneous	(98,723)	(61,094)	(11,520)	(13,897)
33.	Adjustment to depreciation expense	148,628	117,257	(17,899)	4,276
34.	Adjustment to amortization expense - CIAC	(236,346)	(134,324)	(8,092)	(32,292)
35.	Adjustment to amortization expense - PAA	(30,848)	(2,405)	1,013	41,712
36.	Adjustment to payroll tax	(3)	141	(140)	(161)
37.	Revenue impact of Public Staff adjustments	(1,006,240)	(670,194)	(78,854)	(58,519)
38.	Increase/(decrease) per Public Staff	\$2,284,304	\$868,436	\$231,312	\$359,640

Exhibit C

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 356
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended December 31, 2016

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
<u>Rate Base Factor - Water Operations</u>					
1.	Debt	48.00% [1]	5.93% [1]	0.998600 [2]	0.028504 [6]
2.	Equity	52.00% [1]	9.60% [1]	0.639304 [3]	0.078085 [6]
3.	Total	<u>100.00%</u>			<u>0.106589</u>
<u>Rate Base Factor - Sewer Operations</u>					
4.	Debt	48.00% [1]	5.93% [1]	0.998600 [4]	0.028504 [6]
5.	Equity	52.00% [1]	9.60% [1]	0.639304 [5]	0.078085 [6]
6.	Total	<u>100.00%</u>			<u>0.106589</u>
		Water Operations (a)	Sewer Operations (b)		
7.	<u>Net Income Factor:</u>				
	Total revenue	1.000000	1.000000		
8.	Gross receipts tax (L1 x statutory rate)	0.000000	0.000000		
9.	Regulatory fee (L1 x .14%)	0.001400	0.001400		
10.	Balance (L4 - L5 - L6)	0.998600	0.998600		
11.	State income tax (L7 x 3%)	0.029958	0.029958		
12.	Balance (L7 - L8)	0.968642	0.968642		
13.	Federal income tax (L9 x 34%)	0.329338	0.329338		
14.	Retention factor (L9 - L10)	<u>0.639304</u>	<u>0.639304</u>		

[1] Per Joint Stipulation

[2] Column (a), Line 10.

[3] Column (a), Line 14.

[4] Column (b), Line 10.

[5] Column (b), Line 14.

[6] Column (a) multiplied by Column (b) divided by Column (c).

**COMPANY'S PRESENT AND PROPOSED RATES AND THE PUBLIC STAFF'S
RECOMMENDED WATER AND SEWER RATES**

WATER RATES AND CHARGES

UNIFORM WATER SERVICE:

MONTHLY METERED SERVICE: (Residential and Commercial)

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$ 22.40	\$ 26.95	\$ 24.44
1" meter	\$ 56.01	\$ 67.38	\$ 61.10
1-1/2" meter	\$ 112.02	\$ 134.75	\$ 122.20
2" meter	\$ 179.23	\$ 215.60	\$ 195.52
3" meter	\$ 336.06	\$ 404.25	\$ 366.60
4" meter	\$ 560.10	\$ 673.75	\$ 611.00
6" meter	\$1,120.19	\$1,347.50	\$1,222.00
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 47.87	\$ 57.60	\$ 55.09

USAGE CHARGE:

A.	Treated Water/1,000 gallons	\$ 6.40	\$ 7.70	\$ 7.70
B.	Untreated Water/1,000 gallons (Brandywine Bay Irrigation Water)	\$ 4.11	\$ 4.11	\$ 4.11
C.	Purchased Water for Resale			
		<u>Usage Charge/ 1,000 gallons</u>	<u>Usage charge /1,000 gallons</u>	<u>Usage charge /1,000 gallons</u>
Service Area	Bulk Provider			
Carolina Forest	Montgomery County	\$ 3.19	\$ 3.19	\$ 3.19
High Vista Est.	City of Hendersonville	\$ 3.25	\$ 3.25	\$ 3.25
Riverpointe	Charlotte Water	\$ 6.30	\$ 6.30	\$ 6.30
Whispering Pines	Town of Southern Pines	\$ 2.23	\$ 2.23	\$ 2.23
White Oak Plt./				
Lee Forest	Johnston County	\$ 3.25	\$ 3.25	\$ 2.28
Winston Plt.	Johnston County	\$ 3.25	\$ 3.25	\$ 2.28
Winston Point	Johnston County	\$ 3.25	\$ 3.25	\$ 2.28
Woodrun	Montgomery County	\$ 3.19	\$ 3.19	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01	\$ 5.01	\$ 5.01
Zemosa Acres	City of Concord	\$ 5.27	\$ 5.27	\$ 5.27

<u>MONTHLY FLAT RATE SERVICE:</u> (per residence or single family equivalent)	\$	\$ 50.17	\$
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<u>MONTHLY FLAT RATE SERVICE:</u>	\$ 41.60		\$ 47.45
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AVAILABILITY RATES (semi-annual):

Applicable only to property owners in Carolina Forest and Woodrun Subdivision in Montgomery County	\$ 24.64	\$ 24.64	\$ 24.65
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AVAILABILITY RATES (monthly):

Applicable only to property owners in Linville Ridge Subdivision	\$ 12.32	\$ 12.32	\$ 12.35
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FORMER CLEARWATER SYSTEMS:

MONTHLY METERED SERVICE:

	<u>Existing</u>	<u>Proposed</u>	<u>PublicStaff's Recommend</u>
Base Facilities Charges (zero usage)			
5/8" meter	\$ 16.27		
1" meter	\$ 40.67		
1-1/2" meter	\$ 81.34		
2" meter	\$ 130.14		
3" meter	\$ 244.07		
4" meter	\$ 406.76		
6" meter	\$ 813.37		
Usage Charge, per 1,000 gallons	\$ 4.50		

The Public Staff recommends CWSNC's Uniform Rates as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>PublicStaff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter		\$ 26.95	\$ 24.44
1" meter		\$ 67.38	\$ 61.10
1-1/2" meter		\$ 134.75	\$ 122.20
2" meter		\$ 215.60	\$ 195.52
3" meter		\$ 404.25	\$ 366.60
4" meter		\$ 673.75	\$ 611.00
6" meter		\$1,347.50	\$1,222.00
Usage Charge, per 1,000 gallons Treated water		\$ 7.70	\$ 7.70
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 34.18	\$ 57.60	\$ 55.09
<u>MONTHLY FLAT RATE SERVICE:</u> (per residence or single family equivalent)	\$	\$ 50.17	\$
<u>MONTHLY FLAT RATE SERVICE:</u>	\$ 41.60		\$ 47.45
Management Fee, Covington Crossing (Phases 1 & 2)	\$ 100.00	\$ 100.00	\$ 100.00

TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS
AND GLEN ARBOR/NORTH BEND SUBDIVISION

	<u>Existing</u>	<u>Proposed</u>	<u>PublicStaff's Recommend</u>
Monthly Metered Water Rates:			
Base Charge, zero usage	\$ 14.50		
Usage charge, per 1,000 gallons	\$ 1.90		

The Public Staff recommends the same rates as the recommended rates for Bradfield Farms and Fairfield Harbor as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial)

	<u>Existing</u>	<u>Proposed</u>	<u>PublicStaff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter		\$ 26.95	\$ 11.44
1" meter		\$ 67.38	\$ 28.60
1-1/2" meter		\$ 134.75	\$ 57.20
2" meter		\$ 215.60	\$ 91.52
3" meter		\$ 404.25	\$
4" meter		\$ 673.75	\$
6" meter		\$1,347.50	\$
Usage Charge, per 1,000 gallons		\$ 7.70	\$ 3.36
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 22.06	\$ 57.60	\$ 24.81

FOREST HILLS SUBDIVISION

Monthly Metered Water Service:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$ 22.43		
Commercial and Other:			
5/8" meter	\$ 22.43		
3/4" meter	\$ 33.66		
1" meter	\$ 56.08		
1-1/2" meter	\$ 112.16		
2" meter	\$ 179.46		
3" meter	\$ 336.49		
4" meter	\$ 560.81		
6" meter	\$1,121.63		
Usage charge, per 1,000 gallons	\$ 5.23		

The Public Staff recommends CWSNC's Uniform Rates as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$	\$ 26.95	\$ 24.44
1" meter	\$	\$ 67.38	\$ 61.10
1-1/2" meter	\$	\$ 134.75	\$ 122.20
2" meter	\$	\$ 215.60	\$ 195.52
3" meter	\$	\$ 404.25	\$ 366.60
4" meter	\$	\$ 673.75	\$ 611.00
6" meter	\$	\$1,347.50	\$1,222.00
Usage Charge, per 1,000 gallons			
Treated water		\$ 7.70	\$ 7.70
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 43.25	\$ 57.60	\$ 55.09

FAIRFIRD MOUNTAIN/APPLE VALLEY (a.k.a. RUMBLING BALD) SERVICE AREA, HIGHLAND SHORES SUBDIVISION AND LAUREL MOUNTAIN ESTATES

Monthly Metered Water Service:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$ 19.23		
Commercial and Other:			
5/8" meter	\$ 19.23		
3/4" meter	\$ 28.84		
1" meter	\$ 48.07		
1-1/2" meter	\$ 96.14		
2" meter	\$ 153.83		
3" meter	\$ 288.42		
4" meter	\$ 480.70		
6" meter	\$ 961.40		
Usage charge, per 1,000 gallons	\$ 7.10		

The Public Staff recommends CWSNC's Uniform Rates as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$	\$ 26.95	\$ 24.44
1" meter	\$	\$ 67.38	\$ 61.10
1-1/2" meter	\$	\$ 134.75	\$ 122.20
2" meter	\$	\$ 215.60	\$ 195.52
3" meter	\$	\$ 404.25	\$ 366.60
4" meter	\$	\$ 673.75	\$ 611.00
6" meter	\$	\$1,347.50	\$1,222.00
Usage Charge, per 1,000 gallons Treated water		\$ 7.70	\$ 7.70
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 47.49	\$ 57.60	\$ 55.09

FAIRFIELD SAPPHIRE VALLEY SERVICE AREA

Monthly Metered Water Service:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$ 19.89		
Commercial and Other:			
5/8" meter	\$ 19.89		
3/4" meter	\$ 29.84		
1" meter	\$ 49.73		
1-1/2" meter	\$ 99.45		
2" meter	\$ 159.13		
3" meter	\$ 298.37		
4" meter	\$ 497.20		
6" meter	\$ 994.41		
Usage charge, per 1,000 gallons	\$ 9.17		

The Public Staff recommends CWSNC's Uniform Rates as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$	\$ 26.95	\$ 24.44
1" meter	\$	\$ 67.38	\$ 61.10
1-1/2" meter	\$	\$ 134.75	\$ 122.20
2" meter	\$	\$ 215.60	\$ 195.52
3" meter	\$	\$ 404.25	\$ 366.60
4" meter	\$	\$ 673.75	\$ 611.00
6" meter	\$	\$1,347.50	\$1,222.00
Usage Charge, per 1,000 gallons Treated water		\$ 7.70	\$ 7.70
<u>Monthly Water Availability Rate:</u>	\$ 9.07	\$ 9.07	\$ 9.10
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 56.39	\$ 57.60	\$ 55.09

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CAROLINA TRACE DEVELOPMENT

Monthly Metered Water Rates:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Charge, zero usage	\$ 14.05 (min.)		
Usage charge, per 1,000 gallons	\$ 5.06		

The Public Staff recommends CWSNC's Uniform Rates for Purchased Water System as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

Base Facilities Charges (zero usage)

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
< 1" meter		\$ 26.95	\$ 24.44
1" meter		\$ 67.38	\$ 61.10
1-1/2" meter		\$ 134.75	\$ 122.20
2" meter		\$ 215.60	\$ 195.52
3" meter		\$ 404.25	\$ 366.60
4" meter		\$ 673.75	\$ 611.00
6" meter		\$1,347.50	\$1,222.00
Purchased Water for resale, per 1,000 gallons		\$ 2.21	\$ 2.21
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 34.19	\$ 35.75	\$ 33.24

CONNESTEE FALLS SUBDIVISION

Monthly Metered Water Service:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
5/8 x 3/4" meter	\$ 27.41		
1" meter	\$ 68.51		
2" meter	\$ 219.22		
Usage charge, per 1,000 gallons	\$ 6.65		

The Public Staff recommends CWSNC's Uniform Rates as shown below.

MONTHLY METERED SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$	\$ 26.95	\$ 24.44
1" meter	\$	\$ 67.38	\$ 61.10
1-1/2" meter	\$	\$ 134.75	\$ 122.20
2" meter	\$	\$ 215.60	\$ 195.52
3" meter	\$	\$ 404.25	\$ 366.60
4" meter	\$	\$ 673.75	\$ 611.00
6" meter	\$	\$1,347.50	\$1,222.00
Usage Charge, per 1,000 gallons			
Treated water		\$ 7.70	\$ 7.70
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,980 gallons)	\$ 53.88	\$ 57.60	\$ 55.09

SEWER RATES AND CHARGES

UNIFORM SEWER SERVICE

The Public Staff recommends the same base facility charge for all residential customers regardless as to the size of the meter as shown below.

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$ 42.40		\$ 45.97
Commercial and Other:			
<1" meter	\$ 42.40		\$ 45.97
1" meter	\$ 106.00		\$ 114.93
1-1/2" meter	\$ 211.99		\$ 229.85
2" meter	\$ 339.18		\$ 367.76
3" meter	\$ 635.97		\$ 689.55
4" meter	\$1,059.95		\$ 1,149.25
6" meter	\$2,119.90		\$ 2,298.50
Usage charge, per 1,000 gallons	\$ 2.90		\$ 3.11

MONTHLY METERED SEWER SERVICE: (Residential and Commercial)

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$	\$ 48.59	
1" meter	\$	\$ 121.48	
1-1/2" meter	\$	\$ 242.95	
2" meter	\$	\$ 388.72	
3" meter	\$	\$ 728.85	
4" meter	\$	\$1,214.75	
6" meter	\$	\$2,429.50	
Usage Charge, per 1,000 gallons	\$	\$ 3.32	
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,417 gallons)	\$ 52.31	\$ 59.93	\$ 56.60

MONTHLY METERED PURCHASED SEWER SERVICE:

Collection charge (Residential and Commercial/SFE)	\$ 33.92	\$ 38.87	\$ 36.75
Usage charge, per 1,000 gallons based on purchased water			
<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge/ 1,000 gallons</u>	<u>Usage charge /1,000 gallons</u>
White Oak Plt./Lee			
Forest/Winston Pt.	Johnston County	\$ 4.55	\$ 4.82
Kings Grant	Two Rivers Utilities	\$ 3.80	\$ 3.80
College Park	Town of Dallas	\$ 5.70	\$ 5.70

<u>MONTHLY FLAT RATE SERVICE:</u>	\$ 52.55	\$ 60.22	\$ 56.57
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Multi-residential customers who are served by a
Master meter shall be charged the flat rate per unit

MT CARMEL SUBDIVISION SERVICE AREAS:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Monthly Base Facility Charge	\$ 6.77	\$ 6.77	\$ 6.77
Usage charge/1,000 gallons (based on metered water usage)	\$ 5.88	\$ 5.88	\$ 5.88
Monthly Collection Charge (Residential and Commercial)	\$ 27.33	\$ 38.87	\$ 36.75

REGALWOOD AND WHITE OAK ESTATES SUBDIVISION SERVICE AREAS:

A. Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Residential Service	\$ 52.55	\$ 60.22	\$ 56.57
White Oak High School	\$1,630.74	\$1,868.71	\$ 1,770.10
Child Castle Daycare	\$ 202.85	\$ 232.45	\$ 219.90
Pantry	\$ 107.74	\$ 123.46	\$ 116.80

THE VILLAGE OF NAGS HEAD

MONTHLY METERED SERVICE: (Commercial)

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (based on meter size with zero usage)			
<1" meter	\$ 18.43		\$
1" meter	\$ 46.10		\$
1-1/2" meter	\$ 92.19		\$
2" meter	\$ 147.51		\$
3" meter	\$ 276.58		\$
4" meter	\$ 460.96		\$
6" meter	\$ 921.93		\$
Usage Charge, per 1,000 gallons	\$ 9.31		\$
Minimum Monthly Charge	\$ 62.65		
<u>Monthly Flat Rate Sewer Service</u>	\$ 62.65		

The Public Staff recommends CWSNC's Uniform Rates with the same base facility charge for all residential customers regardless as to the size of the meter as shown below. Residential customers in Nags Head are monthly flat rate so the metered rate does not apply.

MONTHLY METERED SEWER SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$		\$ 45.97
Commercial and Other:			
<1" meter	\$	\$ 48.59	\$ 45.97
1" meter	\$	\$ 121.48	\$ 114.93
1-1/2" meter	\$	\$ 242.95	\$ 229.85
2" meter	\$	\$ 388.72	\$ 367.76
3" meter	\$	\$ 728.85	\$ 689.55
4" meter	\$	\$ 1,214.75	\$ 1,149.25
6" meter	\$	\$ 2,429.50	\$ 2,298.50
Usage charge, per 1,000 gallons	\$	\$ 3.32	\$ 3.11

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
<u>MONTHLY FLAT RATE SERVICE:</u>	\$	\$ 60.22	\$ 56.57

Multi-residential customers who are served by a
Master meter shall be charged the flat rate per unit

<u>RESIDENTIAL BILL FLAT RATE</u>	\$ 62.65	\$ 60.22	\$ 56.57
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FAIRFIELD MOUNTAIN/APPLE VALLEY (a.k.a. RUMBLING BALD) SERVICE AREA, HIGHLAND SHORES
SUBDIVISION AND LAUREL MOUNTAIN ESTATES

Public Staff recommends CWSNC's Uniform Rates for purchased sewer system as shown below.

Monthly Sewer Rates:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
Residential			
Collection charge/dwelling unit	\$ 17.17	\$ 38.87	\$ 36.75
Treatment charge/dwelling unit	\$ 69.50	\$ 69.50	\$ 69.50
Total monthly flat rate/dwelling unit	\$ 86.67	\$ 108.37	\$ 106.25
Commercial and Other			
Minimum monthly collection and treatment charge	\$ 86.67	\$ 108.37	\$ 106.25
Monthly collection and treatment charge for Customers who do not take water service (per single family equivalent)	\$ 86.67	\$ 108.37	\$ 106.25
Treatment charge per dwelling unit			
Small (less than 2,500 gallons per month)	\$ 78.50	\$ 78.50	\$ 78.50
Medium (2,500 to 10,000 gallons per month)	\$ 139.50	\$ 139.50	\$ 139.50
Large (over 10,000 gallons per month)	\$ 219.50	\$ 219.50	\$ 219.50
Collection Charge, per 1,000 gallons	\$ 12.16	\$ 13.93	\$ 13.93
<u>RESIDENTIAL BILL</u>	\$ 86.67	\$ 108.37	\$ 106.25

FAIRFIELD SAPPHIRE VALLEY SERVICE AREA

Monthly Sewer Rates:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Residential			
Flat Rate, per dwelling unit	\$ 35.52		
Commercial and Other			
Minimum rate	\$ 35.52		
Customers who do not take water Service (per single family equivalent)	\$ 35.52		

Base Facilities Charges (based on meter size with zero usage))

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
5/8" meter	\$ 15.62		
3/4" meter	\$ 15.62		
1" meter	\$ 39.04		
1-1/2" meter	\$ 78.08		
2" meter	\$ 124.92		
3" meter	\$ 234.23		
4" meter	\$ 390.39		
6" meter	\$ 780.78		
Usage charge, per 1,000 gallons	\$ 7.88		

The Public Staff recommends CWSNC's Uniform Rates with the same base facility charge for all residential customers regardless as to the size of the meter as shown below. Residential customers in Sapphire Valley are monthly flat rate so the metered rate does not apply at this time.

MONTHLY METERED SEWER SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$		\$ 45.97
Commercial and Other:			
<1" meter	\$	\$ 48.59	\$ 45.97
1" meter	\$	\$ 121.48	\$ 114.93
1-1/2" meter	\$	\$ 242.95	\$ 229.85
2" meter	\$	\$ 388.72	\$ 367.76
3" meter	\$	\$ 728.85	\$ 689.55
4" meter	\$	\$ 1,214.75	\$ 1,149.25
6" meter	\$	\$ 2,429.50	\$ 2,298.50
Usage charge, per 1,000 gallons	\$	\$ 3.32	\$ 3.11
<u>MONTHLY FLAT RATE SERVICE:</u>	\$	\$ 60.22	\$ 56.57

Multi-residential customers who are served by a
Master meter shall be charged the flat rate per unit

<u>RESIDENTIAL BILL FLAT RATE</u>	\$ 35.52	\$ 60.22	\$ 56.57
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CAROLINA TRACE DEVELOPMENT

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
<u>Monthly Metered Sewer Rates:</u>			
Base Charge, zero usage	\$ 35.41 (min.)		
Usage charge, per 1,000 gallons	\$ 8.38		

The Public Staff recommends CWSNC's Uniform Rates with the same base facility charge for all residential customers regardless as to the size of the meter as shown below.

MONTHLY METERED SEWER SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$		\$ 45.97
Commercial and Other:			
<1" meter	\$	\$ 48.59	\$ 45.97
1" meter	\$	\$ 121.48	\$ 114.93
1-1/2" meter	\$	\$ 242.95	\$ 229.85
2" meter	\$	\$ 388.72	\$ 367.76
3" meter	\$	\$ 728.85	\$ 689.55
4" meter	\$	\$ 1,214.75	\$ 1,149.25
6" meter	\$	\$ 2,429.50	\$ 2,298.50
Usage charge, per 1,000 gallons	\$	\$ 3.32	\$ 3.11
<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,417 gallons)	\$ 64.04	\$ 59.93	\$ 56.60

CONNESTEE FALLS SUBDIVISION

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Monthly Flat Rate	\$ 45.11		
Monthly Metered Service			
Base Facilities Charges (zero usage)			
5/8 x 3/4" meter	\$ 26.86		
1" meter	\$ 67.15		
2" meter	\$ 214.89		
Usage charge, per 1,000 gallons	\$ 6.75		

The Public Staff recommends CWSNC's Uniform Rates with the same base facility charge for all residential customers regardless as to the size of the meter as shown below.

MONTHLY METERED SEWER SERVICE: (Residential and Commercial) CWSNC's Uniform Rates

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$		\$ 45.97
Commercial and Other:			
<1" meter	\$	\$ 48.59	\$ 45.97
1" meter	\$	\$ 121.48	\$ 114.93
1-1/2" meter	\$	\$ 242.95	\$ 229.85
2" meter	\$	\$ 388.72	\$ 367.76
3" meter	\$	\$ 728.85	\$ 689.55
4" meter	\$	\$ 1,214.75	\$ 1,149.25
6" meter	\$	\$ 2,429.50	\$ 2,298.50
Usage charge, per 1,000 gallons	\$	\$ 3.32	\$ 3.11
<u>MONTHLY FLAT RATE SERVICE:</u>	\$	\$ 60.22	\$ 56.57

Multi-residential customers who are served by a
Master meter shall be charged the flat rate per unit

<u>AVERAGE RESIDENTIAL BILL</u> (based on 3,417 gallons)	\$ 49.92	\$ 59.93	\$ 56.60
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**COMPANY'S PRESENT AND PROPOSED RATES AND THE PUBLIC STAFF'S
RECOMMENDED WATER AND SEWER RATES FOR FAIRFIELD HARBOUR
SERVICE AREA AND BRADFIELD FARMS SUBDIVISION**

WATER RATES AND CHARGES

FAIRFIELD HARBOUR SERVICE AREA

MONTHLY METERED WATER SERVICE:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
Residential	\$ 9.73		
Commercial and Other			
5/8" meter	\$ 9.73		
3/4" meter	\$ 14.60		
1" meter	\$ 24.29		
1-1/2" meter	\$ 48.58		
2" meter	\$ 77.74		
3" meter	\$ 145.99		
4" meter	\$ 243.31		
6" meter	\$ 486.62		
Usage Charge, per 1,000 gallons	\$ 2.69		
Monthly Water Availability Rate	\$ 3.28		

BRADFIELD FARMS SUBDIVISION

MONTHLY METERED WATER SERVICE:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base charge, zero usage	\$ 8.29		
Usage charge, per 1,000 gallons	\$ 1.95		

FAIFIELD HARBOR AND BRADFIELD FARMS NEW RATE DIVISION

MONTHLY METERED SERVICE: (Residential and Commercial)

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Base Facilities Charges (zero usage)			
< 1" meter	\$	\$ 12.84	\$ 11.44
1" meter	\$	\$ 32.10	\$ 28.60
1-1/2" meter	\$	\$ 64.20	\$ 57.20
2" meter	\$	\$ 102.72	\$ 91.52
Usage Charge, per 1,000 gallons			
Treated Water	\$	\$ 3.55	\$ 3.36

AVERAGE RESIDENTIAL BILL (based on 3,980 gallons)

Fairfield Harbor	\$ 20.44	\$ 26.97	\$ 24.81
Bradfield Farms	\$ 16.05	\$ 26.97	\$ 24.81

SEWER RATES AND CHARGES

FAIRFIELD HARBOUR SERVICE AREA

Monthly Sewer Rates:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Residential			
Flat Rate, per dwelling unit	\$ 37.89		
Commercial and Other			
Monthly Flat Rate (Customers who do not take water)	\$ 37.89		
Monthly Metered Rates (based on meter size with zero usage)			
5/8" meter	\$ 10.17		
3/4" meter	\$ 15.26		
1" meter	\$ 25.43		
1-1/2" meter	\$ 50.85		
2" meter	\$ 81.36		
3" meter	\$ 152.56		
4" meter	\$ 254.26		
6" meter	\$ 508.52		
Usage Charge, per 1,000 gallons	\$ 5.63		
Monthly Water Availability Rate	\$ 2.64		

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
<u>BRADFIELD FARMS SUBDIVISION</u>			
Residential Customer Monthly Flat Rate	\$ 26.56		
<u>SILVERTON and WOODLAND FARMS SUBDIVISION</u>			
Monthly Bulk Flat Rate, per customer	\$ 25.20		
<u>HAWTHORNE AT THE GREEN APARTMENTS</u>			
Monthly Bulk Flat Rate, per customer	\$ 25.20		

FAIFIELD HARBOR AND BRADFIELD FARMS NEW RATE DIVISION

MONTHLY SEWER RATES:

	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Residential			
Flat Rate, per dwelling unit	\$	\$ 42.83	\$41.40
Bulk Flat Rate, per REU	\$	\$ 41.83	\$40.40
Commercial and Other			
Monthly Flat Rate (Customers who do not take water)	\$	\$ 42.83	\$41.40
Monthly Metered Rates (based on meter size with zero usage)			
<1" meter	\$	\$ 11.50	\$11.12
1-1/2" meter	\$	\$ 57.50	\$55.60
2" meter	\$	\$ 92.00	\$88.96

Carolina Water Service Inc., of North Carolina
Docket No. W-354, Sub 356
For the 12 Months Ending December 31, 2016

Exhibit E
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	<u>Existing</u>	<u>Proposed</u>	<u>Public Staff's Recommend</u>
Usage Charge, per 1,000 gallons	\$	\$ 6.36	\$ 6.20
Fairfield Harbour			
Monthly Water Availability Rate	\$ 2.64	\$ 2.64	\$ 2.65

RESIDENTIAL BILL FLAT RATE

Fairfield Harbor	\$ 37.89	\$ 42.83	\$ 41.40
Bradfield Farms	\$ 26.56	\$ 42.83	\$ 41.40
Bulk Sewer (Bradfield Area)	\$ 25.20	\$ 41.83	\$ 40.40

**AVERAGE MONTHLY BILLS AT COMPANY'S PRESENT AND PROPOSED RATES
AND PUBLIC STAFF'S RECOMMENDED RATES**

WATER OPERATIONS

<u>Service Area</u>	<u>CWSNC Present</u>	<u>CWSNC Proposed</u>	<u>Percent Increase</u>	<u>Public Staff Recommended</u>	<u>Percent Increase</u>
Uniform Flat	\$41.60	\$50.17	20.60%	\$47.45	14.06 %
Uniform Metered	\$47.87	\$57.60	20.33%	\$55.09	15.08 %
Clearwater	\$34.18	\$57.60	68.52%	\$55.09	61.18 %
Treasure Cove	\$22.06	\$57.60	161.11%	\$24.81	12.47 %
Forest Hill	\$43.25	\$57.60	33.18%	\$55.09	27.38 %
Fairfield Mountain	\$47.49	\$57.60	21.29%	\$55.09	16.00 %
Sapphire Valley	\$56.39	\$57.60	2.15%	\$55.09	(2.31)%
Connestee Falls	\$53.88	\$57.60	6.90%	\$55.09	2.25 %
Carolina Trace	\$34.19	\$35.75	4.56%	\$33.24	(2.78)%
Carolina Forest	\$35.10	\$39.65	12.96%	\$37.14	5.81 %
High Vista Estates	\$35.34	\$39.89	12.87%	\$37.38	5.77 %
Riverpointe	\$47.47	\$52.02	9.59%	\$49.51	4.30 %
Whispering Pines	\$31.28	\$35.83	14.55%	\$33.32	6.52 %
White Oak/Lee F.	\$35.34	\$39.89	12.87%	\$33.51	(5.18)%
Winston Plantation	\$35.34	\$39.89	12.87%	\$33.51	(5.18)%
Winston Pointe	\$35.34	\$39.89	12.87%	\$33.51	(5.18)%
Woodrun	\$35.10	\$39.65	12.96%	\$37.14	5.81 %
Yorktown	\$42.34	\$46.89	10.75%	\$44.38	4.82 %
Zemosa Acres	\$43.37	\$47.92	10.49%	\$45.41	4.70 %
Fairfield Harbour	\$20.44	\$26.97	31.95%	\$24.81	21.38 %
Bradfield Farms	\$16.05	\$26.97	68.04%	\$24.81	54.58 %

Average bill calculated using the average consumption of 3,980 gallons, based on all residential customers with 5/8 inch meter.

SEWER OPERATIONS

<u>Service Area</u>	<u>CWSNC Present</u>	<u>CWSNC Proposed</u>	<u>Percent Increase</u>	<u>Public Staff Recommended</u>	<u>Percent Increase</u>
Uniform Flat	\$52.55	\$ 60.22	14.60%	\$ 56.57	7.65 %
Sapphire Valley	\$35.52	\$ 60.22	69.54%	\$ 56.57	59.26 %
Nags Head	\$62.65	\$ 60.22	(3.88)%	\$ 56.57	(9.70)%
Connestee Falls	\$49.92	\$ 59.93	20.05%	\$ 56.60	13.38 %
Uniform Rate	\$52.31	\$ 59.93	14.57%	\$ 56.60	8.20 %
White Oak Plt./ Lee Forest/					
Winston Pt.	\$49.47	\$ 54.42	10.01%	\$ 53.22	7.58 %
Kings Grant	\$46.90	\$ 51.85	10.55%	\$ 49.73	6.03 %
College Park	\$53.40	\$ 58.35	9.27%	\$ 56.23	5.30%
Mt. Carmel	\$54.19	\$ 65.73	21.30%	\$ 63.61	17.38 %
Fairfield Mountain	\$86.67	\$108.37	25.04%	\$106.25	22.59 %
Carolina Trace	\$64.04	\$ 59.93	(6.42)	\$ 56.60	(11.62)%
Fairfield Harbour	\$37.89	\$ 42.83	13.04%	\$ 41.40	9.26 %
Bradfield Farms	\$26.56	\$ 42.83	61.26%	\$ 41.40	55.87 %
Bulk Sewer	\$25.20	\$ 41.83	65.99%	\$ 40.40	60.32 %

Average bill calculated using the average consumption of 3,417 gallons, based on all residential customers with 5/8 inch meter.