



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

October 26, 2022

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

Re: Docket No. W-354, Sub 400 – Application by Carolina Water Service, Inc. of North Carolina for Authority to Adjust and Increase Rates and Charges for Water and Sewer Utility Service in All Service Areas of North Carolina and Approval of a Three-Year Water and Sewer Investment Plan

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket is the joint testimony of Darrell Brown and Lynn Feasel.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted

/s/ Gina C. Holt

Manager, Legal Division, Water, Sewer,  
Telephone, & Transportation Sections

[gina.holt@psncuc.nc.gov](mailto:gina.holt@psncuc.nc.gov)

/s/ John D. Little

Staff Attorney

[john.little@psncuc.nc.gov](mailto:john.little@psncuc.nc.gov)

**Attachment**

Executive Director  
(919) 733-2435

Accounting  
(919) 733-4279

Consumer Services  
(919) 733-9277

Economic Research  
(919) 733-2267

Energy  
(919) 733-2267

Legal  
(919) 733-6110

Transportation  
(919) 733-7766

Water/Telephone  
(919) 733-5610



**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

**DOCKET NO. W-354, SUB 400**

In the Matter of  
Application by Carolina Water Service, )  
Inc. of North Carolina for Authority to ) **JOINT TESTIMONY OF**  
Adjust and Increase Rates and ) **DARRELL BROWN AND**  
Charges for Water and Sewer Utility ) **LYNN FEASEL**  
Service in All Service Areas of North ) **PUBLIC STAFF –**  
Carolina and Approval of a Three-Year ) **NORTH CAROLINA**  
Water and Sewer Investment Plan ) **UTILITIES COMMISSION**

**OCTOBER 26, 2022**

1 **Q. Mr. Brown, please state your name, business address, and**  
2 **present position.**

3 A. My name is Darrell Brown. My business address is 430 North  
4 Salisbury Street, Raleigh, North Carolina. I am a Financial Analyst III  
5 with the Accounting Division of the Public Staff – North Carolina  
6 Utilities Commission (Public Staff).

7 **Q. Would you briefly discuss your education and experience?**

8 A. My education and experience are summarized in Appendix A of this  
9 testimony.

10 **Q. Ms. Feasel, please state your name, business address, and**  
11 **present position.**

12 A. My name is Lynn Feasel. My business address is 430 North  
13 Salisbury Street, Raleigh, North Carolina. I am the Financial  
14 Manager of the Water, Sewer, and Telecommunications Sections in  
15 the Accounting Division of the Public Staff.

16 **Q. Would you briefly discuss your education and experience?**

17 A. My education and experience are summarized in Appendix B of this  
18 testimony.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of our testimony is to present the accounting and  
3 ratemaking adjustments we are recommending, as well as those  
4 recommended by other Public Staff witnesses, as a result of the  
5 Public Staff's investigation of the base case<sup>1</sup> revenues, expenses,  
6 and rate base filed by Carolina Water Service, Inc. of North Carolina  
7 (CWSNC or Company) in support of its requested increase in  
8 operating revenues for its uniform water operations (CWSNC Water),  
9 uniform sewer operations (CWSNC Sewer), Bradfield Farms,  
10 Fairfield Harbour, and Treasure Cove water operations (BF/FH/TC  
11 Water), and Bradfield Farms and Fairfield Harbour sewer operations  
12 (BF/FH Sewer). The results of the Public Staff's investigation and its  
13 recommendations related to the Company's request for a Water and  
14 Sewer Investment Plan (WSIP) (hereinafter, MYRP) are discussed  
15 in the Joint Testimony of Public Staff witnesses Hinton, Junis, Sun,  
16 and Zhang (Joint Testimony) filed contemporaneously in this docket.

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<sup>1</sup> A base year is the multi-year rate plan (MYRP) equivalent of the test year or test period in traditional historic test year ratemaking. The base year is the foundation of a MYRP because all future expenses, revenues, etc., are based upon the levels established in the base year. All of the data supporting a utility's base year can be referred to as the utility's base case.

1 **Q. What revenue increase is the Public Staff recommending?**

2 A. Based upon the level of rate base, revenue, and expenses  
3 annualized for the test period ended March 31, 2022 (test year or  
4 test period), with certain updates, the Public Staff is recommending  
5 an increase in annual operating revenue for the base case of  
6 \$511,774 for CWSNC Water, \$1,317,507 for CWSNC Sewer,  
7 \$103,507 for BF/FH/TC Water, and \$34,234, for BF/FH Sewer.

8 **Q. Please describe the scope of your investigation into the**  
9 **Company's base case filing.**

10 A. Our investigation included a review of the base case application,  
11 testimony, exhibits, and other data filed by the Company, an  
12 examination of the books and records for the test year, and a review  
13 of the Company's accounting, end-of-period, and after-period  
14 adjustments to test year revenue, expenses, and rate base. The  
15 Public Staff has also conducted extensive discovery in this matter,  
16 including reviewing numerous data request responses provided by  
17 the Company in response to Public Staff data requests and  
18 participating in conference calls with the Company.

1 **Q. Please briefly describe the Public Staff's presentation of the**  
2 **issues regarding the Company's base case.**

3 A. Each Public Staff witness will present testimony and exhibits  
4 supporting his or her position and recommend any appropriate  
5 adjustments to the Company's proposed base case rate base and  
6 cost of service. Our exhibits reflect and summarize the adjustments  
7 of other Public Staff witnesses, as well as the adjustments we  
8 recommend.

9 **Q. Please give a more detailed description of the organization of**  
10 **your exhibits.**

11 A. Schedules 1(a) through 1(d) of Brown and Feasel Exhibit I present  
12 the return on original cost rate base for water and sewer operations  
13 under present rates, the Company's proposed rates, and the Public  
14 Staff's recommended rates. Schedules 2(a) through 2(d) of Brown  
15 and Feasel Exhibit I, along with their supporting schedules, present  
16 the original cost rate base for water and sewer operations. Schedules  
17 3(a) through 3(d) of Brown and Feasel Exhibit I, along with their  
18 supporting schedules, present the calculation of net operating  
19 income for a return under present rates, the Company's proposed  
20 rates, and the Public Staff's recommended rates.

1 **Q. What adjustments to the Company's cost of service do you**  
2 **recommend?**

3 A. We are recommending adjustments in the following areas of the base  
4 case:

- 5 (a) Plant in service;
- 6 (b) Accumulated depreciation;
- 7 (c) Cash working capital;
- 8 (d) Net contributions in aid of construction;
- 9 (e) Accumulated deferred income taxes;
- 10 (f) Net plant acquisition adjustment;
- 11 (g) Average tax accruals;
- 12 (h) Deferred charges;
- 13 (i) Miscellaneous revenues;
- 14 (j) Uncollectibles;
- 15 (k) Maintenance and repair expense;
- 16 (l) Capitalized salaries expense;
- 17 (m) Outside services expense;
- 18 (n) Salaries and wages and payroll tax expenses;
- 19 (o) Pension and Other Benefits expense;
- 20 (p) Regulatory commission expense;
- 21 (q) Insurance expense;
- 22 (r) Miscellaneous expense;
- 23 (s) Depreciation expense;
- 24 (t) Amortizations of contributions in aid of construction  
25 and plant acquisition adjustment; and
- 26 (u) Regulatory fee.



1 **Q. What adjustments recommended by other Public Staff**  
2 **witnesses do your exhibits incorporate?**

3 A. Our exhibit reflects the following adjustments recommended by other  
4 Public Staff witnesses:

5 (1) The recommendations of Public Staff witness Lindsay  
6 Q. Darden regarding service revenues at present rates  
7 and the Company's proposed rates;

8 (2) The recommendations of Public Staff witness D.  
9 Michael Franklin regarding sludge hauling, purchased  
10 power, and meter reading expenses;

11 (3) The recommendations of Public Staff witness Evan M.  
12 Houser regarding transportation expense;

13 (4) The recommendations of Public Staff witness Shashi  
14 M. Bhatti regarding chemicals expense; and

15 (5) The recommendations of Public Staff witness John R.  
16 Hinton regarding capital structure, embedded cost of  
17 long-term debt, and return on common equity.

18 **Q. Please describe your recommended adjustments.**

19 A. Our adjustments are described below.

1 **PLANT IN SERVICE**

2 **Q. Please explain your adjustments to plant in service.**

3 A. Our calculation begins with plant in service based on the Company's  
4 actual per books plant in service amounts and updated for known  
5 and actual changes to plant that have been recorded between the  
6 end of the test year and August 31, 2022. We then updated plant in  
7 service for the adjustments recommended by Public Staff witness  
8 Junis to reflect the Public Staff's recommended pro forma plant in  
9 service as of March 31, 2023.

10 Next, we reclassified general ledger account 141255 - Power Sewers  
11 Treatment Plant from the CWSNC Uniform Water division to the  
12 CWSNC Uniform Sewer division based upon information provided by  
13 the Company in response to a data request. This asset was  
14 incorrectly booked to the CWSNC water division and should have  
15 been booked to the CWSNC sewer division.

16 Additionally, we flowed through the Allowance for Funds Used  
17 During Construction (AFUDC) adjustment identified and approved in  
18 CWSNC's last general rate case filed in Docket No. W-354, Sub 384  
19 (Sub 384 Rate Case) regarding the over-calculated interest during  
20 construction cost (IDC cost) for projects closed after March 31, 2019,  
21 through August 31, 2021.

1 Plant in service was also adjusted to reflect the impact of insurance  
2 proceeds received as reimbursement for plant in service losses  
3 related to Hurricane Florence. These proceeds were allocated to  
4 CWSNC Water, CWSNC Sewer, BF/FH/TC Water, and BF/FH/TC  
5 Sewer.

6 Lastly, we included the equivalent residential connection (ERC)  
7 changes to adjust the allocated rate base for availability customers  
8 using the difference between the unadjusted ERC percentage and  
9 adjusted ERC percentage.

10 **ACCUMULATED DEPRECIATION**

11 **Q. Please explain your adjustments to accumulated depreciation.**

12 A. We adjusted accumulated depreciation to include actual and known  
13 accumulated depreciation related to plant additions, net of  
14 retirements, made on the Company's books from April 1, 2022,  
15 through August 31, 2022. We have also made a matching adjustment  
16 to accumulated depreciation based on the Public Staff's  
17 recommended level of depreciation expense.

1 **CASH WORKING CAPITAL**

2 **Q. Please describe your calculation of cash working capital.**

3 A. Cash working capital provides the Company with the funds  
4 necessary to carry on its day-to-day operations. In our calculation,  
5 we have included 1/8 of total adjusted Operating and Maintenance  
6 (O&M) and General and Administrative (G&A) expenses, less  
7 purchased water and sewer expense, as a measure of cash working  
8 capital.

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

10 **Q. Please explain your adjustments to CIAC.**

11 A. CIAC has been adjusted to include actual and known additions made  
12 on the Company's books from April 1, 2022, through August 31,  
13 2022, for both CIAC and accumulated amortization (A/A) of CIAC.  
14 These additions include amounts allocated from the CWS Systems  
15 cost center, BF /FH/TCove cost center, and CWSNC Uniform cost  
16 center, as well as CIAC directly incurred in the four rate divisions. We  
17 have also made a matching adjustment to A/A of CIAC based on the  
18 Public Staff's recommended level of amortization expense.

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

2   **Q.     Please explain your adjustments to ADIT.**

3   A.     We have made several adjustments to ADIT. First, we updated ADIT  
4           associated with rate case expense to reflect the unamortized  
5           balance. Second, we adjusted ADIT to include the amount  
6           associated with the Public Staff's recommended levels of  
7           unamortized deferred maintenance. Lastly, we adjusted ADIT to  
8           include the amount associated with the Public Staff's recommended  
9           levels of post-test year plant in service additions.

10           The Public Staff will update ADIT to reflect final updates, including  
11           rate case expense, to be provided by the Company.

12                   **PLANT ACQUISITION ADJUSTMENT (PAA)**

13   **Q.     Please explain your adjustments to PAA.**

14   A.     PAA has been adjusted to include actual general ledger additions  
15           made on the Company's books as of August 31, 2022, for A/A of  
16           PAA. These additions include amounts allocated from the CWS  
17           Systems cost center, BF/FH/TC cost center, and CWSNC Uniform  
18           cost center, as well as A/A of PAA incurred directly in the four rate  
19           divisions. A/A of PAA amortization has also been adjusted to include

1 an annualized level of amortization based on the Public Staff's  
2 adjusted level of PAA amortization expense.

3 **AVERAGE TAX ACCRUALS**

4 **Q. How did you calculate average tax accruals?**

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

13 **DEFERRED CHARGES**

14 **Q. Please describe your adjustments to deferred charges.**

15 A. We have adjusted deferred charges to reflect the unamortized  
16 balance of deferred maintenance costs for tank painting, tank  
17 inspection, wastewater treatment plant painting, and Fusion Oracle  
18 (Fusion) projects as of March 31, 2023. We did not include the  
19 unamortized balance of the Belvedere pump and haul costs in  
20 deferred charges because they were unusual, nonrecurring,

1 abnormally high, and incurred because of a dispute between the  
2 Company and the Belvedere golf course. It is inappropriate for the  
3 Company to earn a return on these types of expenses. Our exclusion  
4 of the unamortized balance of the pump and haul expenses is  
5 consistent with the treatment CWSNC and the Public Staff stipulated  
6 to in the Sub 384 Rate Case.

7 In the current rate case proceeding, the Company used the total  
8 original cost for Fusion projects, as filed in its Sub 384 rate case, to  
9 calculate the unamortized deferred charges balance and the  
10 amortized annual expenses. The Public Staff utilized the same  
11 methodology the Commission approved in the Sub 384 rate case to  
12 amortize the approved Fusion projects' costs to calculate the  
13 unamortized deferred charges balance and deferred maintenance  
14 expense. The Company has not incurred additional costs related to  
15 Fusion projects since the Sub 384 Rate Case. The unamortized  
16 Fusion projects costs are reflected in deferred charges and the  
17 amortized annual expenses are reflected in deferred maintenance  
18 expense, as a portion of maintenance and repair expense.

19 **MISCELLANEOUS REVENUES**

20 **Q. Please explain your adjustments to miscellaneous revenues.**

21 A. First, we adjusted miscellaneous revenues to include the gain from

1 the sale of utility property. Additionally, we calculated a forfeited  
2 discount rate for CWSNC water, CWSNC sewer, BF/FH/TC water,  
3 and BF/FH sewer operations with a historical five-year average of  
4 the forfeited discount rates by dividing forfeited discounts by service  
5 revenues. The resulting rates were then applied to the Public Staff's  
6 present, proposed, and recommended levels of service revenues to  
7 determine an appropriate level of forfeited discounts to include in  
8 miscellaneous revenues.

9 **UNCOLLECTIBLES**

10 **Q. Please explain your adjustments to uncollectibles.**

11 A. The Company used the sum of uncollectible revenue divided by the  
12 sum of service revenues from the Company's books in the test year  
13 to calculate a composite uncollectible percentage and then applied  
14 that percentage to service revenues for the Uniform and BF/FH/TC  
15 rate divisions in order to calculate uncollectibles expenses. The  
16 Public Staff adjusted uncollectibles utilizing the previously approved  
17 methodology of calculating uncollectibles for each Company division.  
18 In addition, we also calculated uncollectibles utilizing a five-year  
19 normalized average to account for any anomalies in any given year.  
20 These percentages were applied to the adjusted levels of service



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

3 **MAINTENANCE AND REPAIR EXPENSE**

4 **Q. Please explain your adjustments to maintenance and repair**  
5 **expense.**

6 A. Maintenance and repair expense has been adjusted to include  
7 amounts recommended by Public Staff witness Franklin. In addition,  
8 we adjusted maintenance and repair expense to reflect one year of  
9 annual amortization expense based on the Public Staff's  
10 recommended level of deferred charges, as discussed in the  
11 deferred maintenance section of our testimony.

12 **CAPITALIZED SALARIES EXPENSE**

13 **Q. Please explain your adjustments to capitalized salaries**  
14 **expense.**

15 A. The Company amortized salaries of employees involved in the rate  
16 case over a three-year period to account for the decrease in the  
17 number of rate cases should the Company's request for a MYRP be  
18 approved. We have adjusted the amortization period to five years,  
19 consistent with our adjustment to rate case expenses, since the

1 period between rates effective for each case will be close to five  
2 years.

3 **OUTSIDE SERVICE EXPENSE**

4 **Q. Please explain your adjustments to outside services expense.**

5 A. Outside services expense has been adjusted to remove external  
6 consulting and legal expenses associated with the pending  
7 acquisitions of the Echota Water Utility System and Seven Devils  
8 Wastewater Utility System, as these systems have not been acquired  
9 and are not included in the Company's cost of service.

10 **SALARIES AND WAGES AND PAYROLL TAXES**

11 **Q. Please explain your adjustments to salaries and wages and  
12 payroll taxes.**

13 A. We have adjusted salaries and wages to reflect the updated payroll  
14 information provided by CWSNC. The Company's updated payroll  
15 information includes salary and wage increases granted since the  
16 end of the test year, the reallocation of an employee from the Atlantic  
17 Region to the East Region, the removal of vacant positions, and an  
18 adjustment of on call earnings from an annualized level proposed by  
19 the Company to the actual 12-months of on call earnings as of  
20 August 2022. Additionally, the Company used salary levels as of May

1 21, 2022; however, we used the actual, up-to-date salary and wages  
2 expense incurred by the Company as of September 19, 2022 for our  
3 adjustment.

4 Finally, we updated payroll taxes based on the Public Staff's  
5 recommended level of salaries and wages at the current payroll tax  
6 rates.

7 **PENSION AND OTHER BENEFITS EXPENSE**

8 **Q. Please explain your adjustments to pension and other benefits**  
9 **expense.**

10 A. We updated pension and other benefits expense to reflect the most  
11 current list of employees participating in the programs. In addition,  
12 we also reclassified worker's compensation insurance expense from  
13 pension and other benefits to insurance expense.

14 **REGULATORY COMMISSION EXPENSE**

15 **Q. Please explain how you calculated regulatory commission**  
16 **expense.**

17 A. Based on information provided by the Company regarding costs  
18 incurred to date and expected costs that will occur to complete this  
19 rate case proceeding, we included actual rate case expenses for this  
20 proceeding, which are comprised of legal fees; capitalized salaries

1 and wages; customer printing; and consulting fees. Additionally, we  
2 removed the Fusion projects' amortization expenses included in  
3 regulatory commission expense, since the amortized annual  
4 expense for Fusion projects is included in deferred maintenance  
5 expense as part of maintenance and repair expense.

6 We allocated total rate case expense to CWSNC Uniform Water,  
7 CWSNC Uniform Sewer, BF/FH/TC Water, and BF/FH Sewer based  
8 on the customer allocation percentages calculated from the  
9 Company's ERCs and amortized the actual rate case expense over  
10 a five-year period because five years is generally the period that  
11 would be between consecutive MYRPs.

12 Finally, we recommend that the amortization period for the approved  
13 unamortized amounts from the Company's previous rate cases  
14 continue to be amortized over the remaining balance of the five-year  
15 amortization period as approved by the Commission in CWSNC's  
16 last rate case.

1 **INSURANCE EXPENSE**

2 **Q. Please explain your adjustment to insurance expense.**

3 A. We adjusted insurance expense to reclassify worker's compensation  
4 insurance expense from pension and other benefits to insurance  
5 expense.

6 **MISCELLANEOUS EXPENSE**

7 **Q. Please explain your adjustments to miscellaneous expense.**

8 A. As previously discussed in the above testimony, we removed pro  
9 forma operating expenses associated with the pending acquisitions  
10 of the Echota Water Utility System and Seven Devils Wastewater  
11 Utility System.

12 We also removed various miscellaneous expense amounts that were  
13 not supported by invoices or other accounting documentation, as  
14 well as other expense amounts sampled by the Public Staff for which  
15 the Company indicated it is not seeking recovery.

16 Finally, we reclassified excess deferred income taxes recorded by  
17 the Company as miscellaneous expense to deferred income tax  
18 expense.

1 **DEPRECIATION EXPENSE**

2 **Q. Please explain your adjustments to depreciation expense.**

3 A. We have adjusted depreciation expense to reflect an ongoing,  
4 annual level of depreciation expense for direct plant in service, based  
5 on the Public Staff's adjusted level of plant in service and the  
6 depreciable lives for each plant account.

7 **AMORTIZATIONS OF CIAC AND PAA**

8 **Q. Please explain your adjustments to amortizations of CIAC and**  
9 **PAA.**

10 A. CIAC amortization expense was adjusted to reflect the Public Staff's  
11 recommended level of CIAC multiplied by the individual amortization  
12 rates for each plant in service account related to CIAC.

13 PAA amortization expense was adjusted to reflect the Public Staff's  
14 recommended level of PAA multiplied by the amortization  
15 percentage, which is based on the composite, overall depreciation  
16 rate for the Public Staff's adjusted level of direct plant in service.

1

**REGULATORY FEE**2 **Q. What adjustment have you made to the regulatory fee?**

3 A. The Company used 0.13% as the regulatory fee rate. The new  
4 regulatory fee rate was changed to 0.14%, effective July 1, 2022. We  
5 updated the regulatory fee rate to 0.14% and applied it to total  
6 revenue under present, Company proposed, and Public Staff  
7 recommended rates.

8 **Q. Does this conclude your testimony?**

9 A. Yes, it does.





## QUALIFICATIONS AND EXPERIENCE

DARRELL BROWN

I graduated from North Carolina State University with a Bachelor of Science in Accounting.

Prior to joining the Public Staff, I was employed by Lumen (FKA CenturyLink, Inc.), as a Regulatory Operations Manager. My duties included preparation and review of federal and state regulatory financial and compliance report filings; analyzing and interpreting federal and state commission and legislative policies, rulemakings, and statutes; providing analytical support and guidance necessary for federal and state regulatory policy development, investigations, and internal and external audit requests; coordination of regulated accounting and reporting policy changes; and managing accounting and pricing functions.

I joined the Public Staff in May 2021 as a Public Staff Accountant. Since joining the Public Staff, I have performed investigations and prepared testimony and exhibits in support of natural gas and water utilities rate cases and performed various other investigations and compliance reviews related to gas, telecommunications, and water utilities.



**QUALIFICATIONS AND EXPERIENCE**

LYNN FEASEL

I am a graduate of Baldwin Wallace University with a Master of Business Administration degree in Accounting. I am a Certified Public Accountant licensed by the State of North Carolina. Prior to joining the Public Staff, I was employed by Franklin International in Columbus, Ohio until June 2013. Additionally, I worked for ABB Inc. from September 2013 until October 2016. I joined the Public Staff as a Staff Accountant in November 2016. Since joining the Public Staff, I have worked on rate cases involving water and sewer and natural gas utilities; filed testimony and affidavits in various general rate cases; calculated quarterly earnings for Carolina Water Service, Inc. of North Carolina and Aqua North Carolina, Inc.; calculated quarterly earnings for various natural gas companies; calculated refunds to consumers from AH4R and Progress Residential; and reviewed franchise and contiguous filings for multiple water and sewer companies.



**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**RETURN ON ORIGINAL COST RATE BASE**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 1(a)

**CWSNC WATER OPERATIONS**

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<b>Present Rates:</b>						
1	Debt	50.00%	\$35,624,976 [2]	4.64% [1]	2.32%	\$1,652,999 [8]
2	Equity	50.00%	35,624,977 [2]	8.35% [6]	4.18%	2,972,915 [9]
3	Total	<u>100.00%</u>	<u>\$71,249,953</u> [3]		<u>6.50%</u>	<u>\$4,625,914</u> [10]
<b>Company Proposed Rates:</b>						
4	Debt	50.00%	\$35,624,976 [4]	4.64% [1]	2.32%	\$1,652,999 [8]
5	Equity	50.00%	35,624,977 [4]	11.85% [6]	5.93%	4,220,593 [11]
6	Total	<u>100.00%</u>	<u>\$71,249,953</u> [3]		<u>8.25%</u>	<u>\$5,873,592</u> [12]
<b>Public Staff Recommended Rates:</b>						
7	Debt	50.00%	\$35,624,976 [5]	4.64% [1]	2.32%	\$1,652,999 [8]
8	Equity	50.00%	35,624,977 [5]	9.45% [1]	4.73%	3,366,560 [13]
9	Total	<u>100.00%</u>	<u>\$71,249,953</u> [3]		<u>7.05%</u>	<u>\$5,019,559</u> [14]

[1] Per Public Staff Financial Analyst Hilton.

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

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

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

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

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

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

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**RETURN ON ORIGINAL COST RATE BASE**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 1(b)

**CWSNC SEWER OPERATIONS**

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<b>Present Rates:</b>						
1	Debt	50.00%	\$33,452,169 [2]	4.64% [1]	2.32%	\$1,552,181 [8]
2	Equity	50.00%	33,452,169 [2]	6.42% [6]	3.21%	2,147,839 [9]
3	Total	100.00%	\$66,904,338 [3]		5.53%	\$3,700,020 [10]
<b>Company Proposed Rates:</b>						
4	Debt	50.00%	\$33,452,169 [4]	4.64% [1]	2.32%	\$1,552,181 [8]
5	Equity	50.00%	33,452,169 [4]	10.34% [6]	5.17%	3,458,371 [11]
6	Total	100.00%	\$66,904,338 [3]		7.49%	\$5,010,552 [12]
<b>Public Staff Recommended Rates:</b>						
7	Debt	50.00%	\$33,452,169 [5]	4.64% [1]	2.32%	\$1,552,181 [8]
8	Equity	50.00%	33,452,169 [5]	9.45% [1]	4.73%	3,161,230 [13]
9	Total	100.00%	\$66,904,338 [3]		7.05%	\$4,713,411 [14]

[1] Per Public Staff Financial Analyst Hilton.  
[2] Column (a) multiplied by Line 3, Column (b).  
[3] Brown and 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] Brown and Feasel Exhibit I, Schedule 3(b), Column (c), Line 38.  
[11] Line 6 minus Line 4, Column (e).  
[12] Brown and Feasel Exhibit I, Schedule 3(b), Column (e), Line 38.  
[13] Line 9 minus Line 7, Column (e).  
[14] Brown and Feasel Exhibit I, Schedule 3(b), Column (g), Line 38.

**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**RETURN ON ORIGINAL COST RATE BASE**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 1(c)

**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<b>Present Rates:</b>						
1	Debt	50.00%	\$1,812,043 [2]	4.64% [1]	2.32%	\$84,079 [8]
2	Equity	50.00%	1,812,043 [2]	5.06% [6]	2.53%	91,623 [9]
3	Total	100.00%	\$3,624,086 [3]		4.85%	\$175,702 [10]
<b>Company Proposed Rates:</b>						
4	Debt	50.00%	\$1,812,043 [4]	4.64% [1]	2.32%	\$84,079 [8]
5	Equity	50.00%	1,812,043 [4]	14.89% [6]	7.45%	269,881 [11]
6	Total	100.00%	\$3,624,086 [3]		9.77%	\$353,960 [12]
<b>Public Staff Recommended Rates:</b>						
7	Debt	50.00%	\$1,812,043 [5]	4.64% [1]	2.32%	\$84,079 [8]
8	Equity	50.00%	1,812,043 [5]	9.45% [1]	4.73%	171,238 [13]
9	Total	100.00%	\$3,624,086 [3]		7.05%	\$255,317 [14]

[1] Per Public Staff Financial Analyst Hilton.

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

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

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

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

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

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

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**RETURN ON ORIGINAL COST RATE BASE**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit 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)
<b>Present Rates:</b>						
1	Debt	50.00%	\$4,914,878 [2]	4.64% [1]	2.32%	\$228,050 [8]
2	Equity	50.00%	4,914,877 [2]	8.91% [6]	4.46%	438,123 [9]
3	Total	<u>100.00%</u>	<u>\$9,829,755</u> [3]		<u>6.78%</u>	<u>\$666,173</u> [10]
<b>Company Proposed Rates:</b>						
4	Debt	50.00%	\$4,914,878 [4]	4.64% [1]	2.32%	\$228,050 [8]
5	Equity	50.00%	4,914,877 [4]	15.14% [6]	7.57%	743,920 [11]
6	Total	<u>100.00%</u>	<u>\$9,829,755</u> [3]		<u>9.89%</u>	<u>\$971,970</u> [12]
<b>Public Staff Recommended Rates:</b>						
7	Debt	50.00%	\$4,914,878 [5]	4.64% [1]	2.32%	\$228,050 [8]
8	Equity	50.00%	4,914,877 [5]	9.45% [1]	4.73%	464,456 [13]
9	Total	<u>100.00%</u>	<u>\$9,829,755</u> [3]		<u>7.05%</u>	<u>\$692,506</u> [14]

[1] Per Public Staff Financial Analyst Hilton.  
[2] Column (a) multiplied by Line 3, Column (b).  
[3] Brown and 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] Brown and Feasel Exhibit I, Schedule 3(d), Column (c), Line 38.  
[11] Line 6 minus Line 4, Column (e).  
[12] Brown and Feasel Exhibit I, Schedule 3(d), Column (e), Line 38.  
[13] Line 9 minus Line 7, Column (e).  
[14] Brown and Feasel Exhibit I, Schedule 3(d), Column (g), Line 38.



**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ORIGINAL COST RATE BASE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 2(a)

**CWSNC WATER OPERATIONS**

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]
1	Plant in service	\$130,462,447	(\$1,117,751)		\$ 129,344,696	[3]
2	Accumulated depreciation	(36,715,615)	343,704		(36,371,911)	[4]
3	Net plant in service (L1 + L2)	93,746,832	(774,046)		92,972,786	
4	Cash working capital	1,596,378	(77,978)		1,518,400	[5]
5	Contributions in aid of construction	(16,524,392)	(36,030)		(16,560,422)	[6]
6	Advances in aid of construction	(20,631)	0		(20,631)	
7	Accumulated deferred income taxes	(2,667,340)	(81,294)		(2,748,634)	[7]
8	Customer deposits	(208,631)	0		(208,631)	
9	Inventory	91,908	0		91,908	
10	Gain on sale and flow back taxes	(196,947)	0		(196,947)	[8]
11	Plant acquisition adjustment	(1,784,523)	61,588		(1,722,935)	[9]
12	Excess book value	0	0		0	
13	Cost-free capital	(121,791)	0		(121,791)	
14	Average tax accruals	74,463	(148,688)		(74,225)	[10]
15	Regulatory liability for excess deferred taxes	(2,667,246)	0		(2,667,246)	
16	Deferred charges	1,059,646	(71,324)		988,322	[11]
17	Pro forma plant	0	0		0	
18	Original cost rate base (Sum of L3 thru L17)	\$72,377,726	(\$1,127,773)		\$71,249,953	

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

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

[3] Brown and Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 3.

[4] Brown and Feasel Exhibit I, Schedule 2-1(a), Column (c), Line 6.

[5] Brown and Feasel Exhibit I, Schedule 2-3, Column (a), Line 4.

[6] Brown and Feasel Exhibit I, Schedule 2-4, Column (c), Line 8.

[7] Brown and Feasel Exhibit I, Schedule 2-5, Column (d), Line 27.

[8] Brown and Feasel Exhibit I, Schedule 2-6, Column (a), Line 6.

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

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

[11] Brown and Feasel Exhibit I, Schedule 2-8, Column (a), Line 3.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ORIGINAL COST RATE BASE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 2(b)

**CWSNC SEWER OPERATIONS**

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]
1	Plant in service	\$116,603,269	(\$1,177,191)		\$ 115,426,078	[3]
2	Accumulated depreciation	<u>(29,683,192)</u>	<u>292,468</u>		<u>(29,390,724)</u>	[4]
3	Net plant in service (L1 + L2)	86,920,077	(884,723)		86,035,354	
4	Cash working capital	1,138,522	(22,550)		1,115,972	[5]
5	Contributions in aid of construction	(16,400,002)	(55,814)		(16,455,816)	[6]
6	Advances in aid of construction	(12,309)	0		(12,309)	
7	Accumulated deferred income taxes	(3,065,187)	(47,081)		(3,112,268)	[7]
8	Customer deposits	(124,471)	0		(124,471)	
9	Inventory	54,833	0		54,833	
10	Gain on sale and flow back taxes	(92,681)	0		(92,681)	[8]
11	Plant acquisition adjustment	396,418	(3,297)		393,121	[9]
12	Excess book value	0	0		0	
13	Cost-free capital	(139,708)	0		(139,708)	
14	Average tax accruals	57,936	(115,523)		(57,587)	[10]
15	Regulatory liability for excess deferred taxes	(1,591,295)	0		(1,591,295)	
16	Deferred charges	941,229	(50,035)		891,194	[11]
17	Pro forma plant	<u>0</u>	<u>0</u>		<u>0</u>	
18	Original cost rate base (Sum of L3 thru L17)	<u>\$68,083,362</u>	<u>(\$1,179,024)</u>		<u>\$66,904,338</u>	

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

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

[3] Brown and Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 3.

[4] Brown and Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 6.

[5] Brown and Feasel Exhibit I, Schedule 2-3, Column (b), Line 4.

[6] Brown and Feasel Exhibit I, Schedule 2-4, Column (f), Line 8.

[7] Brown and Feasel Exhibit I, Schedule 2-5, Column (e), Line 27.

[8] Brown and Feasel Exhibit I, Schedule 2-6, Column (b), Line 6.

[9] Brown and Feasel Exhibit I, Schedule 2-7, Column (f), Line 7.

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

[11] Brown and Feasel Exhibit I, Schedule 2-8, Column (b), Line 3.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ORIGINAL COST RATE BASE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 2(c)

**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]
1	Plant in service	\$7,360,146	(\$19,729)		\$7,340,417	[3]
2	Accumulated depreciation	(2,519,662)	20,982		(2,498,680)	[4]
3	Net plant in service (L1 + L2)	4,840,484	1,253		4,841,737	
4	Cash working capital	191,559	(3,216)		188,343	[5]
5	Contributions in aid of construction	(1,093,905)	11,942		(1,081,963)	[6]
6	Advances in aid of construction	0	0		0	
7	Accumulated deferred income taxes	(19,782)	(9,611)		(29,393)	[7]
8	Customer deposits	(18,525)	0		(18,525)	
9	Inventory	3,355	0		3,355	
10	Gain on sale and flow back taxes	0	0		0	
11	Plant acquisition adjustment	(21,646)	(7,647)		(29,293)	[8]
12	Excess book value	0	0		0	
13	Cost-free capital	0	0		0	
14	Average tax accruals	4,415	(8,806)		(4,391)	[9]
15	Regulatory liability for excess deferred taxes	(362,366)	0		(362,366)	
16	Deferred charges	124,685	(8,103)		116,582	[10]
17	Pro forma plant	0	0		0	
18	Original cost rate base (Sum of L3 thru L17)	\$3,648,274	(\$24,188)		\$3,624,086	

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

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

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

[4] Brown and Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 6.

[5] Brown and Feasel Exhibit I, Schedule 2-3, Column (c), Line 4.

[6] Brown and Feasel Exhibit I, Schedule 2-4, Column (i), Line 8.

[7] Brown and Feasel Exhibit I, Schedule 2-5, Column (f), Line 27.

[8] Brown and Feasel Exhibit I, Schedule 2-7, Column (i), Line 7.

[9] Brown and Feasel Exhibit I, Schedule 2-3, Column (c), Line 9.

[10] Brown and Feasel Exhibit I, Schedule 2-8, Column (c), Line 3.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ORIGINAL COST RATE BASE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 2(d)

**BF/FH SEWER OPERATIONS**

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	[1]	Amount Per Public Staff (c)	[2]
1	Plant in service	\$16,528,468	(\$25,264)		\$16,503,204	[3]
2	Accumulated depreciation	(3,444,878)	67,025		(3,377,853)	[4]
3	Net plant in service (L1 + L2)	13,083,590	41,761		13,125,351	
4	Cash working capital	203,468	(13,016)		190,452	[5]
5	Contributions in aid of construction	(3,630,087)	(6,981)		(3,637,068)	[6]
6	Advances in aid of construction	0	0		0	
7	Accumulated deferred income taxes	(393,654)	31,545		(362,109)	[7]
8	Customer deposits	(18,963)	0		(18,963)	
9	Inventory	3,434	0		3,434	
10	Gain on sale and flow back taxes	0	0		0	
11	Plant acquisition adjustment	851,982	(25,712)		826,270	[8]
12	Excess book value	0	0		0	
13	Cost-free capital	0	0		0	
14	Average tax accruals	5,647	(11,266)		(5,619)	[9]
15	Regulatory liability for excess deferred taxes	(370,918)	0		(370,918)	
16	Deferred charges	86,204	(7,279)		78,925	[10]
17	Pro forma plant	0	0		0	
18	Original cost rate base (Sum of L3 thru L17)	\$9,820,703	\$9,052		\$9,829,755	

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

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

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

[4] Brown and Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 6.

[5] Brown and Feasel Exhibit I, Schedule 2-3, Column (d), Line 4.

[6] Brown and Feasel Exhibit I, Schedule 2-4, Column (l), Line 8.

[7] Brown and Feasel Exhibit I, Schedule 2-5(b), Column (g), Line 27.

[8]

[8] Brown and Feasel Exhibit I, Schedule 2-7, Column (l), Line 7.

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

[10] Brown and Feasel Exhibit I, Schedule 2-8, Column (d), Line 3.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE AND  
ACCUMULATED DEPRECIATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(a)

**CWSNC WATER OPERATIONS**

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Updates</u> (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>Amount Per Public Staff</u> [2] (c)
	<b><u>Plant In Service:</u></b>			
1	Combined plant in service	\$130,462,447	\$ (1,117,751)	\$129,344,696 [3]
2			0	
3	Total plant in service (L1 + L2)	<u>\$130,462,447</u>	<u>(\$1,117,751)</u>	<u>\$129,344,696</u>
	<b><u>Accumulated Depreciation:</u></b>			
4	Combined accumulated depreciation	(\$36,715,615)	\$343,704	(\$36,371,911) [4]
5			0	
6	Total accumulated depr. (L4 + L5)	<u>(\$36,715,615)</u>	<u>\$343,704</u>	<u>(\$36,371,911)</u>

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

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

[3] Brown and Feasel Exhibit I, Schedule 2-1(a)(1), Column (k), Line 53.

[4] Brown and Feasel Exhibit I, Schedule 2-2, Column (a), Line 9.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE AND  
ACCUMULATED DEPRECIATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(b)

**CWSNC SEWER OPERATIONS**

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
<b>Plant In Service:</b>				
1	Combined plant in service	\$116,603,269	(\$1,177,191)	\$115,426,078 [3]
2			0	
3	Total plant in service (L1 + L2)	<u>\$116,603,269</u>	<u>(\$1,177,191)</u>	<u>\$115,426,078</u>
<b>Accumulated Depreciation:</b>				
4	Combined accumulated depreciation	(\$29,683,192)	\$292,468	(\$29,390,724) [4]
5			0	
6	Total accumulated depr. (L4 + L5)	<u>(\$29,683,192)</u>	<u>\$292,468</u>	<u>(\$29,390,724)</u>

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

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

[3] Brown and Feasel Exhibit I, Schedule 2-1(a)(2), Column (k), Line 70.

[4] Brown and Feasel Exhibit I, Schedule 2-2, Column (b), Line 9.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE AND  
ACCUMULATED DEPRECIATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(c)

**BF/FH/TC WATER OPERATIONS**

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Updates</u> (a)	<u>Public Staff Adjustments</u> (b)	[1]	<u>Amount Per Public Staff</u> (c)	[2]
	<b><u>Plant In Service:</u></b>					
1	Combined plant in service	\$7,360,146	(\$19,729)		\$7,340,417	[3]
2		<u>0</u>	<u>0</u>		<u>0</u>	
3	Total plant in service (L1+ L2)	<u>\$7,360,146</u>	<u>(\$19,729)</u>		<u>\$7,340,417</u>	
	<b><u>Accumulated Depreciation:</u></b>					
4	Combined accumulated depreciation	(\$2,519,662)	\$20,982		(\$2,498,680)	[4]
5			<u>0</u>			
6	Total accumulated depr. (L4 + L5)	<u>(\$2,519,662)</u>	<u>\$20,982</u>		<u>(\$2,498,680)</u>	

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

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

[3] Brown and Feasel Exhibit I, Schedule 2-1(a)(3), Column (k), Line 43.

[4] Brown and Feasel Exhibit I, Schedule 2-2, Column (c), Line 9.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE AND  
ACCUMULATED DEPRECIATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(d)

**BF/FH SEWER OPERATIONS**

Line No.	<u>Item</u>	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
	<b>Plant In Service:</b>			
1	Combined plant in service	\$16,528,468	(\$25,264)	\$16,503,204 [3]
2		<u>0</u>	<u>0</u>	<u>0</u>
3	Total plant in service ( L1+ L2)	<u>\$16,528,468</u>	<u>(\$25,264)</u>	<u>\$16,503,204</u>
	<b>Accumulated Depreciation:</b>			
4	Combined accumulated depreciation	(\$3,444,878)	\$67,025	(\$3,377,853) [4]
5		<u>0</u>	<u>0</u>	<u>0</u>
6	Total accumulated depr. ( L4 + L5)	<u>(\$3,444,878)</u>	<u>\$67,025</u>	<u>(\$3,377,853)</u>

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

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

[3] Brown and Feasel Exhibit I, Schedule 2-1(a)(4), Column (k), Line 52.

[4] Brown and Feasel Exhibit I, Schedule 2-2, Column (d), Line 9.



Carolina Water Service, Inc. of North Carolina  
W - 354, Sub 400  
**CALCULATION OF PLANT IN SERVICE**  
Test Year March 31 2022

Rowland and Feasel Exhibit I  
Schedule 2-1(a)(1)

**CWSNC WATER OPERATIONS**

Line No.	New Account No.	Item	(a) Amount per Updates Direct	(b) Amount per Updates Allocated	(c) Company Proforma	(d) Remove Company Proforma	(e) Actual PTY Additions	(f) PS Adjustment / Engineering	(g) ERC Adjustment	(h) Florence Proceeds	(i) AFUDC Adjustments	(j) Reclassification	(k) Amount per PS	(l) PS Adj.
1.	141201	Organization	\$ 410,367	\$ 73,688	\$ 521	\$ (521)	\$ 521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,577	\$ -
2.	141202	Franchises	140,283	89,232	0	0	0	0	0	0	0	0	229,516	0
3.	141102	Land & land rights pump	0	50,818	0	0	0	0	0	0	0	0	50,818	0
4.	141501	Computer Hardware	0	703	(37)	37	0	(30)	0	0	0	0	673	0
5.	141502	Desktop/Laptop Computers	0	15,859	40,053	(40,053)	0	(679)	0	0	0	0	15,181	(40,731)
6.	141101	Land & land rights gen. pit.	0	717,824	150,596	(150,596)	150,596	0	0	0	0	0	868,420	0
7.	141204	Struct & improv. src. supply	4,465,609	16,279	27,059	(27,059)	24,011	0	0	0	0	0	4,505,898	(3,048)
8.	141205	Struct & improv. wtr. trt. pit.	1,572,780	31,094	39,175	(39,175)	34,026	0	0	0	0	0	1,637,901	(5,148)
9.	141206	Struct & improv. trans. dist.	288,439	3,978	2,389	(2,389)	1,587	0	0	0	0	0	294,004	(802)
10.	141203	Struct & improv. gen. pit.	371,949	2,709	51,504	(51,504)	50,103	0	0	0	0	0	424,761	(1,401)
11.	141221	Collecting reservoirs	14,695	0	717,687	(717,687)	717,687	0	0	0	0	0	732,382	0
12.	141223	Wells & springs	14,603,514	213,136	31,115	(31,115)	24,871	0	0	0	(1,077)	0	14,840,443	(7,321)
13.	141224	Infiltration gallery	45,185	0	0	0	0	0	0	0	0	0	45,185	0
14.	141225	Supply mains	788,510	303	74,366	(74,366)	65,241	0	0	0	0	0	854,054	(9,125)
15.	141226	Power generation equip.	162,616	0	4,857	(4,857)	4,805	0	0	0	0	0	167,421	(52)
16.	141227	Electric pump equip. src. pit.	2,944,455	3,127	82,461	(82,461)	77,797	0	(180)	(4)	0	0	3,025,195	(4,849)
17.	141228	Electric pump equip. wtp.	8,885,752	296,055	208,094	(208,094)	184,086	0	0	0	0	0	9,365,894	(24,009)
18.	141229	Electric pump equip. trans.	3,899,131	2,157	895,639	(895,639)	890,004	0	(2,921)	0	0	0	4,788,370	(8,557)
19.	141230	Water treatment equip.	5,625,394	184,273	384,494	(384,494)	62,593	0	(5,951)	(649)	0	0	5,865,660	(328,502)
20.	141231	Dist. reserv. & standpipes	8,196,939	683,659	58,316	(58,316)	46,879	0	0	(179)	0	0	8,927,298	(11,617)
21.	141232	Trans. & distr. mains	35,491,936	442,856	516,345	(516,345)	335,205	0	(178,375)	(138)	0	0	36,091,486	(359,653)
22.	141233	Service lines	14,406,827	147,037	614,916	(614,916)	543,961	0	(437)	0	0	0	15,097,388	(71,392)
23.	141234	Meters	6,324,924	188,747	42,553	(42,553)	36,746	0	(46)	0	0	0	6,550,372	(5,853)
24.	141235	Meter installations	2,057,561	615	43,542	(43,542)	39,195	0	0	(973)	0	0	2,096,397	(5,321)
25.	141236	Hydrants	1,413,906	767	43,796	(43,796)	39,089	0	0	0	0	0	1,453,761	(4,707)
26.	141237	Backflow prevention devic.	45,312	0	16,215	(16,215)	16,034	0	0	0	0	0	61,347	(181)
27.	141268	Other pit. & misc. equip. src. su.	0	260	0	0	0	0	0	0	0	0	260	0
28.	141269	Other pit. & misc. equip. wtp.	20,187	1,597	3,185	(3,185)	3,185	0	0	0	0	0	24,969	0
29.	141220	Office struct & improv.	99,061	487,148	244,803	(244,803)	10,933	0	(14,618)	0	(17)	0	582,507	(248,505)
30.	141303	Office furn. & equip.	89,664	499,273	(10,487)	10,487	978	0	(10,384)	0	0	0	579,532	1,061
31.	141305	Stores equipment	15,973	202	292	(292)	91	0	(8)	0	0	0	16,258	(209)
32.	141308	Tool shop & misc. equip.	502,559	579,059	8,897	(8,897)	8,470	0	(89)	0	0	0	1,089,999	(516)
33.	141306	Laboratory equipment	66,899	64,660	401	(401)	269	0	0	0	0	0	131,819	(132)
34.	141309	Power operated equip.	360,477	2,740	11,654	(11,654)	11,116	0	0	0	0	0	374,333	(538)
35.	141310	Communication equip.	155,341	158,446	12,841	(12,841)	14,310	0	(1,513)	0	0	0	326,583	(45)
36.	141311	Misc. equipment	193,043	7,655	15,193	(15,193)	14,504	0	0	0	0	0	215,202	(689)
37.	141278	Water plant allocated	207,809	0	0	0	0	0	0	0	0	0	207,809	0
38.	141271	Other tangible pit. water	1,181	37,219	10,327	(10,327)	10,327	0	0	0	0	0	48,727	0
39.	141248	Receiving Wells	176,744	0	0	0	0	0	0	0	(141)	0	176,603	(141)
40.	141401	Transportation equip.	0	2,053,046	276,107	(276,107)	307,182	0	(214)	0	0	0	2,360,014	30,861
41.	141503	Mainframe computer - wtr	0	133,851	(5,733)	5,733	0	(4,591)	0	0	0	0	129,260	1,141
42.	141504	Mini computer - wtr	9,712	1,293,864	(36,690)	36,690	1,295	0	(42,957)	0	0	0	1,261,915	(4,972)
43.	141602	Comp. system cost - wtr	0	3,323,886	(168,429)	168,429	0	(136,755)	0	0	0	0	3,187,131	31,673
44.	141603	Micro system cost - wtr	0	65,896	(2,956)	2,956	0	(2,375)	0	0	0	0	63,521	580
45.	141255	Plant Sewers Treatment Pit	23,751	0	0	0	0	0	0	0	0	(23,751)	0	(23,751)
46.	141299	Utility Plant Clearing	0	0	(0)	0	(0)	0	0	0	0	0	(0)	0
47.	141699	Computer Clearing	0	0	0	0	0	0	0	0	0	0	(0)	0
48.	141601	Computer Software	0	104,466	6,861	(6,861)	0	(4,470)	0	0	0	0	99,996	(11,331)
49.	141103	Land and Rights Water	0	357,109	0	0	0	0	0	0	0	0	357,109	0
50.	141104	Land and Rights Trans	0	18,896	0	0	0	0	0	0	0	0	18,896	0
51.	141293	Plant Held for Future Use	0	(382,146)	0	0	0	0	0	0	0	0	(382,146)	0
52.	141399	Building and Equipment Clearing	0	0	0	(0)	0	0	0	0	0	0	0	0
<b>53.</b>	<b>Total plant in service (Sum of L1 thru L52)</b>		<b>\$ 114,078,577</b>	<b>\$ 11,971,944</b>	<b>\$ 4,411,925</b>	<b>\$ (4,411,925)</b>	<b>\$ 3,727,699</b>	<b>\$ -</b>	<b>\$ (218,683)</b>	<b>\$ (187,864)</b>	<b>\$ (3,225)</b>	<b>\$ (23,751)</b>	<b>\$ 129,344,696</b>	<b>\$ (1,117,751)</b>

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**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(a)(2)

**CWSNC SEWER OPERATIONS**

Line No.	No.	Item	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
			Amount per Updates Direct	Amount per Updates Allocated	Company Proforma remove	Company Proforma	Actual PTY Additions	'S Adjustment / Engineering	ERC Adjustment	Florence Proceeds	AFUDC Adjustments	Reclassification	Amount per PS	PS Adj.
1.	141201	Organization	\$ 883,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 883,492	\$ -
2.	141202	Franchises intang. ptt.	127,476	0	0	0	0	0	0	0	0	0	127,476	0
3.	141107	Land & land rights trmnt ptt	0	39,167	0	0	0	0	0	0	0	0	39,167	0
4.	141108	Land & land rights reclaim.	0	1,150	0	0	0	0	0	0	0	0	1,150	0
5.	141101	Land and Rights General	0	0	0	0	0	0	0	0	0	0	0	0
6.	141207	Struct/improv. coll. ptt.	103,601	979	4,356	(4,356)	4,001	0	0	0	0	0	108,582	(354)
7.	141208	Struct/improv. pump ptt. ls.	11,299,690	18,599	125,558	(125,558)	121,979	0	(180)	(2,090)	0	0	11,437,999	(5,848)
8.	141209	Struct/improv. treat. ptt.	20,050,256	0	22,537	(22,537)	22,993	0	(4,621)	(31)	(31)	0	20,068,597	(4,197)
9.	141210	Struct/improv. reclaim. wtr.	2,586	685	0	0	0	0	0	0	0	0	3,271	0
10.	141211	Struct/improv. reclaim. wtr.	180,481	0	16	(16)	0	0	0	0	0	0	180,481	(16)
11.	141203	Struct/improv. gen. ptt.	1,683,989	0	25,430	(25,430)	23,256	0	0	0	0	0	1,707,245	(2,174)
12.	141238	Power gen. equip. coll. ptt.	107,623	0	0	0	0	0	0	0	0	0	107,623	0
13.	141239	Power gen. equip. pump ptt.	53,341	0	14	(14)	0	0	0	0	0	0	53,341	(14)
14.	141240	Power gen. equip. treat. ptt.	308,117	0	6,287	(6,287)	5,100	0	0	0	0	0	313,217	(1,187)
15.	141241	Sewer force main/serv. in.	3,802,928	61,991	608,705	(608,705)	601,749	0	(283)	(37)	0	0	4,466,350	(7,274)
16.	141242	Sewer gravity main	17,893,123	494,361	2,054,567	(2,054,567)	949,079	0	0	(122)	0	0	19,336,441	(1,105,610)
17.	141243	Manholes	1,477,376	229,482	52,144	(52,144)	44,389	0	0	(69)	0	0	1,751,178	(7,824)
18.	141244	Special coll. structures	7,032	0	21	(21)	0	0	0	0	0	0	7,032	(21)
19.	141245	Services to customers	2,179,151	0	86,014	(86,014)	69,241	0	0	0	1,055	0	2,249,446	(15,718)
20.	141246	Flow measure devices	143,165	0	3,084	(3,084)	5,503	0	(2,935)	0	0	0	145,734	(515)
21.	141247	Flow measure install	1,106	0	2	(2)	0	0	0	0	0	0	1,106	(2)
22.	141248	Receiving wells	211,824	0	25,449	(25,449)	22,160	0	0	0	0	0	233,985	(3,288)
23.	141249	Pumping equipment pump ptt.	4,834,611	470	323,264	(323,264)	309,978	0	(2,327)	0	0	0	5,142,732	(15,613)
24.	141250	Pumping equipment reclaim.	37,868	0	1,869	(1,869)	1,782	0	0	0	0	0	39,650	(87)
25.	141251	Pumping equipment rcl. wtr.	80,351	0	3,427	(3,427)	3,104	0	0	0	0	0	83,456	(322)
26.	141252	Treat./disp. equip. lagoon	594,849	210	3,214	(3,214)	2,680	0	0	0	0	0	597,738	(534)
27.	141253	Treat./disp. equip. trt. ptt.	18,763,604	690,274	132,773	(132,773)	113,414	0	(1,467)	0	0	0	19,565,824	(20,826)
28.	141254	Treat./disp. equip. rcl. wtr.	16,414	0	13,760	(13,760)	12,973	0	0	0	0	0	29,387	(787)
29.	141255	Plant sewers treat. ptt.	17,924,214	0	42,634	(42,634)	41,767	0	(3,577)	(178)	23,751	0	17,985,978	19,130
30.	141256	Plant sewers reclaim wtr.	5,802	0	2,277	(2,277)	2,263	0	0	0	0	0	8,065	(14)
31.	141257	Outfall lines	645,213	0	15,146	(15,146)	11,576	0	0	(446)	0	0	656,343	(4,017)
32.	141271	Other p.t. tangible	14,761	0	194	(194)	0	0	0	0	0	0	14,761	(194)
33.	141272	Other ptt. collection	10,854	10,612	798	(798)	0	787	0	0	0	0	22,253	(11)
34.	141273	Other ptt. pump	468,119	2,931	3,094	(3,094)	2,976	0	0	0	0	0	474,026	(117)
35.	141274	Other ptt. treatment	334,705	5,329	1,401	(1,401)	111	0	(1,401)	(76)	0	0	340,069	(1,367)
36.	141275	Other ptt. reclaim wtr. trt.	0	650	0	0	0	0	0	0	0	0	650	0
37.	141276	Other p.t. reclaim wtr. dis.	460	0	0	0	0	0	0	0	0	0	460	0
38.	141220	Office struct & improv.	47,616	275,108	4,120	(4,120)	13,962	0	(8,721)	0	0	0	327,965	1,121
39.	141303	Office furn. & equip.	49,603	286,995	(6,993)	6,993	0	0	(6,195)	0	0	0	330,403	798
40.	141305	Stores equipment	6,961	113	1,218	(1,218)	1,155	0	(5)	0	0	0	8,224	(69)
41.	141308	Tool shop & misc. equip.	207,772	345,148	19,112	(19,112)	18,835	0	(53)	0	0	0	571,703	(330)
42.	141306	Laboratory equipment	156,399	38,517	3,214	(3,214)	2,888	0	0	0	0	0	197,804	(326)
43.	141309	Power operated equip.	458,893	1,544	20,874	(20,874)	19,245	0	0	0	0	0	479,682	(1,629)
44.	141310	Communication equip.	94,049	93,245	9,804	(9,804)	10,425	0	(903)	0	0	0	196,817	(282)
45.	141311	Misc equip. sewer	37,147	4,567	30,241	(30,241)	29,617	0	0	0	0	0	71,331	(623)
46.	141278	Sewer plant allocated	526,952	0	0	0	0	0	0	0	0	0	526,952	0
47.	0	Other tangible ptt. sewer	0	0	0	0	0	0	0	0	0	0	0	0
48.	141263	Reuse dist. reservoirs	3,507	0	2	(2)	0	0	0	0	0	0	3,507	(2)
49.	141264	Reuse transmission & dist.	85,783	0	36,199	(36,199)	35,336	0	0	0	0	0	121,119	(862)
50.	141401	Transportation equip.	0	1,224,860	164,727	(164,727)	183,267	0	(128)	0	0	0	1,407,999	18,412
51.	141502	Desktop computer - wtr	0	9,462	23,896	(23,896)	0	0	(405)	0	0	0	9,057	(24,301)
52.	141503	Mainframe computer - wtr	0	79,857	(3,420)	3,420	0	0	(2,739)	0	0	0	77,118	681
53.	141504	Mini computer - wtr	1,659	776,062	(21,889)	21,889	1,026	0	(25,628)	0	0	0	753,119	(2,713)
54.	141602	Comp. system cost - wtr	109,012	1,874,038	(100,485)	100,485	0	0	(81,589)	0	0	0	1,901,461	18,897
55.	141603	Micro system cost - wtr	0	39,314	(1,764)	1,764	0	0	(1,417)	0	0	0	37,897	347
56.	141501	Computer Hardware	0	418	(22)	22	0	0	(18)	0	0	0	401	4
57.	141601	Computer Software	0	62,326	4,093	(4,093)	0	0	(2,667)	0	0	0	59,659	(6,760)
58.	141699	Computer Clearing	0	0	0	(0)	0	0	0	0	0	0	0	(0)
59.	141231	Dist Resv and Standpipes	0	20,648	(75)	75	0	0	0	0	0	0	20,648	75
60.	141232	Trans and Distr Mains	0	68,271	(248)	248	0	0	0	0	0	0	68,271	248
61.	141299	Utility Plant Clearing	0	0	(0)	0	(0)	0	0	0	0	0	(0)	0
62.	141389	Building and Equipment Clearing	0	0	0	(0)	0	0	0	0	0	0	0	0
63.	141233	Service Lines	935	0	20	(20)	0	0	0	0	0	(1,055)	(120)	(1,075)
64.	141293	Ptt. held for future use	0	(227,990)	0	0	0	0	0	0	0	0	(227,990)	0
66.	141205		0	0	0	0	0	0	0	0	0	0	0	0
67.	141230		0	0	0	0	0	0	0	0	0	0	0	0
68.	113101		0	0	0	0	0	0	0	0	0	0	0	0
69.	141226		297,974	0	772	(772)	772	0	0	0	0	0	298,745	0
		Pro forma plant additions											0	0
													0	0
70.		<b>Total plant in service (Sum of L1 thru L69)</b>	<b>\$ 106,332,448</b>	<b>\$ 6,529,392</b>	<b>\$ 3,741,429</b>	<b>\$ (3,741,429)</b>	<b>\$ 2,689,391</b>	<b>\$ (130,468)</b>	<b>\$ (15,389)</b>	<b>\$ (3,048)</b>	<b>\$ 23,751</b>	<b>\$ 115,426,078</b>	<b>\$ (1,177,192)</b>	

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**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(a)(3)

**BF/FH WATER OPERATIONS**

Line No.	No.	Item	(a) Amount per Updates Direct	(b) Amount per Updates Allocated	(c) Company Proforma remove	(d) Company Proforma	(e) Actual PTY Additions	(f) 'S Adjustment / Engineering	(g) ERC Adjustment	(h) Florence Proceeds	(i) AFUDC Adjustments	(j) Reclassification	(k) Amount per PS	(l) PS Adj.
1.	141101	Land and Rights General	\$ -	\$ 13,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,990	\$ -
2.	141102	Land and Rights Pump	0	21,025	0	0	0	0	0	0	0	0	21,025	0
3.	141201	Organization	79,800	21,066	0	0	0	0	0	0	0	0	100,866	0
4.	141202	Franchises	51,240	0	0	0	0	0	0	0	0	0	51,240	0
5.	141203	Struct and Improv General Plant	2,244	0	28	(28)	0	0	0	0	0	0	2,244	(28)
6.	141204	Struct and Improv Service Supplies	201,865	398	13,624	(13,624)	12,751	0	0	0	0	0	215,009	(672)
7.	141205	Struct and Improv Water Treat Plt	147,167	0	219	(219)	0	118	0	0	0	0	147,285	(100)
8.	141206	Struct and Improv Trans Dist Plt	461	0	0	0	0	0	0	0	0	0	461	0
9.	141220	Struct and Improv Office	26,735	60,836	(1,910)	1,910	0	(1,756)	0	0	0	0	85,815	153
10.	141223	Wells and Springs	518,778	0	(7,642)	7,642	3,080	0	(11,344)	0	0	0	510,515	(621)
11.	141225	Supply Mains	8,005	0	3,082	(3,082)	2,990	0	0	0	0	0	10,995	(91)
12.	141227	Electric Pump Equip Sec Pump	53,376	46	10,187	(10,187)	9,883	0	0	0	0	0	63,305	(304)
13.	141228	Electric Pump Equip WTP	385,584	0	15,602	(15,602)	14,631	0	0	0	0	0	400,215	(971)
14.	141229	Electric Pump Equip Trans Dist	63,012	82	295	(295)	0	0	0	0	0	0	63,093	(295)
15.	141230	Water Treatment Equipment	146,770	0	6,299	(6,299)	5,926	0	0	0	0	0	152,696	(373)
16.	141231	Dist Resv and Standpipes	901,355	4,949	23,271	(23,271)	19,519	0	0	0	0	0	925,823	(3,752)
17.	141232	Trans and Distr Mains	1,892,092	16,540	10,660	(10,660)	7,951	0	0	0	0	0	1,916,583	(2,709)
18.	141233	Service Lines	842,783	457	37,710	(37,710)	31,291	0	0	0	0	0	874,530	(6,419)
19.	141234	Meters	188,359	397	9,950	(9,950)	8,874	0	0	0	0	0	197,630	(1,075)
20.	141235	Meter Installations	179,596	0	7,272	(7,272)	6,643	0	0	0	0	0	186,239	(629)
21.	141236	Hydrants	185,968	18	93,502	(93,502)	92,989	0	0	0	0	0	278,975	(512)
22.	141237	Backflow Prevention Devices	151	0	3	(3)	0	0	0	0	0	0	151	(3)
23.	141299	Utility Plant Clearing	0	0	(0)	0	0	0	0	0	0	0	0	0
24.	141303	Office Furniture	4,185	42,577	(1,303)	1,303	55	(1,248)	0	0	0	0	45,570	111
25.	141305	Stores Equipment	349	27	1	(1)	0	(1)	0	0	0	0	375	(2)
26.	141306	Lab Equipment	14,469	0	97	(97)	71	0	0	0	0	0	14,540	(26)
27.	141308	Tool Shop Equipment	102,393	836	113	(113)	0	(11)	0	0	0	0	103,219	(124)
28.	141309	Power Operated Equipment	11,291	354	2,089	(2,089)	2,000	0	0	0	0	0	13,645	(89)
29.	141310	Communications Equipment	75,413	4,975	3,027	(3,027)	2,657	(182)	0	0	0	0	82,864	(551)
30.	141311	Misc Equipment	389	0	146	(146)	139	0	0	0	0	0	528	(8)
31.	141401	Vehicles	0	222,410	(3,910)	3,910	0	(28)	0	0	0	0	222,385	3,885
32.	141501	Computer Hardware	0	97	(4)	4	0	(4)	0	0	0	0	93	1
33.	141502	Desktop/Laptop Computers	0	2,181	5,533	(5,533)	0	(62)	0	0	0	0	2,099	(5,614)
34.	141503	Mainframe Computers	0	18,407	(678)	678	0	(552)	0	0	0	0	17,855	127
35.	141504	Mini Comp Wtr	1,687	176,361	(4,206)	4,206	0	(5,161)	0	0	0	0	172,887	(955)
36.	141601	Computer Software	0	14,365	1,047	(1,047)	0	(537)	0	0	0	0	13,828	(1,585)
37.	141602	Comp Systems	0	439,500	(20,069)	20,069	0	(16,431)	0	0	0	0	423,069	3,638
38.	141603	Micro Systems	0	9,062	(350)	350	0	(285)	0	0	0	0	8,776	65
39.	141699	Computer Clearing	0	0	0	(0)	0	0	0	0	0	0	0	(0)
40.	141221	Collecting Reservoirs	0	0	0	0	0	0	0	0	0	0	0	0
41.	141269	Other and Misc Equip WTP	0	0	0	0	0	0	0	0	0	0	0	0
42.	141399	Building and Equipment Clearing	0	0	0	0	0	0	0	0	0	0	0	0
43.	Total plant in service (Sum of L1 thru L42)			\$ 6,085,615	\$ 1,070,951	\$ 203,682	\$ (203,682)	\$ 221,569	\$ -	\$ (26,274)	\$ (11,344)	\$ -	\$ 7,340,417	\$ (19,730)

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**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF PLANT IN SERVICE**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-1(a)(4)

**BF/FH SEWER OPERATIONS**

Line No.	No.	Item	(a) Amount per Updates Direct	(b) Amount per Updates Allocated	(c) Company Proforma remove	(d) Company Proforma	(e) Actual PTY Additions	(f) 'S Adjustment / Engineering	(g) ERC Adjustment	(h) Florence Proceeds	(i) AFUDC Adjustments	(j) Reclassification	(k) Amount per PS	(l) PS Adj.
1.	141201	Organization	\$ 14,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,682	\$ -
2.	141202	Franchises	41,938	0	0	0	0	0	0	0	0	0	41,938	0
3.	141203	Struct and Improv General Plant	287,214	0	(18,722)	18,722	247	0	0	(20,368)	0	0	267,093	(1,398)
4.	141207	Struct and Improv Collect Plant	150	0	3	(3)	0	0	0	0	0	0	150	(3)
5.	141208	Struct and Improv Pump Plant	2,159,370	185	(468,230)	468,230	2,227	0	0	(470,662)	(80)	0	1,691,039	(286)
6.	141209	Struct and Improv Treatment Plant	1,837,412	0	1,018	(1,018)	142	0	0	0	0	0	1,837,554	(875)
7.	141211	Struct and Improv Reclaim Wtr Dist	2,477	0	0	0	0	0	0	0	0	0	2,477	0
8.	141220	Struct and Improv Office	71,239	62,096	3,099	(3,099)	5,000	(1,798)	0	0	0	0	136,538	104
9.	141227	Electric Pump Equip Src Pump	0	0	(2,538)	2,538	0	0	0	(2,538)	0	0	(2,538)	0
10.	141230	Water Treatment Equipment	956,340	0	(11,588)	11,588	(11,588)	0	0	0	0	0	944,752	0
11.	141231	Dist Resv and Standpipes	0	5,051	(4)	4	0	0	0	0	0	0	5,051	4
12.	141232	Trans and Distr Mains	0	16,702	(15)	15	0	0	0	0	0	0	16,702	15
13.	141239	Power Gen Equip Pump Pit	68,264	0	45,039	(45,039)	44,211	0	0	0	0	0	112,475	(828)
14.	141241	Sewer Force Main	227,006	0	914	(914)	0	0	0	0	0	0	227,006	(914)
15.	141242	Sewer Gravity Main	5,330,923	(0)	4,986	(4,986)	983	0	0	0	0	0	5,331,906	(4,003)
16.	141243	Manholes	49,843	0	3,860	(3,860)	3,269	0	0	0	0	0	53,112	(592)
17.	141244	Special Collection Structures	775	0	0	0	0	0	0	0	0	0	775	0
18.	141245	Service to Customers	272,829	0	75,040	(75,040)	66,387	0	0	0	0	0	339,216	(8,653)
19.	141246	Flow Measure Devices	17,806	0	12	(12)	0	0	0	0	0	0	17,806	(12)
20.	141249	Pumping Equip Pump Pit	817,085	0	10,662	(10,662)	9,664	0	0	0	0	0	826,753	(1,018)
21.	141250	Pumping Equip Reclaim WTP	78,717	0	18,436	(18,436)	17,502	0	0	0	0	0	96,219	(933)
22.	141252	Treat/Disp Equip Lagoon	56	0	0	0	0	0	0	0	0	0	56	0
23.	141253	Treat/Disp Equip Trt P t	2,828,541	0	3,840	(3,840)	1,820	0	0	0	0	0	2,830,361	(2,020)
24.	141255	Plant Sewers Treatment Pit	398,182	0	(4,135)	4,135	4,124	0	(8,856)	0	0	0	393,451	(597)
25.	141257	Outfall Lines	37,906	0	38,028	(38,028)	36,794	0	0	0	0	0	74,700	(1,235)
26.	141263	Reuse Dist Reservoirs	2,763	0	0	0	0	0	0	0	0	0	2,763	0
27.	141264	Reuse Transmission and Dist	2,491	0	27	(27)	0	0	0	0	0	0	2,491	(27)
28.	141271	Other Tangible Plant	0	0	79,334	(79,334)	79,334	0	0	0	0	0	79,334	0
29.	141272	Other Plant Collection	(224)	0	0	0	0	0	0	0	0	0	(224)	0
30.	141273	Other Plant Pump	3,442	0	12	(12)	0	0	0	0	0	0	3,442	(12)
31.	141275	Other Plant Reclaim Water Trt	8,372	0	4,387	(4,387)	4,306	0	0	0	0	0	12,677	(81)
32.	141299	Utility Plant Clearing	0	0	(0)	0	(0)	0	0	0	0	0	(0)	0
33.	141303	Office Furniture	1,593	43,452	(1,353)	1,353	0	(1,277)	0	0	0	0	43,768	76
34.	141305	Stores Equipment	2,799	28	(1)	1	0	(1)	0	0	0	0	2,826	(1)
35.	141306	Lab Equipment	6,227	0	509	(509)	507	0	0	0	0	0	6,734	(2)
36.	141308	Tool Shop Equipment	19,929	751	1,501	(1,501)	1,428	(11)	0	0	0	0	22,097	(83)
37.	141309	Power Operated Equipment	53,242	362	769	(769)	689	0	0	0	0	0	54,293	(81)
38.	141310	Communications Equipment	32,790	5,064	26,258	(26,258)	25,754	(186)	0	0	0	0	63,423	(689)
39.	141311	Misc Equipment	33,788	0	35,877	(35,877)	35,209	0	0	0	0	0	68,996	(668)
40.	141399	Bulding and Equipment Clearing	0	0	0	(0)	0	0	0	0	0	0	0	0
41.	141401	Vehicles	0	227,659	(4,002)	4,002	0	(26)	0	0	0	0	227,632	3,975
42.	141501	Computer Hardware	0	99	(5)	5	0	(4)	0	0	0	0	95	1
43.	141502	Desktop/Laptop Computers	0	2,232	5,663	(5,663)	0	(83)	0	0	0	0	2,149	(5,747)
44.	141503	Mainframe Computers	0	18,841	(695)	695	0	(565)	0	0	0	0	18,276	130
45.	141504	Mini Comp Wtr	0	162,250	(4,305)	4,305	0	(5,263)	0	0	0	0	176,967	(978)
46.	141601	Computer Software	0	14,705	1,072	(1,072)	0	(550)	0	0	0	0	14,156	(1,621)
47.	141602	Comp Systems	0	449,872	(20,542)	20,542	0	(16,819)	0	0	0	0	433,053	3,724
48.	141603	Micro Systems	0	9,276	(359)	359	0	(292)	0	0	0	0	8,984	67
49.	141699	Computer Clearing	0	0	0	(0)	0	0	0	0	0	0	0	(0)
50.	141251	Pumping Equip Rcl Wtr Dist	0	0	0	0	0	0	0	0	0	0	0	0
51.	141254	Treat/Disp Equip Rclm Wtr	0	0	0	0	0	0	0	0	0	0	0	0
52.	Total plant in service (Sum of L1 thru L51)			\$ 15,665,970	\$ 1,038,624	\$ (176,127)	\$ 176,127	\$ 328,009	\$ (26,894)	\$ (502,424)	\$ (80)	\$ (80)	\$ 16,503,204	\$ (25,264)

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**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO DIRECT ACCUMULATED DEPRECIATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exh bit I  
Schedule 2-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Accumulated depreciation per Company updates	(\$36,543,210)	(\$29,573,021)	(\$2,511,133)	(\$3,434,669)
2	Adjustment to include company updates 9.19.2022	(172,405)	(110,171)	(8,529)	(10,209)
3	Accumulated depreciation after adjusted for company updates (L1 + L2 )	<b>(36,715,615)</b>	<b>(29,683,192)</b>	<b>(2,519,662)</b>	<b>(3,444,878)</b>
4	Remove Company adjustment ( -L2 )	<b>1,192,338</b>	<b>1,184,607</b>	<b>37,393</b>	<b>154,008</b>
5	Adjustment to include actual general ledger A/D additions through 8/31/2022	(1,007,169) [1]	(1,024,721) [1]	(32,242) [1]	(127,951) [1]
6	Adjustments to add back ERC book adjustment	175,230 [1]	104,543 [1]	21,053 [1]	21,550 [1]
7	Adjustment to reflect annual level of depreciation	(16,695) [1]	28,039 [1]	(5,222) [1]	19,418 [1]
8	Adjustment to accumulated depreciation (Sum of L4 thru L7)	343,704	292,468	20,982	67,025
9	Accumulated depreciation per Public Staff (L3 + L8)	<u>(36,371,911)</u>	<u>(29,390,724)</u>	<u>(2,498,680)</u>	<u>(3,377,853)</u>

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

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF CASH WORKING CAPITAL**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-3

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
<b>Cash Working Capital:</b>					
1	Maintenance expenses, less purchased water and sewer	\$2,957,848 [1]	\$3,426,401 [5]	\$416,926 [9]	\$408,114 [13]
2	General expenses	9,189,350 [2]	5,501,371 [6]	1,089,816 [10]	1,115,501 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$12,147,198</u>	<u>\$8,927,772</u>	<u>\$1,506,743</u>	<u>\$1,523,615</u>
4	Cash working capital (L3 x 1/8)	<u>1,518,400</u>	<u>1,115,972</u>	<u>188,343</u>	<u>190,452</u>
<b>Average Tax Accruals:</b>					
5	Property taxes	135,969 [3]	105,629 [7]	7,746 [11]	9,754 [15]
6	Average accrual (L5 x 1/2)	<u>67,985</u>	<u>52,815</u>	<u>3,873</u>	<u>4,877</u>
7	Regulatory fee	31,200 [4]	23,862 [8]	2,590 [12]	3,709 [16]
8	Average accrual (L7 x 1/5)	<u>6,240</u>	<u>4,772</u>	<u>518</u>	<u>742</u>
9	Total tax accrual (L6 + L8)	<u>74,225</u>	<u>57,587</u>	<u>4,391</u>	<u>5,619</u>
10	Total cash working capital (L4 - L9)	<u>\$1,444,175</u>	<u>\$1,058,385</u>	<u>\$183,952</u>	<u>\$184,833</u>

[1] Brown and Feasel Exh bit I, Schedule 3(a), Column (c), Line 15 minus Line 7. [9] Brown and Feasel Exhibit I, Schedule 3(c), Column (c), Line 15 mi  
 [2] Brown and Feasel Exh bit I, Schedule 3(a), Column (c), Line 24. [10] Brown and Feasel Exhibit I, Schedule 3(c), Column (c), Line 24.  
 [3] Brown and Feasel Exh bit I, Schedule 3(a), Column (c), Line 30. [11] Brown and Feasel Exhibit I, Schedule 3(c), Column (c), Line 30.  
 [4] Brown and Feasel Exh bit I, Schedule 3(a), Column (c), Line 32. [12] Brown and Feasel Exhibit I, Schedule 3(c), Column (c), Line 32.  
 [5] Brown and Feasel Exh bit I, Schedule 3(b), Column (c), Line 15 minus Line 7. [13] Brown and Feasel Exhibit I, Schedule 3(d), Column (c), Line 15 m  
 [6] Brown and Feasel Exh bit I, Schedule 3(b), Column (c), Line 24. [14] Brown and Feasel Exhibit I, Schedule 3(d), Column (c), Line 24.  
 [7] Brown and Feasel Exh bit I, Schedule 3(b), Column (c), Line 30. [15] Brown and Feasel Exhibit I, Schedule 3(d), Column (c), Line 30.  
 [8] Brown and Feasel Exh bit I, Schedule 3(b), Column (c), Line 32. [16] Brown and Feasel Exhibit I, Schedule 3(d), Column (c), Line 32.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF  
CONSTRUCTION, NET OF AMORTIZATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-4

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations			BF/FH/TC Water Operations		
		CJAC (a)	Accumulated Amortization (b)	CIAC, Net of Amortization (c) [2]	CJAC (d)	Accumulated Amortization (e)	CIAC, Net of Amortization (f) [3]	CJAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization (i) [4]
1	CIAC and accumulated amortization per application	<u>(\$29,657,361)</u>	<u>\$13,169,634</u>	<u>(\$16,487,727)</u>	<u>(\$28,776,974)</u>	<u>\$12,350,678</u>	<u>(\$16,426,296)</u>	<u>(\$2,336,301)</u>	<u>\$1,289,262</u>	<u>(\$1,047,039)</u>
2	Adjustment to include company updates 9.19.2022	(27,088)	(9,576)	(36,664)	25,522	772	26,294	(40,515)	(6,351)	(46,866)
3	CIAC and accumulated amortization after adjusted for company updates ( L1 + L2 )	<u>(29,684,449)</u>	<u>13,160,058</u>	<u>(16,524,391)</u>	<u>(28,751,452)</u>	<u>12,351,450</u>	<u>(16,400,002)</u>	<u>(2,376,816)</u>	<u>1,282,911</u>	<u>(1,093,905)</u>
4	Remove Company adjustment ( -L2 )	27,088	(356,834)	(329,746)	(25,522)	(313,858)	(339,380)	40,515	(22,040)	18,475
5	Adjustment to include actual general ledger additions through 8/31/2022	(27,088) [1]	295,704 [1]	268,616	25,522 [1]	261,736 [1]	287,258	(40,515) [1]	17,231 [1]	(23,284)
6	Adjustment to reflect annual level of amortization	<u>0</u>	<u>25,099 [1]</u>	<u>25,099</u>	<u>0</u>	<u>(3,692) [1]</u>	<u>(3,692)</u>	<u>0</u>	<u>16,751 [1]</u>	<u>16,751</u>
7	Adjustment to CIAC ( L4 + L5 + L6 )	<u>0</u>	<u>(36,031)</u>	<u>(36,031)</u>	<u>0</u>	<u>(55,814)</u>	<u>(55,814)</u>	<u>0</u>	<u>11,942</u>	<u>11,942</u>
8	CIAC per Public Staff (L3 + L7)	<u>(\$29,684,449)</u>	<u>\$13,124,027</u>	<u>(\$16,560,422)</u>	<u>(\$28,751,452)</u>	<u>\$12,295,636</u>	<u>(\$16,455,816)</u>	<u>(\$2,376,816)</u>	<u>\$1,294,853</u>	<u>(\$1,081,963)</u>

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

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF  
CONSTRUCTION, NET OF AMORTIZATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-4

Line No.	Item	BF/FH Sewer Operations		
		CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization (l) [5]
1	CIAC and accumulated amortization per application	(\$7,106,629)	\$3,478,864	(\$3,627,765)
2	Adjustment to include company updates 9.19.2022	-	(2,322)	(2,322)
3	CIAC and accumulated amortization after adjusted for company updates ( L1 + L2 )	(7,106,629)	3,476,542	(3,630,087)
4	Remove Company adjustment ( -L2 )	-	(72,996)	(72,996)
5	Adjustment to include actual general ledger additions through 8/31/2022	0 [1]	60,442 [1]	60,442
6	Adjustment to reflect annual level of amortization	0	5,573 [1]	5,573
7	Adjustment to CIAC ( L4 + L5 + L6 )	0	(6,981)	(6,981)
8	CIAC per Public Staff (L3 + L7)	(\$7,106,629)	\$3,469,561	(\$3,637,068)

[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 400  
**CALCULATION OF ACCUMULATED DEFERRED  
INCOME TAXES**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-5

**BF/FH/TC OPERATIONS**

Line No.	Item	Total ADIT Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [3] (c)	CWSNC Uniform Water (d)	CWSNC Uniform Sewer (e)	BF/FH/TC Water [7] (f)	BF/FH Sewer [7] (g)
1	ACCUM DEF INCOME TAX-FED	\$603,395	\$0	\$603,395	\$327,979	\$195,674	\$39,406	\$40,336
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	2,650,562	0	2,650,562	1,440,730	859,548	173,100	177,185
4	DEF FED TAX - RATE CASE	(346,316)	156,020	(190,296) [4]	(103,435) [8]	(61,711) [8]	(12,429) [8]	(12,721) [8]
5	DEF FED TAX - DEF MA NT	(190,812)	(234,049)	(424,861) [4]	(202,359) [9]	(182,472) [9]	(23,870) [9]	(16,160) [9]
6	DEF FED TAX - ORGN EXP	(217,030)	0	(217,030)	(117,968)	(70,380)	(14,174)	(14,508)
7	DEF FED TAX - BAD DEBT	245,405	0	245,405	133,391	79,582	16,027	16,405
8	DEF FED TAX - Post TY Plant Additions	0	(23,048)	(23,048) [5]	(11,098) [10]	(9,904) [10]	(630) [10]	(1,416) [10]
9	DEF FED TAX - DEPRECIATIO	(11,730,213)	0	(11,730,213)	(5,648,397)	(5,040,580)	(320,551)	(720,684)
10	DEF FED TAX - NOL	3,469,797	0	3,469,797	1,765,314	1,346,062	148,936	209,485
11	Total Federal ADIT (Sum of L1 thru L10)	(5,515,211)	(101,077)	(5,616,288)	(2,415,843)	(2,884,181)	5,815	(322,078)
12	ACCUM DEF INCOME TAX - ST	(376,048)	0	(376,048)	(204,403)	(\$121,948)	(\$24,558)	(\$25,138)
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	56,220	0	56,220	30,559	18,231	3,672	3,758
15	DEF ST TAX - RATE CASE	(53,036)	29,801	(23,235) [6]	(12,629) [8]	(7,535) [8]	(1,518) [8]	(1,553) [8]
16	DEF ST TAX - DEF MA NT	(22,696)	(29,180)	(51,876) [6]	(24,708) [9]	(22,280) [9]	(2,915) [9]	(1,973) [9]
17	DEF ST TAX - ORGN EXP	(60,379)	0	(60,379)	(32,819)	(19,580)	(3,943)	(4,036)
18	DEF ST TAX - BAD DEBT	(3,894)	0	(3,894)	(2,116)	(1,263)	(254)	(260)
19	DEF ST TAX - Post TY Plant Additions	0	(2,814)	(2,814) [5]	(1,355) [10]	(1,209) [10]	(77) [10]	(173) [10]
20	DEF ST TAX - DEPRECIATION	(122,431)	0	(122,431)	(58,954)	(52,610)	(3,346)	(7,522)
21	DEF ST TAX - NOL	(49,329)	0	(49,329)	(25,097)	(19,137)	(2,117)	(2,978)
22	Total State ADIT (Sum of L12 thru L21)	(631,593)	(2,193)	(633,786)	(331,523)	(227,330)	(35,056)	(39,875)
23	Total Direct ADIT (L11 + L22)	(6,146,805)	(103,270)	(6,250,075)	(2,747,365)	(3,111,511)	(29,241)	(361,953)
24	ADIT allocated from WSC	(2,335)	0	(2,335)	(1,269)	(757)	(152)	(156)
25	Total ADIT (L23 + L24)	(6,149,140)	(103,270)	(6,252,410)	(2,748,634)	(3,112,268)	(29,393)	(362,109)
26	Excess deferred income tax	0	0	0	0	0	0	0
27	Total ADIT, after EDIT impact	(\$6,149,140)	(\$103,270)	(\$6,252,410)	(\$2,748,634)	(\$3,112,268)	(\$29,393)	(\$362,109)

[1] Form W-1, Item 10, Supplemental Schedules.  
 [2] Column (c) minus Column (a), unless otherwise footnoted.  
 [3] Column (a) plus Column (b), unless otherwise footnoted.  
 [4] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.  
 [5] Calculated ADIT impact based on Post TY Additions.  
 [6] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.  
 [7] Column (c) allocated based on customers, unless otherwise footnoted.  
 [8] Column (c) allocated based on unamortized rate case expense.  
 [9] Column (c) allocated based on unamortized deferred maintenance.  
 [10] Column (c) allocated based on Post TY Additions.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ADJUSTMENT TO GAIN ON SALE**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-6

Line No.	Item	CWSNC	CWSNC
		Water	Sewer
		(a)	(b)
1	Gain on sale per updates	<u>(\$196,947)</u>	<u>(\$92,681)</u>
2	Gain on sale of systems sold to CMUD	<u>(152,858) [1]</u>	<u>(77,871) [1]</u>
3	Less: accumulated amortization	<u>152,858 [2]</u>	<u>77,871 [2]</u>
4	Gain on sale of systems, net of amortization (L2 + L3)	<u>0</u>	<u>0</u>
5	Gain on sale and flow back of taxes	<u>(196,947) [1]</u>	<u>(92,681) [1]</u>
6	Gain on sale per Public Staff (L4 + L5)	<u>(196,947)</u>	<u>(92,681)</u>
7	Adjustment to gain on sale (L6 - L1)	<u>\$0</u>	<u>\$0</u>
8	Gain on sale amortization expense per application	\$0 [1]	\$0 [1]
9	Gain on sale amortization expense per Public Staff	<u>0 [3]</u>	<u>0 [3]</u>
10	Adjustment to gain on sale amortization expense (L9 - L8)	<u>\$0</u>	<u>\$0</u>

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

[2] Gain on sale of systems sold to CMUD fully amortized by March 31, 2022.

[3] Calculated \$0 amortization expense due to fully amortized gain on sale of systems sold to CMUD.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO PURCHASE ACQUISITION**  
**ADJUSTMENT, NET OF AMORTIZATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-7  
Page 1 of 2

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>(\$4,221,508)</u>	<u>\$2,436,986</u>	<u>(\$1,784,522)</u>	<u>(\$627,070)</u>	<u>\$1,023,488</u>	<u>\$396,418</u>
2	Adjustment to include company updates 9.19.2022	<u>(\$1) [1]</u>	<u>\$0</u>	<u>(\$1)</u>	<u>\$0</u>	<u>(\$0)</u>	<u>(\$0)</u>
3	PAA and accumulated amortization after adjusted for company updates ( L1 + L2 )	<u>(\$4,221,509)</u>	<u>\$2,436,986</u>	<u>(\$1,784,523)</u>	<u>(\$627,070)</u>	<u>\$1,023,488</u>	<u>\$396,418</u>
4	Adjustment to include actual general ledger additions through 8/31/2022	<u>0</u>	<u>42,851 [1]</u>	<u>42,851</u>	<u>0</u>	<u>14,942 [1]</u>	<u>14,942</u>
5	Adjustment to reflect annual level of amortization	<u>0</u>	<u>18,737 [1]</u>	<u>18,737</u>	<u>0</u>	<u>(18,240) [1]</u>	<u>(18,240)</u>
6	Total adjustment to PAA (L4 + L5)	<u>0</u>	<u>61,588</u>	<u>61,588</u>	<u>0</u>	<u>(3,298)</u>	<u>(3,298)</u>
7	PAA per Public Staff (L3 + L6)	<u>(\$4,221,509)</u>	<u>\$2,498,574</u>	<u>(\$1,722,935)</u>	<u>(\$627,070)</u>	<u>\$1,020,190</u>	<u>\$393,121</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 400  
**ADJUSTMENT TO PURCHASE ACQUISITION**  
**ADJUSTMENT, NET OF AMORTIZATION**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 2-7  
Page 2 of 2

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		PAA (g)	Accumulated Amortization (h)	PAA, Net of Amortization (i) [4]	PAA (j)	Accumulated Amortization (k)	PAA, Net of Amortization (l) [5]
1	PAA and accumulated amortization per application	\$607,431	(\$629,079)	(\$21,648)	\$1,680,077	(\$828,094)	\$851,982
2	Adjustment to include company updates 9.19.2022	\$1	\$0	1	\$0	\$0	0
3	PAA and accumulated amortization after adjusted for company updates ( L1 + L2 )	\$607,432	(\$629,079)	(\$21,646)	\$1,680,077	(\$828,094)	\$851,982
4	Adjustment to include actual general ledger additions through 8/31/2022	0	(4,864) [1]	(4,864)	0	(12,596) [1]	(12,596)
5	Adjustment to reflect annual level of amortization	0	(2,783) [1]	(2,783)	0	(13,117) [1]	(13,117)
6	Total adjustment to PAA (L4 + L5)	0	(7,647)	(7,647)	0	(25,713)	(25,713)
7	PAA per Public Staff (L3 + L6)	\$607,432	(\$636,726)	(\$29,293)	\$1,680,077	(\$853,807)	\$826,270

- [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 400

**CALCULATION OF DEFERRED CHARGES**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 2-8

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Unamortized deferred maintenance - water	\$988,322 [1]	\$0	\$116,582 [3]	\$0
2	Unamortized deferred maintenance - sewer	<u>0</u>	<u>891,194</u> [2]	<u>0</u>	<u>78,925</u> [4]
3	Unamortized deferred charges per Public Staff (L1 + L2)	<u>\$988,322</u>	<u>\$891,194</u>	<u>\$116,582</u>	<u>\$78,925</u>

[1] Brown and Feasel Exhibit I, Schedule 2-8(a), Column (f), Line 5.

[2] Brown and Feasel Exhibit I, Schedule 2-8(a), Column (f), Line 7 plus Line 8.

[3] Brown and Feasel Exhibit I, Schedule 2-8(a), Column (f), Line 14.

[4] Brown and Feasel Exhibit I, Schedule 2-8(a), Column (f), Line 17.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**CALCULATION OF DEFERRED MAINTENANCE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 2-8(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)
<b><u>Deferred maintenance - CWSNC Uniform Water</u></b>							
1	Deferred elevated storage tank painting	\$781,597	10	Various	\$78,160	\$677,588	\$104,009
2	Deferred hydro storage tank painting	586,086	5	Various	117,217	515,660	70,426
3	Deferred hydro storage tank inspection	981,963	5	Various	196,393	803,856	178,107
4	Fusion Oracle ERP	915,162	9	Various	102,635	279,382	635,780
5	Total deferred maintenance - water (Sum of L1 thru L4)	<u>3,264,808</u>			<u>494,405</u>	<u>2,276,486</u>	<u>988,322</u>
<b><u>Deferred maintenance - CWSNC Uniform Sewer</u></b>							
6	Belvedere pump and haul	3,424,839	10	Various	342,484	3,259,312	165,527
7	WWTP	1,065,076	5	Various	213,015	551,467	513,609
8	Fusion Oracle ERP	543,508	9	Various	60,390	165,923	377,585
9	Total deferred maintenance - sewer (L6 + L7 + L8)	<u>5,033,423</u>			<u>615,889</u>	<u>3,976,702</u>	<u>1,056,721</u>
<b><u>Deferred maintenance - BF/FH/TC Water</u></b>							
10	Deferred elevated storage tank painting	66,028	10	Various	6,603	37,416	28,612
11	Deferred hydro storage tank painting	36,500	5	Various	7,300	36,500	0
12	Deferred hydro storage tank inspection	62,089	5	Various	12,418	51,306	10,783
13	Fusion Oracle ERP	111,106	9	Various	12,345	33,919	77,188
14	Total deferred maintenance - water (Sum of L10 thru L13)	<u>275,723</u>			<u>38,666</u>	<u>159,141</u>	<u>116,582</u>
<b><u>Deferred maintenance - BF/FH Sewer</u></b>							
15	WWTP	110,492	5	Various	22,098	110,492	0
16	Fusion Oracle ERP	113,608	9	Various	12,623	34,682	78,925
17	Total deferred maintenance - sewer (L15 + L16)	<u>224,099</u>			<u>34,721</u>	<u>145,174</u>	<u>78,925</u>
18	Total deferred maintenance (L5 + L9 +L14 +L17)	<u>\$8,798,053</u>			<u>\$1,183,681</u>	<u>\$6,557,503</u>	<u>\$2,240,551</u>

[1] Per examination of Company's financial records.  
 [2] Column (a) divided by Column (b).  
 [3] Total monthly amortization through March 31, 2023.  
 [4] Column (a) minus Column (e).

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**NET OPERATING INCOME FOR A RETURN**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3(a)  
Page 1 of 2

**CWSNC WATER OPERATIONS**

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [26]	Operations After Rate Increase [27]	Net Public Staff Increase [33]	Operations After Rate Increase [34]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Operating Revenues</b>								
1	Service revenues	\$22,816,174	(\$539,469)	\$22,276,705 [3]	\$1,629,378	\$23,906,083 [3]	\$514,069	\$22,790,774 [35]
2	Miscellaneous revenues	90,390	81,556	171,946 [4]	4,621	176,567 [28]	1,458	173,404 [36]
3	Uncollectible accounts	(222,895)	60,303	(162,592) [5]	(11,893)	(174,485) [29]	(3,753)	(166,345) [37]
4	<b>Total operating revenues (Sum of L1 thru L3)</b>	<b>22,683,669</b>	<b>(397,610)</b>	<b>22,286,059</b>	<b>1,622,106</b>	<b>23,908,165</b>	<b>511,774</b>	<b>22,797,833</b>
<b>Maintenance Expenses</b>								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	1,073,063	(2,205)	1,070,858 [6]	0	1,070,858	0	1,070,858
7	Purchased water	1,665,457	0	1,665,457	0	1,665,457	0	1,665,457
8	Maintenance and repair	1,201,678	(6,052)	1,195,626 [7]	0	1,195,626	0	1,195,626
9	Maintenance testing	195,388	0	195,388	0	195,388	0	195,388
10	Meter reading	229,336	(6,724)	222,612 [8]	0	222,612	0	222,612
11	Chemicals	395,379	(64,547)	330,832 [9]	0	330,832	0	330,832
12	Transportation	280,606	6,486	287,092 [10]	0	287,092	0	287,092
13	Operating expenses charged to plant	(450,858)	(6,859)	(457,717) [11]	0	(457,717)	0	(457,717)
14	Outside services - other	124,388	(11,230)	113,158 [12]	0	113,158	0	113,158
15	<b>Total maintenance expenses (Sum of L5 thru L14)</b>	<b>4,714,437</b>	<b>(91,132)</b>	<b>4,623,305</b>	<b>0</b>	<b>4,623,305</b>	<b>0</b>	<b>4,623,305</b>
<b>General Expenses</b>								
16	Salaries and wages	3,949,931	(77,887)	3,872,044 [13]	0	3,872,044	0	3,872,044
17	Office supplies and other office expense	319,242	0	319,242	0	319,242	0	319,242
18	Regulatory commission expense	400,430	(271,617)	128,813 [14]	0	128,813	0	128,813
19	Pension and other benefits	976,152	(39,702)	936,450 [15]	0	936,450	0	936,450
20	Rent	211,794	0	211,794	0	211,794	0	211,794
21	Insurance	714,402	37,705	752,107 [16]	0	752,107	0	752,107
22	Office utilities	180,673	0	180,673	0	180,673	0	180,673
23	Miscellaneous	2,969,417	(181,190)	2,788,227 [17]	0	2,788,227	0	2,788,227
24	<b>Total general expenses (Sum of L16 thru L23)</b>	<b>9,722,041</b>	<b>(532,691)</b>	<b>9,189,350</b>	<b>0</b>	<b>9,189,350</b>	<b>0</b>	<b>9,189,350</b>
<b>Depreciation and Taxes</b>								
25	Depreciation expense	4,035,064	(656,276)	3,378,788 [18]	0	3,378,788	0	3,378,788
26	Amortization of CIAC	(733,560)	0	(733,560) [19]	0	(733,560)	0	(733,560)
27	Amortization of PAA	(117,358)	(4,221)	(121,579) [20]	0	(121,579)	0	(121,579)
28	Amortization of ITC	0	(265)	(265) [21]	0	(265)	0	(265)
29	Franchise and other taxes	56,485	0	56,485	0	56,485	0	56,485
30	Property taxes	135,969	0	135,969	0	135,969	0	135,969
31	Payroll taxes	304,405	(6,480)	297,925 [21]	0	297,925	0	297,925
32	Regulatory fee	32,392	(1,192)	31,200 [22]	2,271	33,471 [30]	717	31,917 [38]
33	Deferred Income Tax	0	(64,882)	(64,882) [23]	0	(64,882)	0	(64,882)
34	State income tax	122,738	(28,352)	94,386 [24]	40,496	134,882 [31]	12,776	107,162 [39]
35	Federal income tax	1,005,225	(232,203)	773,022 [25]	331,661	1,104,683 [32]	104,639	877,661 [40]
36	<b>Total depreciation and taxes (Sum of L25 thru L35)</b>	<b>4,841,095</b>	<b>(993,606)</b>	<b>3,847,489</b>	<b>374,428</b>	<b>4,221,917</b>	<b>118,132</b>	<b>3,965,621</b>
37	Total operating revenue deductions (L15 + L24 + L36)	19,277,573	(1,617,429)	17,660,144	374,428	18,034,572	118,132	17,778,276
38	Net operating income for a return (L4 - L37)	\$3,406,096	\$1,219,818	\$4,625,914	\$1,247,678	\$5,873,592	\$393,642	\$5,019,556

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**CAROLINA WATER SERVICE, INC., OF NC**

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**Docket No. W-354, Sub 400**  
**FOOTNOTES TO SCHEDULE 3(a)**  
**For The Test Year Ended March 31, 2022**

Brown and Feasel Exhibit  
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 Darden.
- [4] Brown and Feasel Exh bit I, Schedule 3-1(a), Column (c), Line 4.
- [5] Brown and Feasel Exh bit I, Schedule 3-2, Column (a), Line 6.
- [6] Brown and Feasel Exh bit I, Schedule 3-4, Column (a), Line 5.
- [7] Brown and Feasel Exh bit I, Schedule 3-5, Column (a), Line 7.
- [8] Brown and Feasel Exh bit I, Schedule 3-6, Column (a), Line 6.
- [9] Based on review of the Company's data.
- [10] Brown and Feasel Exh bit I, Schedule 3-7, Column (a), Line 7.
- [11] Brown and Feasel Exh bit I, Schedule 3-8, Column (a), Line 6.
- [12] Brown and Feasel Exh bit I, Schedule 3-9, Column (a), Line 8.
- [13] Brown and Feasel Exh bit I, Schedule 3-3, Column (a), Line 5.
- [14] Brown and Feasel Exh bit I, Schedule 3-10, Column (d), Line 11.
- [15] Brown and Feasel Exh bit I, Schedule 3-11, Column (a), Line 5.
- [16] Brown and Feasel Exh bit I, Schedule 3-12, Column (a), Line 10.
- [17] Brown and Feasel Exh bit I, Schedule 3-13, Column (a), Line 8.
- [18] Brown and Feasel Exh bit I, Schedule 3-14, Column (a), Line 5.
- [19] Calculated based on the company's data.
- [20] Brown and Feasel Exh bit I, Schedule 3-14, Column (a), Line 13.
- [21] Brown and Feasel Exh bit I, Schedule 3-16, Column (a), Line 5.
- [22] Line 4 Column ( c ) multiplied by 0.14%.
- [23] Calculated based on the Public Staff's workpaper.
- [24] Brown and Feasel Exh bit I, Schedule 3-17(a), Column (a), Line 16.
- [25] Brown and Feasel Exh bit I, Schedule 3-17(a), Column (a), Line 18.
- [26] Column (e) minus Column (c), unless otherwise footnoted.
- [27] Column (c) plus Column (d), unless otherwise footnoted.
- [28] Brown and Feasel Exh bit I, Schedule 3-1(a), Column (c), Line 8.
- [29] Brown and Feasel Exh bit I, Schedule 3-2, Column (a), Line 9.
- [30] Line 4 Column ( e ) multiplied by 0.14%.
- [31] Brown and Feasel Exh bit I, Schedule 3-17(a), Column (b), Line 16.
- [32] Brown and Feasel Exh bit I, Schedule 3-17(a), Column (b), Line 18.
- [33] Column (g) minus Column (c), unless otherwise footnoted.
- [34] Column (c) plus Column (f), unless otherwise footnoted.
- [35] Revenue requirement as calculated by the Public Staff.
- [36] Brown and Feasel Exh bit I, Schedule 3-1(a), Column (c), Line 12.
- [37] Brown and Feasel Exh bit I, Schedule 3-2, Column (a), Line 12.
- [38] Line 4 Column ( g ) multiplied by 0.14%.
- [39] Brown and Feasel Exh bit I, Schedule 3-17(a), Column (c), Line 16.
- [40] Brown and Feasel Exh bit I, Schedule 3-17(a), Column (c), Line 18.



**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**NET OPERATING INCOME FOR A RETURN**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3(b)  
Page 1 of 2

**CWSNC SEWER OPERATIONS**

Line No.	Item	Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [32]	Operations After Rate Increase [33]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
<b>Operating Revenues</b>										
1	Service revenues	\$17,559,952	(\$573,835)	\$16,986,117 [3]	\$1,706,482	\$18,692,599 [3]	\$1,319,564	\$18,305,681 [34]		
2	Miscellaneous revenues	73,544	56,472	130,016 [4]	4,572	134,588 [27]	3,535	133,551 [35]		
3	Uncollectible accounts	(171,546)	99,560	(71,986) [5]	(7,232)	(79,218) [28]	(5,592)	(77,578) [36]		
4	<b>Total operating revenues (Sum of L1 thru L3)</b>	<b>17,461,950</b>	<b>(417,803)</b>	<b>17,044,147</b>	<b>1,703,822</b>	<b>18,747,969</b>	<b>1,317,507</b>	<b>18,361,654</b>		
<b>Maintenance Expenses</b>										
5	Salaries and wages	0	0	0	0	0	0	0		
6	Purchased power	838,500	(22,345)	816,155 [6]	0	816,155	0	816,155		
7	Purchased sewer	1,048,540	0	1,048,540	0	1,048,540	0	1,048,540		
8	Maintenance and repair	1,662,107	97,964	1,760,071 [7]	0	1,760,071	0	1,760,071		
9	Maintenance testing	305,558	0	305,558	0	305,558	0	305,558		
10	Meter reading	3,024	0	3,024	0	3,024	0	3,024		
11	Chemicals	587,472	(11,593)	575,879 [8]	0	575,879	0	575,879		
12	Transportation	167,411	3,869	171,280 [9]	0	171,280	0	171,280		
13	Operating expenses charged to plant	(268,985)	(4,092)	(273,077) [10]	0	(273,077)	0	(273,077)		
14	Outside services - other	74,211	(6,701)	67,510 [11]	0	67,510	0	67,510		
15	<b>Total maintenance expenses (Sum of L5 thru L14)</b>	<b>4,417,838</b>	<b>57,103</b>	<b>4,474,941</b>	<b>0</b>	<b>4,474,941</b>	<b>0</b>	<b>4,474,941</b>		
<b>General Expenses</b>										
16	Salaries and wages	2,356,552	(46,468)	2,310,084 [12]	0	2,310,084	0	2,310,084		
17	Office supplies and other office expense	190,462	0	190,462	0	190,462	0	190,462		
18	Regulatory commission expense	238,899	(162,048)	76,851 [13]	0	76,851	0	76,851		
19	Pension and other benefits	582,378	(23,686)	558,692 [14]	0	558,692	0	558,692		
20	Rent	126,358	0	126,358	0	126,358	0	126,358		
21	Insurance	426,217	22,495	448,712 [15]	0	448,712	0	448,712		
22	Office utilities	106,857	0	106,857	0	106,857	0	106,857		
23	Miscellaneous	1,711,160	(27,805)	1,683,355 [16]	0	1,683,355	0	1,683,355		
24	<b>Total general expenses (Sum of L16 thru L23)</b>	<b>5,738,883</b>	<b>(237,512)</b>	<b>5,501,371</b>	<b>0</b>	<b>5,501,371</b>	<b>0</b>	<b>5,501,371</b>		
<b>Depreciation and Taxes</b>										
25	Depreciation expense	3,456,269	(390,927)	3,065,342 [17]	0	3,065,342	0	3,065,342		
26	Amortization of CIAC	(625,462)	(0)	(625,462) [18]	0	(625,462)	0	(625,462)		
27	Amortization of PAA	(17,433)	(188)	(17,621) [19]	0	(17,621)	0	(17,621)		
28	Amortization of ITC	0	0	(254) [20]	0	(254)	0	(254)		
29	Franchise and other taxes	48,173	0	48,173	0	48,173	0	48,173		
30	Property taxes	105,629	0	105,629	0	105,629	0	105,629		
31	Payroll taxes	181,610	(3,866)	177,744 [20]	0	177,744	0	177,744		
32	Regulatory fee	25,609	(1,747)	23,862 [21]	2,385	26,247 [29]	1,844	25,706 [37]		
33	Deferred Income Tax	0	(38,709)	(38,709) [22]	0	(38,709)	0	(38,709)		
34	State income tax	115,456	(47,000)	68,456 [23]	42,536	110,992 [30]	32,892	101,348 [38]		
35	Federal income tax	945,582	(384,927)	560,655 [24]	348,369	909,024 [31]	269,382	830,037 [39]		
36	<b>Total depreciation and taxes (Sum of L25 thru L35)</b>	<b>4,235,179</b>	<b>(867,364)</b>	<b>3,367,815</b>	<b>393,290</b>	<b>3,761,105</b>	<b>304,118</b>	<b>3,671,933</b>		
37	Total operating revenue deductions (L15 + L24 + L36)	14,391,900	(1,047,773)	13,344,127	393,290	13,737,417	304,118	13,648,245		
38	Net operating income for a return (L4 - L37)	\$3,070,050	\$629,970	\$3,700,020	\$1,310,532	\$5,010,552	\$1,013,389	\$4,713,409		

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**CAROLINA WATER SERVICE, INC., OF NC**

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**Docket No. W-354, Sub 400**  
**FOOTNOTES TO SCHEDULE 3(b)**  
**For The Test Year Ended March 31, 2022**

Brown and Feasel Exhibit  
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] Based on the recommendation of Public Staff Engineer Darden.
- [4] Brown and Feasel Exh bit I, Schedule 3-1(b), Column (c), Line 4.
- [5] Brown and Feasel Exh bit I, Schedule 3-2, Column (b), Line 6.
- [6] Brown and Feasel Exh bit I, Schedule 3-4, Column (b), Line 5.
- [7] Brown and Feasel Exh bit I, Schedule 3-6, Column (b), Line 7.
- [8] Based on review of the Company's data.
- [9] Brown and Feasel Exh bit I, Schedule 3-7, Column (b), Line 7.
- [10] Brown and Feasel Exh bit I, Schedule 3-8, Column (b), Line 6.
- [11] Brown and Feasel Exh bit I, Schedule 3-9, Column (b), Line 8.
- [12] Brown and Feasel Exh bit I, Schedule 3-3, Column (b), Line 5.
- [13] Brown and Feasel Exh bit I, Schedule 3-10, Column (e), Line 11.
- [14] Brown and Feasel Exh bit I, Schedule 3-11, Column (b), Line 5.
- [15] Brown and Feasel Exh bit I, Schedule 3-12, Column (b), Line 10.
- [16] Brown and Feasel Exh bit I, Schedule 3-13, Column (b), Line 8.
- [17] Brown and Feasel Exh bit I, Schedule 3-14, Column (b), Line 5.
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- [20] Brown and Feasel Exh bit I, Schedule 3-16, Column (b), Line 5.
- [21] Line 4 Column ( c ) multiplied by 0.14%.
- [22] Calculated based on the Public Staff's workpaper.
- [23] Brown and Feasel Exh bit I, Schedule 3-17(b), Column (a), Line 16.
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- [34] Revenue requirement as calculated by the Public Staff.
- [35] Brown and Feasel Exh bit I, Schedule 3-1(b), Column (c), Line 12.
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**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**NET OPERATING INCOME FOR A RETURN**  
For The Test Year Ended March 31, 2022

Brown and 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 Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [23]	Operations After Rate Increase [24]	Net Public Staff Increase [30]	Operations After Rate Increase [31]	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
<b>Operating Revenues</b>								
1	Service revenues	\$1,881,112	(\$1,668)	\$1,879,444 [3]	\$236,594	\$2,116,038 [3]	\$105,670	\$1,985,114 [32]
2	Miscellaneous revenues	7,861	6,471	14,332 [4]	666	14,998 [25]	297	14,629 [33]
3	Uncollectible accounts	(29,540)	(14,207)	(43,747) [5]	(5,507)	(49,254) [26]	(2,460)	(46,207) [34]
4	<b>Total operating revenues (Sum of L1 thru L3)</b>	<b>1,859,433</b>	<b>(9,404)</b>	<b>1,850,029</b>	<b>231,753</b>	<b>2,081,782</b>	<b>103,507</b>	<b>1,953,536</b>
<b>Maintenance Expenses</b>								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	70,432	0	70,432	0	70,432	0	70,432
7	Purchased water	609	0	609	0	609	0	609
8	Maintenance and repair	195,200	12,756	207,956 [6]	0	207,956	0	207,956
9	Maintenance testing	10,196	0	10,196	0	10,196	0	10,196
10	Meter reading	47,602	0	47,602	0	47,602	0	47,602
11	Chemicals	86,232	(32)	86,200 [7]	0	86,200	0	86,200
12	Transportation	38,572	(2,405)	36,167 [8]	0	36,167	0	36,167
13	Operating expenses charged to plant	(65,538)	(824)	(66,362) [9]	0	(66,362)	0	(66,362)
14	Outside services - other	24,735	0	24,735	0	24,735	0	24,735
15	<b>Total maintenance expenses (Sum of L5 thru L14)</b>	<b>408,040</b>	<b>9,495</b>	<b>417,535</b>	<b>0</b>	<b>417,535</b>	<b>0</b>	<b>417,535</b>
<b>General Expenses</b>								
16	Salaries and wages	474,573	(9,357)	465,216 [10]	0	465,216	0	465,216
17	Office supplies and other office expense	36,081	0	36,081	0	36,081	0	36,081
18	Regulatory commission expense	49,468	(33,943)	15,525 [11]	0	15,525	0	15,525
19	Pension and other benefits	117,282	(4,770)	112,512 [12]	0	112,512	0	112,512
20	Rent	25,446	0	25,446	0	25,446	0	25,446
21	Insurance	85,834	4,530	90,364 [13]	0	90,364	0	90,364
22	Office utilities	17,363	0	17,363	0	17,363	0	17,363
23	Miscellaneous	318,995	8,315	327,310 [14]	0	327,310	0	327,310
24	<b>Total general expenses (Sum of L16 thru L23)</b>	<b>1,125,042</b>	<b>(35,226)</b>	<b>1,089,816</b>	<b>0</b>	<b>1,089,816</b>	<b>0</b>	<b>1,089,816</b>
<b>Depreciation and Taxes</b>								
25	Depreciation expense	205,217	(55,986)	149,231 [15]	0	149,231	0	149,231
26	Amortization of CIAC	(57,707)	0	(57,707) [16]	0	(57,707)	0	(57,707)
27	Amortization of PAA	15,854	(1,397)	14,457 [17]	0	14,457	0	14,457
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	(1,321)	0	(1,321)	0	(1,321)	0	(1,321)
30	Property taxes	7,746	0	7,746	0	7,746	0	7,746
31	Payroll taxes	36,573	(778)	35,795 [18]	0	35,795	0	35,795
32	Regulatory fee	2,710	(120)	2,590 [19]	324	2,914 [27]	145	2,735 [35]
33	Deferred Income Tax	0	(8,585)	(8,585) [20]	0	(8,585)	0	(8,585)
34	State income tax	6,187	(3,492)	2,695 [21]	5,786	8,481 [28]	2,584	5,279 [36]
35	Federal income tax	50,659	(28,595)	22,074 [22]	47,385	69,459 [29]	21,163	43,237 [37]
36	<b>Total depreciation and taxes (Sum of L25 thru L35)</b>	<b>265,928</b>	<b>(98,953)</b>	<b>166,975</b>	<b>53,495</b>	<b>220,470</b>	<b>23,892</b>	<b>190,867</b>
37	Total operating revenue deductions (L15 + L24 + L36)	1,799,010	(124,683)	1,674,327	53,495	1,727,822	23,892	1,698,219
38	Net operating income for a return (L4 - L37)	\$60,423	\$115,279	\$175,702	\$178,258	\$353,960	\$79,615	\$255,317

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**CAROLINA WATER SERVICE, INC., OF NC**

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**Docket No. W-354, Sub 400**  
**FOOTNOTES TO SCHEDULE 3(c)**  
**For The Test Year Ended March 31, 2022**

Brown and Feasel Exhibit  
Schedule 3(c)  
Page 2 of 2

**BF/FH/TC WATER OPERATIONS**

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Darden.
- [4] Brown and Feasel Exh bit I, Schedule 3-1(c), Column (c), Line 4.
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- [13] Brown and Feasel Exh bit I, Schedule 3-12, Column (c), Line 10.
- [14] Brown and Feasel Exh bit I, Schedule 3-13, Column (c), Line 8.
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- [21] Brown and Feasel Exh bit I, Schedule 3-17(c), Column (a), Line 16.
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**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**NET OPERATING INCOME FOR A RETURN**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3(d)  
Page 1 of 2

**BF/FH SEWER OPERATIONS**

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [21]	Operations After Rate Increase [22]	Net Public Staff Increase [28]	Operations After Rate Increase [29]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Operating Revenues</b>								
1	Service revenues	\$2,633,654	\$9,864	\$2,643,518 [3]	\$398,799	\$3,042,317 [3]	\$34,340	\$2,677,858 [30]
2	Miscellaneous revenues	12,471	8,304	20,775 [4]	1,070	21,845 [23]	92	20,867 [31]
3	Uncollectible accounts	(41,357)	26,080	(15,277) [5]	(2,304)	(17,581) [24]	(198)	(15,475) [32]
4	<b>Total operating revenues (Sum of L1 thru L3)</b>	<b>2,604,768</b>	<b>44,248</b>	<b>2,649,016</b>	<b>397,565</b>	<b>3,046,581</b>	<b>34,234</b>	<b>2,683,250</b>
<b>Maintenance Expenses</b>								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	149,604	0	149,604	0	149,604	0	149,604
7	Purchased sewer	0	0	0	0	0	0	0
8	Maintenance and repair	236,104	(59,930)	176,174 [6]	0	176,174	0	176,174
9	Maintenance testing	24,179	0	24,179	0	24,179	0	24,179
10	Meter reading	1,041	0	1,041	0	1,041	0	1,041
11	Chemicals	67,536	(4,833)	62,704	0	62,704	0	62,704
12	Transportation	39,483	(2,461)	37,022	0	37,022	0	37,022
13	Operating expenses charged to plant	(67,085)	(844)	(67,929) [7]	0	(67,929)	0	(67,929)
14	Outside services - other	25,319	0	25,319	0	25,319	0	25,319
15	<b>Total maintenance expenses (Sum of L5 thru L14)</b>	<b>476,181</b>	<b>(68,067)</b>	<b>408,114</b>	<b>0</b>	<b>408,114</b>	<b>0</b>	<b>408,114</b>
<b>General Expenses</b>								
16	Salaries and wages	485,774	(9,579)	476,195 [8]	0	476,195	0	476,195
17	Office supplies and other office expense	36,933	0	36,933	0	36,933	0	36,933
18	Regulatory commission expense	50,635	(34,746)	15,889 [9]	0	15,889	0	15,889
19	Pension and other benefits	120,050	(4,883)	115,167 [10]	0	115,167	0	115,167
20	Rent	26,047	0	26,047	0	26,047	0	26,047
21	Insurance	87,859	4,638	92,497 [11]	0	92,497	0	92,497
22	Office utilities	17,772	0	17,772	0	17,772	0	17,772
23	Miscellaneous	326,492	8,509	335,001 [12]	0	335,001	0	335,001
24	<b>Total general expenses (Sum of L16 thru L23)</b>	<b>1,151,562</b>	<b>(36,061)</b>	<b>1,115,501</b>	<b>0</b>	<b>1,115,501</b>	<b>0</b>	<b>1,115,501</b>
<b>Depreciation and Taxes</b>								
25	Depreciation expense	479,039	(80,550)	398,489 [13]	0	398,489	0	398,489
26	Amortization of CIAC	(150,635)	(0)	(150,635) [14]	0	(150,635)	0	(150,635)
27	Amortization of PAA	43,850	(504)	43,346 [15]	0	43,346	0	43,346
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	(1,352)	0	(1,352)	0	(1,352)	0	(1,352)
30	Property taxes	9,754	0	9,754	0	9,754	0	9,754
31	Payroll taxes	37,437	(797)	36,640 [16]	0	36,640	0	36,640
32	Regulatory fee	3,851	(142)	3,709 [17]	556	4,265 [25]	48	3,757 [33]
33	Deferred Income Tax	0	(8,786)	(8,786) [18]	0	(8,786)	0	(8,786)
34	State income tax	16,654	(2,719)	13,935 [19]	9,925	23,860 [26]	855	14,790 [34]
35	Federal income tax	136,397	(22,269)	114,128 [20]	81,287	195,415 [27]	6,999	121,127 [35]
36	<b>Total depreciation and taxes (Sum of L25 thru L35)</b>	<b>574,995</b>	<b>(115,767)</b>	<b>459,228</b>	<b>91,768</b>	<b>550,996</b>	<b>7,902</b>	<b>467,130</b>
37	Total operating revenue deductions (L15 + L24 + L36)	2,202,738	(219,895)	1,982,843	91,768	2,074,611	7,902	1,990,745
38	Net operating income for a return (L4 - L37)	\$402,030	\$264,143	\$666,173	\$305,797	\$971,970	\$26,332	\$692,505

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**CAROLINA WATER SERVICE, INC., OF NC**

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Docket No. W-354, Sub 400  
**FOOTNOTES TO SCHEDULE 3(d)**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit  
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.
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- [4] Brown and Feasel Exh bit I, Schedule 3-1(d), Column (c), Line 4.
- [5] Brown and Feasel Exh bit I, Schedule 3-2, Column (d), Line 6.
  
- [6] Brown and Feasel Exh bit I, Schedule 3-5, Column (d), Line 7.
  
- [7] Brown and Feasel Exh bit I, Schedule 3-9, Column (d), Line 6.
- [8] Brown and Feasel Exh bit I, Schedule 3-3, Column (d), Line 5.
- [9] Brown and Feasel Exh bit I, Schedule 3-10, Column (g), Line 11.
- [10] Brown and Feasel Exh bit I, Schedule 3-11, Column (d), Line 5.
- [11] Brown and Feasel Exh bit I, Schedule 3-12, Column (d), Line 10.
- [12] Brown and Feasel Exh bit I, Schedule 3-13, Column (d), Line 8.
- [13] Brown and Feasel Exh bit I, Schedule 3-14, Column (d), Line 5.
- [14] Calculated based on the company's data.
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- [17] Line 4 Column ( c ) multiplied by 0.14%.
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- [19] Brown and Feasel Exh bit I, Schedule 3-17(d), Column (a), Line 16.
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- [21] Column (e) minus Column (c), unless otherwise footnoted.
- [22] Column (c) plus Column (d), unless otherwise footnoted.
- [23] Brown and Feasel Exh bit I, Schedule 3-1(d), Column (c), Line 8.
- [24] Brown and Feasel Exh bit I, Schedule 3-2, Column (d), Line 9.
- [25] Line 4 Column ( e ) multiplied by 0.14%.
- [26] Brown and Feasel Exh bit I, Schedule 3-17(d), Column (b), Line 16.
- [27] Brown and Feasel Exh bit I, Schedule 3-17(d), Column (b), Line 18.
- [28] Column (g) minus Column (c), unless otherwise footnoted.
- [29] Column (c) plus Column (f), unless otherwise footnoted.
- [30] Revenue requirement as calculated by the Public Staff.
- [31] Brown and Feasel Exh bit I, Schedule 3-1(d), Column (c), Line 12.
- [32] Brown and Feasel Exh bit I, Schedule 3-2, Column (d), Line 12.
- [33] Line 4 Column ( g ) multiplied by 0.14%.
- [34] Brown and Feasel Exh bit I, Schedule 3-17(d), Column (c), Line 16.
- [35] Brown and Feasel Exh bit I, Schedule 3-17(d), Column (c), Line 18.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO MISCELLANEOUS REVENUES**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-1(a)

**CWSNC WATER OPERATIONS**

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments (b)		Amount Per Public Staff (c)	
<b><u>Present Rates:</u></b>							
1	Forfeited discounts	\$0	[1]	\$63,183		\$63,183	[5]
2	Other water/sewer revenues	90,390	[1]	(0)		90,390	[6]
3	Sale of utility property	0	[1]	18,373		18,373	[7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$90,390</u>		<u>\$81,555</u>		<u>\$171,946</u>	
<b><u>Company Proposed Rates:</u></b>							
5	Forfeited discounts	\$63,183	[2]	\$4,621		\$67,804	[8]
6	Other water/sewer revenues	90,390	[2]	0		90,390	
7	Sale of utility property	18,373	[2]	0		18,373	
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$171,946</u>		<u>\$4,621</u>		<u>\$176,567</u>	
<b><u>Public Staff Recommended Rates:</u></b>							
9	Forfeited discounts	\$63,183	[2]	\$1,458		\$64,641	[9]
10	Other water/sewer revenues	90,390	[2]	0		90,390	
11	Sale of utility property	18,373	[2]	0		18,373	
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$171,946</u>		<u>\$1,458</u>		<u>\$173,404</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] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 6.
- [6] Update other revenues through August 2022 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 9.
- [9] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 12.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO MISCELLANEOUS REVENUES**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-1(b)

**CWSNC SEWER OPERATIONS**

Line No.	<u>Item</u>	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<b><u>Present Rates:</u></b>				
1	Forfeited discounts	\$0 [1]	\$45,511	\$45,511 [5]
2	Other water/sewer revenues	73,544 [1]	(0)	73,544 [6]
3	Sale of utility property	0 [1]	10,961	10,961 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	\$73,544	\$56,472	\$130,016
<b><u>Company Proposed Rates:</u></b>				
5	Forfeited discounts	\$45,511 [2]	\$4,572	\$50,083 [8]
6	Other water/sewer revenues	73,544 [2]	0	73,544
7	Sale of utility property	10,961 [2]	0	10,961
8	Total miscellaneous revenues (Sum of L5 thru L7)	\$130,016	\$4,572	\$134,588
<b><u>Public Staff Recommended Rates:</u></b>				
9	Forfeited discounts	\$45,511 [2]	\$3,535	\$49,046 [9]
10	Other water/sewer revenues	73,544 [2]	0	73,544
11	Sale of utility property	10,961 [2]	0	10,961
12	Total miscellaneous revenues (Sum of L9 thru L11)	\$130,016	\$3,535	\$133,551

- [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] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 6.
- [6] Update other revenues through August 2022 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 9.
- [9] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 12.



**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO MISCELLANEOUS REVENUES**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-1(c)

**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<b><u>Present Rates:</u></b>				
1	Forfeited discounts	\$0 [1]	\$5,289	\$5,289 [5]
2	Other water/sewer revenues	7,861 [1]	0	7,861 [6]
3	Sale of utility property	0 [1]	1,182	1,182 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$7,861</u>	<u>\$6,472</u>	<u>\$14,332</u>
<b><u>Company Proposed Rates:</u></b>				
5	Forfeited discounts	\$5,289 [2]	\$666	\$5,955 [8]
6	Other water/sewer revenues	7,861 [2]	0	7,861
7	Sale of utility property	1,182 [2]	0	1,182
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$14,332</u>	<u>\$666</u>	<u>\$14,998</u>
<b><u>Public Staff Recommended Rates:</u></b>				
9	Forfeited discounts	\$5,289 [2]	\$297	\$5,586 [9]
10	Other water/sewer revenues	7,861 [2]	0	7,861
11	Sale of utility property	1,182 [2]	0	1,182
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$14,332</u>	<u>\$297</u>	<u>\$14,629</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] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 6.
- [6] Update other revenues through August 2022 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 9.
- [9] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 12.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO MISCELLANEOUS REVENUES**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-1(d)

**BF/FH SEWER OPERATIONS**

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments [3] (b)		Amount Per Public Staff [4] (c)
<b><u>Present Rates:</u></b>						
1	Forfeited discounts	\$0 [1]		\$7,094		\$7,094 [5]
2	Other water/sewer revenues	12,471 [1]		(0)		12,471 [6]
3	Sale of utility property	0 [1]		1,210		1,210 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$12,471</u>		<u>\$8,304</u>		<u>\$20,775</u>
<b><u>Company Proposed Rates:</u></b>						
5	Forfeited discounts	\$7,094 [2]		\$1,070		\$8,164 [8]
6	Other water/sewer revenues	12,471 [2]		0		12,471
7	Sale of utility property	1,210 [2]		0		1,210
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$20,775</u>		<u>\$1,070</u>		<u>\$21,845</u>
<b><u>Public Staff Recommended Rates:</u></b>						
9	Forfeited discounts	\$7,094 [2]		\$92		\$7,186 [9]
10	Other water/sewer revenues	12,471 [2]		0		12,471
11	Sale of utility property	1,210 [2]		0		1,210
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$20,775</u>		<u>\$92</u>		<u>\$20,867</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] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 6.
- [6] Update other revenues through August 2022 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 9.
- [9] Brown and Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 12.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF FORFEITED DISCOUNTS**  
For The Test Year Ended March 31, 2022

Brown and 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)
<b>Test Year:</b>					
1	Forfeited discount rate - 5 Yr Sum	1.42% [1]	1.34% [1]	1.41% [1]	1.34% [1]
2	Forfeited discounts - 5 YR	5 [1]	5 [1]	5 [1]	5 [1]
3	Forfeited discounts 5 Yr Average (Ln1 / Ln 2)	<u>0.28%</u>	<u>0.27%</u>	<u>0.28%</u>	<u>0.27%</u>
<b>Present Rates:</b>					
4	Service revenues	\$22,276,705 [2]	\$16,986,117 [5]	\$1,879,444 [8]	\$2,643,518 [11]
5	Forfeited discounts percentage (L3)	<u>0.28%</u>	<u>0.27%</u>	<u>0.28%</u>	<u>0.27%</u>
6	Forfeited discounts (L4 x L5)	<u>\$63,183</u>	<u>\$45,511</u>	<u>\$5,289</u>	<u>\$7,094</u>
<b>Company Proposed Rates:</b>					
7	Service revenues	\$23,906,083 [3]	\$18,692,599 [6]	\$2,116,038 [9]	\$3,042,317 [12]
8	Forfeited discounts percentage (L3)	<u>0.28%</u>	<u>0.27%</u>	<u>0.28%</u>	<u>0.27%</u>
9	Forfeited discounts (L7 x L8)	<u>\$67,804</u>	<u>\$50,083</u>	<u>\$5,955</u>	<u>\$8,164</u>
<b>Public Staff Recommended Rates:</b>					
10	Service revenues	\$22,790,774 [4]	\$18,305,681 [7]	\$1,985,114 [10]	\$2,677,858 [13]
11	Forfeited discounts percentage (L3)	<u>0.28%</u>	<u>0.27%</u>	<u>0.28%</u>	<u>0.27%</u>
12	Forfeited discounts (L10 x L11)	<u>\$64,641</u>	<u>\$49,046</u>	<u>\$5,586</u>	<u>\$7,186</u>

[1] Per examination of Company's financial records.  
 [2] Brown and Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.  
 [3] Brown and Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.  
 [4] Brown and Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.  
 [5] Brown and Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.  
 [6] Brown and Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.  
 [7] Brown and Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.  
 [8] Brown and Feasel Exhibit I, Schedule 3(c), Column (c), Line 1  
 [9] Brown and Feasel Exhibit I, Schedule 3(c), Column (e), Line 1  
 [10] Brown and Feasel Exhibit I, Schedule 3(c), Column (g), Line 1  
 [11] Brown and Feasel Exhibit I, Schedule 3(d), Column (c), Line 1  
 [12] Brown and Feasel Exhibit I, Schedule 3(d), Column (e), Line 1  
 [13] Brown and Feasel Exhibit I, Schedule 3(d), Column (g), Line 1

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**CALCULATION OF UNCOLLECTIBLE ACCOUNTS**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
<b>Test Year:</b>					
1	Uncollectible 5 Year Sum	3.65% [1]	2.12% [1]	11.64% [1]	2.89% [1]
2	Uncollectible 5 Years	<u>5 [1]</u>	<u>5 [1]</u>	<u>5 [1]</u>	<u>5 [1]</u>
3	Uncollectible 5 Year Average (Ln1 / L2)	<u>0.73%</u>	<u>0.42%</u>	<u>2.33%</u>	<u>0.58%</u>
<b>Present Rates:</b>					
4	Service revenues	\$22,276,705 [2]	\$16,986,117 [5]	\$1,879,444 [8]	\$2,643,518 [11]
5	Uncollectible accounts percentage (L3)	<u>0.73%</u>	<u>0.42%</u>	<u>2.33%</u>	<u>0.58%</u>
6	Uncollectible accounts (L4 x L5)	<u>\$162,592</u>	<u>\$71,986</u>	<u>\$43,747</u>	<u>\$15,277</u>
<b>Company Proposed Rates:</b>					
7	Service revenues	\$23,906,083 [3]	\$18,692,599 [6]	\$2,116,038 [9]	\$3,042,317 [12]
8	Uncollectible accounts percentage (L3)	<u>0.73%</u>	<u>0.42%</u>	<u>2.33%</u>	<u>0.58%</u>
9	Uncollectible accounts (L7 x L8)	<u>\$174,485</u>	<u>\$79,218</u>	<u>\$49,254</u>	<u>\$17,581</u>
<b>Public Staff Recommended Rates:</b>					
10	Service revenues	\$22,790,774 [4]	\$18,305,681 [7]	\$1,985,114 [10]	\$2,677,858 [13]
11	Uncollectible accounts percentage (L3)	<u>0.73%</u>	<u>0.42%</u>	<u>2.33%</u>	<u>0.58%</u>
12	Uncollectible accounts (L10 x L11)	<u>\$166,345</u>	<u>\$77,578</u>	<u>\$46,207</u>	<u>\$15,475</u>

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

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

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO SALARY AND WAGES GENERAL**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-3

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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>\$ 3,925,866</u>	<u>\$2,342,194</u>	<u>\$471,682</u>	<u>\$482,814</u>
2	Adjustment to include company 09.19.2022 updates	24,065	14,358	2,891	2,960
3	Salaries & Wages general adjusted for company updates (L1 + L2)	3,949,931	2,356,552	474,573	485,774
4	Adjustments to update employee salaries through August 31, 2022	<u>(77,887) [1]</u>	<u>(46,468) [1]</u>	<u>(9,357) [1]</u>	<u>(9,579) [1]</u>
5	Salaries & Wages general per Public Staff (L3 + L4)	<u><u>\$ 3,872,044</u></u>	<u><u>\$ 2,310,084</u></u>	<u><u>\$ 465,216</u></u>	<u><u>\$ 476,195</u></u>

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

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ADJUSTMENT TO PURCHASE POWER**

For The Test Year Ended March 31, 2022

Brown and Feasel Ext  
Schedule 3-4

<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/TC Sewer (d)</u>
1	Purchase power per application	<u>\$1,073,063</u>	<u>\$838,500</u>	<u>\$70,432</u>	<u>\$149,604</u>
2	Adjustment to include company 09.19.2022 updates	-	-	-	-
3	Purchase power after the Company's 09.19.22 updates (L1 + L2)	1,073,063	838,500	70,432	149,604
4	Adjustment to purchased power	<u>(2,205)</u> [1]	<u>(22,345)</u> [1]	<u>-</u>	<u>-</u>
5	Purchase power per Public Staff (L3 + L4)	<u>\$ 1,070,858</u>	<u>\$ 816,155</u>	<u>\$ 70,432</u>	<u>\$ 149,604</u>

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO MAINTENANCE AND REPAIR**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-5

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Maintenance and repair per application	<u>\$1,201,678</u>	<u>\$1,662,107</u>	<u>\$195,200</u>	<u>\$236,104</u>
2	Adjustment to include company 09.19.2022 updates	-	-	-	-
3	Maintenance and repair after adjusted for updated (L1 + L2)	1,201,678	1,662,107	195,200	236,104
4	Adjustment to deferred maintenance and repair per update	28,528 [1]	158,801 [1]	12,756 [1]	(8,938) [1]
5	Adjustment to sludge hauling - remove non-recurring expenses	(34,580) [2]	(60,837) [2]	0	(50,992) [2]
6	Total adjustment to maintenance and repair ( L4 + L5)	<u>(6,052)</u>	<u>97,964</u>	<u>12,756</u>	<u>(59,930)</u>
7	Maintenance and repair per Public Staff (L3 + L6)	<u>1,195,626</u>	<u>1,760,071</u>	<u>207,956</u>	<u>176,174</u>

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

[2] Provided by Public Staff witness Mike Franklin.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO DEFERRED MAINTENANCE AND REPAIR**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-5(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	249,413 [1]	421,795 [1]	26,967 [1]	13,161 [1]
2	Deferred maintenance and repair per application	<u>220,885</u> [2]	<u>262,993</u> [2]	<u>14,211</u> [2]	<u>22,098</u> [2]
3	Adjustment to deferred maintenance and repair (L1 - L2)	<u><u>\$28,528</u></u>	<u><u>\$158,801</u></u>	<u><u>\$12,756</u></u>	<u><u>(\$8,938)</u></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 400

**ADJUSTMENT TO METER READING**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-6

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH/TC Sewer</u> (d)
1	Meter reading per application	<u>\$229,336</u>	<u>\$3,024</u>	<u>\$47,602</u>	<u>\$1,041</u>
2	Adjustment to include company 09.19.2022 updates	-	-	-	-
3	Meter reading after adjusted for updated (L1 + L2)	229,336	3,024	47,602	1,041
4	Adjustment to remove ineligible meter reading expense	(6,724) [1]	-	-	-
5	Total adjustment (L4)	<u>(6,724)</u>	<u>0</u>	<u>0</u>	<u>0</u>
6	Meter reading per Public Staff (L3 + L5)	<u><u>222,612</u></u>	<u><u>3,024</u></u>	<u><u>47,602</u></u>	<u><u>1,041</u></u>

[1] Provided by Public Staff witness Mike Franklin.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ADJUSTMENT TO TRANSPORTATION**

For The Test Year Ended March 31, 2022

Brown and 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	Transportation per application	<u>\$280,606</u> [1]	<u>\$167,411</u> [1]	<u>\$38,572</u> [1]	<u>\$39,483</u>
2	Adjustment to include company 9.19.2022 updates	- [1]	- [1]	- [1]	- [1]
3	Transportation after adjusted for updated (L1 + L2)	280,606 [1]	167,411 [1]	38,572 [1]	39,483 [1]
4	Remove Company adjustment ( -L2 )	0 [1]	0 [1]	0 [1]	0 [1]
	Fuel expense adjustment	6,486 [2]	3,869 [2]	(2,405) [2]	(2,461) [2]
6	Total adjustments to transportation (L2 + L4 + L5)	<u>6,486</u>	<u>3,869</u>	<u>(2,405)</u>	<u>(2,461)</u>
7	Transportation per Public Staff (L1 + L4)	<u><u>\$287,092</u></u>	<u><u>\$171,280</u></u>	<u><u>\$36,167</u></u>	<u><u>\$37,022</u></u>

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

[2] Provided by Public Staff witness Evan Houser.

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO CAPITALIZED TIME ADJUSTMENT**  
For The Test Year Ended March 31, 2022

Brown and 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	Operating expenses charged to plant per application	<u>(\$450,858)</u>	<u>(\$268,985)</u>	<u>(\$65,538)</u>	<u>(\$67,085)</u>
2	Adjustment to include company 09.19.2022 updates	-	-	-	-
3	Operating expenses charged to plant after adjusted per updates ( L1 + L2)	(450,858)	(268,985)	(65,538)	(67,085)
4	Adjust FP&A Captive to 1/5 to align with WSIP period	<u>(6,859) [1]</u>	<u>(4,092) [1]</u>	<u>(824) [1]</u>	<u>(844) [1]</u>
5	Total adjustments to capitalized time ( L4 )	<u>(6,859)</u>	<u>(4,092)</u>	<u>(824)</u>	<u>(844)</u>
6	Operating expenses charged to plant per Public Staff ( L3 + L5)	<u>(\$457,717)</u>	<u>(\$273,077)</u>	<u>(\$66,362)</u>	<u>(\$67,929)</u>

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

**CAROLINA WATER SERVICE, INC., OF NC**  
Docket No. W-354, Sub 400  
**ADJUSTMENT TO OUTSIDE SERVICE OTHER**  
For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-9

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Outside service per application	<u>\$124,388</u>	<u>\$74,211</u>	<u>\$24,735</u>	<u>\$25,319</u>
2	Adjustments to include company updates 09.19.2022	0	0	0	0
3	Outside service after adjusted per updates ( L1 + L2)	124,388	74,211	24,735	25,319
4	Acquisition of Echota Development Water System	(5,777) [1]	(3,447) [1]	[1]	[1]
5	Acquisition of the Seven Devils Resort WWTP	<u>(5,453) [1]</u>	<u>(3,254) [1]</u>	<u>[1]</u>	<u>[1]</u>
7	Total adjustments to outside service other (Sum of L2 thru L4)	<u>(11,230)</u>	<u>(6,701)</u>	<u>0</u>	<u>0</u>
8	Outside service other per Public Staff (L1 + L5)	<u>113,158</u>	<u>67,510</u>	<u>24,735</u>	<u>25,319</u>

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

**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**CALCULATION OF REGULATORY COMMISSION EXPENSE**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 3-10

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	CWSNC Water (d)	CWSNC Sewer (e)	BF/FH/TC Water (f)	BF/FH Sewer (g)
1	Rate case expenses for current proceeding	<u>\$750,000</u>	<u>(\$543,480)</u>	\$206,520 [2]				
2	Amortization period in years			<u>5</u>				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>41,304</u>	\$22,451 [4]	\$13,394 [5]	\$2,698 [6]	\$2,761 [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>165,216</u>	89,803 [4]	53,578 [5]	10,791 [6]	11,045 [7]
5	Sub 384 and prior rate cases unamortized rate case expense	<u>\$955,238</u>	<u>\$0</u>	955,238 [3]				
6	Amortization period in years			<u>5</u>				
7	Sub 384 and prior rate cases unamortized annual rate case expense (L5 / L6)			<u>191,048</u>	103,844 [4]	61,955 [5]	12,478 [6]	12,771 [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>764,190</u>	415,373 [4]	247,818 [5]	49,914 [6]	51,085 [7]
9	Total annual rate case expense (L3 + L7)			\$232,352	\$126,295	\$75,349	\$15,176	\$15,532
10	Miscellaneous regulatory matters per application			<u>\$4,726</u> [2]	<u>\$2,518</u> [2]	<u>\$1,502</u> [2]	<u>\$349</u> [2]	<u>\$357</u> [2]
11	Total regulatory commission expense per Public Staff (L9 + L10)			<u>\$237,078</u>	<u>\$128,813</u>	<u>\$76,851</u>	<u>\$15,525</u>	<u>\$15,889</u>
12	Total unamortized balance of rate case expense (L4 + L8)			<u>\$929,406</u>	<u>\$505,176</u>	<u>\$301,396</u>	<u>\$60,705</u>	<u>\$62,130</u>

[1] Column (c) minus Column (a).  
 [2] Per examination of the company's response to accounting data requests  
 [3] Calculated based on amount approved in prior rate cases.  
 [4] Column (c) multiplied by CWSNC Uniform water allocation factor  
 [5] Column (c) multiplied by CWSNC Uniform sewer allocation factor  
 [6] Column (c) multiplied by BF/FH water allocation factor  
 [7] Column (c) multiplied by BF/FH sewer allocation factor

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ADJUSTMENT TO PENSION AND BENEFITS**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-11

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Pension and benefits per application	<u>\$856,975</u>	<u>\$511,276</u>	<u>\$109,030</u>	<u>\$111,603</u>
2	Adjustments to include company updates 9.19.2022	\$119,177	\$71,102	\$8,252	\$8,447
3	Pension and benefits expense after adjusted per updates ( L1 + L2)	\$976,152	\$582,378	\$117,282	\$120,050
4	Adjustments to update employee benefits through August 31, 2022	(39,702) [1]	(23,686) [1]	(4,770) [1]	(4,883) [1]
5	Pension and benefits per Public Staff (L3 + L4)	<u><u>936,450</u></u>	<u><u>558,692</u></u>	<u><u>112,512</u></u>	<u><u>115,167</u></u>

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

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ALLOCATION OF INSURANCE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-12

No.	Item	CWSNC	CWSNC	BF/FH/TC	BF/FH	Total [3]
		Water (a)	Sewer (b)	Water (c)	Sewer (d)	
1	Auto	\$70,463 [1]	\$42,039 [1]	\$8,466 [1]	\$8,666 [1]	\$129,634
2	Workers compensation	37,704 [1]	22,495 [1]	4,530 [1]	4,637 [1]	69,366
3	Property insurance	280,602 [1]	167,409 [1]	33,714 [1]	34,509 [1]	516,234
4	General Liability and Umbrella insurance	182,427 [1]	108,837 [1]	21,918 [1]	22,435 [1]	335,617
5	Excess Liability	30,068 [1]	17,939 [1]	3,613 [1]	3,698 [1]	55,318
6	Insurance deductibles	63,314 [1]	37,773 [1]	7,607 [1]	7,787 [1]	116,481
7	Cyber security insurance	13,016 [1]	7,765 [1]	1,564 [1]	1,601 [1]	23,946
8	Pollution liability	23,325 [1]	13,916 [1]	2,802 [1]	2,869 [1]	42,911
9	Broker fee	51,188 [1]	30,539 [1]	6,150 [1]	6,295 [1]	94,172
10	Total insurance per Public Staff (Sum of L1 thru L9)	<u>752,107</u>	<u>448,712</u>	<u>90,364</u>	<u>92,497</u>	<u>1,383,679</u>
11	Less: Company updates on 9.19.2022	<u>51,380</u> [2]	<u>30,654</u> [2]	<u>6,174</u> [2]	<u>6,319</u> [2]	<u>94,527</u>
12	Less: Amount per Company in original filing	<u>663,022</u> [2]	<u>395,563</u> [2]	<u>79,660</u> [2]	<u>81,540</u> [2]	<u>1,219,785</u>
13	Total adjustment to insurance expense (L10 - L11 - L12)	<u>\$37,705</u>	<u>\$22,495</u>	<u>\$4,530</u>	<u>\$4,638</u>	<u>\$69,367</u>

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

[2] Based on information provided by the Company.

[3] Brown and Feasel Exhibit I, Schedule 3-14(a), Column (c).

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**CALCULATION OF INSURANCE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exh bit I

Schedule 3-12 (a)

<u>Line No.</u>	<u>Item</u>	<u>Annual Premium</u> (a)	<u>CWSNC Percentage</u> [1] (b)	<u>CWSNC Insurance Expense</u> [6] (c)
1	Auto	\$675,395	19.19% [2]	\$129,634
2	Workers compensation	603,626	11.49% [3]	69,366
3	Property insurance	2,556,325	20.19% [4]	516,234
4	General Liability and Umbrella insurance	1,742,013	19.27% [5]	335,617
5	Excess Liability	287,125	19.27% [5]	55,318
6	Insurance deductibles	618,542	18.83% [6]	116,481
7	Cyber security insurance	124,290	19.27% [5]	23,946
8	Pollution liability	212,490	20.19% [4]	42,911
9	Broker fee	488,797	19.27% [5]	94,172
10	Total insurance per Public Staff (Sum of L1 thru L9)			<u>\$1,383,679</u>

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

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

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

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

[5] Percentage of CWSNC insurance based on revenue.

[6] Based on the ERC percentage provided by the company.

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



**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**ADJUSTMENT TO MISCELLANEOUS EXPENSE**  
 For The Test Year Ended March 31, 2022

Brown and 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	Miscellaneous expense per application	<u>\$3,141,337</u>	<u>\$1,813,728</u>	<u>\$339,650</u>	<u>\$347,635</u>
2	Adjustment to reflect company's updates 9.19.2022	(171,920) [1]	(102,568) [1]	(20,655) [1]	(21,143) [1]
3	Miscellaneous expense after adjusted for company's updates ( L1 + L2)	2,969,417	1,711,160	318,995	326,492
4	Adjustments to remove unqualified miscellaneous expense	(2,261) [1]	(1,343) [1]	(270) [1]	(277) [1]
5	Adjustment to remove Echota and Seven Devils pro-forma acquisition opex	(243,811) [1]	(65,171)	-	-
6	Excess deferred taxes reclassified to deferred income taxes	64,882 [1]	38,709 [1]	8,585 [1]	8,786 [1]
7	Total miscellaneous adjustments (Sum of L4 thru L6 )	<u>(181,190)</u>	<u>(27,805)</u>	<u>8,315</u>	<u>8,509</u>
8	Miscellaneous expense per Public Staff (L3 + L7)	<u><u>2,788,227</u></u>	<u><u>1,683,355</u></u>	<u><u>327,310</u></u>	<u><u>335,001</u></u>

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

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**CALCULATION OF DEPRECIATION AND AMORTIZATION EXPENSE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-14

Line No.		CWSNC	CWSNC	BF/FH/TC	BF/FH
		Water	Sewer	Water	Sewer
		(a)	(b)	(c)	(d)
1	Depreciation on direct plant	\$3,378,788 [1]	\$3,065,342 [6]	\$149,231 [9]	\$398,489 [12]
2	Depreciation on allocated plant	0 [2]	0 [2]	0 [2]	0 [2]
3	Gain on sale	0 [3]	0 [3]	0 [3]	0 [3]
4	Excess book value	0 [3]	0 [3]	0 [3]	0 [3]
5	Total depreciation expense (Sum of L1 thru L4)	<u>\$3,378,788</u>	<u>\$3,065,342</u>	<u>\$149,231</u>	<u>\$398,489</u>
6	Depreciable AIA	0 [3]	0 [3]	0 [3]	0 [3]
7	Amortization rate	2.88% [4]	2.81% [7]	2.38% [10]	2.58% [13]
8	AIA amortization expense (L6 x L7)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
9	CIAC amortization expense	<u>(733,560) [2]</u>	<u>(625,462) [2]</u>	<u>(57,707) [2]</u>	<u>(150,635) [2]</u>
10	CIAC and AIAC amortization expense (L8 + L9)	<u>(733,560)</u>	<u>(625,462)</u>	<u>(57,707)</u>	<u>(150,635)</u>
11	Purchase acquisition adjustment	(\$4,221,509) [5]	(\$627,070) [8]	\$607,432 [11]	\$1,680,077 [14]
12	Amortization rate	2.88% [4]	2.81% [7]	2.38% [10]	2.58% [13]
13	PAA amortization expense (L11 x L12)	<u>(\$121,579)</u>	<u>(\$17,621)</u>	<u>\$14,457</u>	<u>\$43,346</u>

[1] Brown and Feasel Exhibit I, Schedule 3-14-1(a), Column (c), Line 54.

[2] Calculated by the Public Staff based on information provided by the Company.

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

[4] Brown and Feasel Exhibit I, Schedule 3-14-1(a), Column (d),

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

[6] Brown and Feasel Exhibit I, Schedule 3-14-1(b), Column (c), Line 71.

[7] Brown and Feasel Exhibit I, Schedule 3-14-1(b), Column (d), Line 71.

[8] Brown and Feasel Exhibit I, Schedule 2-7, Column (d), Line

[9] Brown and Feasel Exhibit I, Schedule 3-14-1(c), Column (c)

[10] Brown and Feasel Exhibit I, Schedule 3-14-1(c), Column (d)

[11] Brown and Feasel Exhibit I, Schedule 2-7, Column (g), Line

[12] Brown and Feasel Exhibit I, Schedule 3-14-1(d), Column (c)

[13] Brown and Feasel Exhibit I, Schedule 3-14-1(d), Column (d)

[14] Brown and Feasel Exhibit I, Schedule 2-7, Column (j), Line

**CAROLINA WATER SERVICE, INC., OF NC**

Brown and Feasel Exhibit I  
Schedule 3-14-1(a)

Docket No. W-354, Sub 400  
**CALCULATION OF DIRECT PLANT  
DEPRECIATION EXPENSE**  
For The Test Year Ended March 31, 2022

**CWSNC WATER OPERATIONS**

Line No.	New Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	141201	Organization	\$410,888	2.50%	\$10,272	
2	141202	Franchises	\$140,283	2.50%	3,507	
3	141102	Land & land rights pump	\$0	0.00%	0	
4	141103	Land and Rights Water	\$0	0.00%	0	
5	141104	Land and Rights Trans	\$0	0.00%	0	
6	141101	Land & land rights gen. plt.	\$150,596	0.00%	0	
7	141204	Struct & improv. src. supply	\$4,489,620	2.00%	89,792	
8	141205	Struct & improv. wtr. trt. plt.	\$1,606,807	2.00%	32,136	
9	141206	Struct & improv. trans. dist.	\$290,026	2.00%	5,801	
10	141203	Struct & improv. gen. plt.	\$422,052	2.00%	8,441	
11	141221	Collecting reservoirs	\$732,382	2.00%	14,648	
12	141223	Wells & springs	\$14,627,308	2.00%	292,546	
13	141224	Infiltration gallery	\$45,185	2.50%	1,130	
14	141225	Supply mains	\$853,751	1.00%	8,538	
15	141226	Power generation equip.	\$167,421	10.00%	16,742	
16	141227	Electric pump equip. src. plt.	\$3,022,067	14.29%	431,853	
17	141228	Electric pump equip. wtp.	\$9,069,838	3.33%	302,026	
18	141229	Electric pump equip. trans.	\$4,786,213	14.29%	683,950	
19	141230	Water treatment equip.	\$5,681,387	2.50%	142,035	
20	141231	Dist. resv. & standpipes	\$8,243,639	2.00%	164,873	
21	141232	Trans. & distr. mains	\$35,648,630	1.00%	356,486	
22	141233	Service lines	\$14,950,351	2.00%	299,007	
23	141234	Meters	\$6,361,624	3.33%	211,842	
24	141235	Meter installations	\$2,095,782	3.33%	69,790	
25	141236	Hydrants	\$1,452,995	2.50%	36,325	
26	141237	Backflow prevention devic.	\$61,347	10.00%	6,135	
27	141268	Other plt. & misc. equip. src. su.	\$0	2.50%	0	
28	141269	Other plt. & misc. equip. wtp.	\$23,372	2.50%	584	
29	141220	Office struct & improv.	\$95,359	10.00%	9,536	
30	141303	Office furn. & equip.	\$80,259	10.00%	8,026	
31	141305	Stores equipment	\$16,056	3.33%	535	
32	141308	Tool shop & misc. equip.	\$510,940	5.00%	25,547	
33	141306	Laboratory equipment	\$67,258	10.00%	6,726	
34	141309	Power operated equip.	\$371,593	10.00%	37,159	
35	141310	Communication equip.	\$168,137	10.00%	16,814	
36	141311	Misc. equipment	\$207,547	3.33%	6,911	
37	141278	Water plant allocated	\$207,809	6.67%	13,861	
38	141271	Other tangible plt. water	\$11,508	2.50%	288	
39	141248	Receiving Wells	\$176,603	2.00%	3,532	
40	141401	Transportation equip.	\$306,968	20.00%	61,394	
41	141503	Mainframe computer - wtr	(\$4,591)	0.00%	0	
42	141504	Mini computer - wtr	(\$31,950)	0.00%	0	
43	141602	Comp. system cost - wtr	(\$136,755)	0.00%	0	
44	141603	Micro system cost - wtr	(\$2,375)	0.00%	0	
45	141255	Plant Sewers Treatment Plt	\$0	2.50%	0	
46	141299	Utility Plant Clearing	(\$0)	0.00%	0	
47	141699	Computer Clearing	\$0	0.00%	0	
48	141601	Computer Software	(\$4,470)	0.00%	0	
49	141501	Computer Hardware	(\$30)	0.00%	0	
50	141502	Desktop/Laptop Computers	(\$679)	0.00%	0	
51	141293	Plant Held for Future Use	\$0	0.00%	0	
52	141399	Building and Equipment Clearing	\$0	0.00%	0	
53		Pro forma plant additions	\$0	0.00%	0	
54		Total plant in service (Sum of L1 thru L51)	<u>\$117,372,752</u>		<u>\$3,378,788</u>	<u>2.88%</u> [4]

[1] Brown and 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 54.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400  
**CALCULATION OF DIRECT PLANT  
 DEPRECIATION EXPENSE**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 3-14-1(b)  
 Page 1 of 2

**CWSNC SEWER OPERATIONS**

Line No.	New Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	141201	Organization	\$883,492	2.50%	\$22,087	
2	141202	Franchises intang. plt.	\$127,476	2.50%	3,187	
3	141107	Land and Rights Treatment	\$0	0.00%	0	
4	141108	Land and Rights Reclaim	\$0	0.00%	0	
5	141101	Land & land rights gen. plt.	\$0	0.00%	0	
6	141207	Struct/improv. coll. plt.	\$107,603	2.00%	2,152	
7	141208	Struct/improv. pump plt. ls.	\$11,419,401	2.00%	228,388	
8	141209	Struct/improv. treat. plt.	\$20,068,597	2.50%	501,715	
9	141210	Struct/improv. reclaim. wtp.	\$2,586	2.50%	65	
10	141211	Struct/improv. reclaim. wtr.	\$180,481	2.50%	4,512	
11	141203	Struct/improv. gen. plt.	\$1,707,245	2.00%	34,145	
12	141238	Power gen. equip. coll. plt.	\$107,623	10.00%	10,762	
13	141239	Power gen. equip. pump plt.	\$53,341	10.00%	5,334	
14	141240	Power gen. equip. treat. plt.	\$313,217	10.00%	31,322	
15	141241	Sewer force main/serv. lin.	\$4,404,358	1.33%	58,578	
16	141242	Sewer gravity main	\$18,842,080	1.00%	188,421	
17	141243	Manholes	\$1,521,696	1.00%	15,217	
18	141244	Special coll. structures	\$7,032	2.00%	141	
19	141245	Services to customers	\$2,249,446	1.33%	29,918	
20	141246	Flow measure devices	\$145,734	4.00%	5,829	
21	141247	Flow measure install	\$1,106	4.00%	44	
22	141248	Receiving wells	\$233,985	2.00%	4,680	
23	141249	Pumping equipment pump plt.	\$5,142,262	14.29%	734,829	
24	141250	Pumping equipment reclaim.	\$39,650	14.29%	5,666	
25	141251	Pumping equipment rcl. wtr.	\$83,456	14.29%	11,926	
26	141252	Treat /disp. equip. lagoon	\$597,528	2.50%	14,938	
27	141253	Treat /disp. equip. trt. plt.	\$18,875,550	2.50%	471,889	
28	141254	Treat /disp. equip. rct. wtp.	\$29,387	2.50%	735	
29	141255	Plant sewers treat. plt.	\$17,985,978	2.50%	449,649	
30	141256	Plant sewers reclaim wtp.	\$8,065	2.50%	202	
31	141257	Outfall lines	\$656,343	1.00%	6,563	
32	141271	Other plt. tangible	\$14,761	2.50%	369	
33	141272	Other plt. collection	\$11,641	2.00%	233	
34	141273	Other plt. pump	\$471,095	2.50%	11,777	
35	141274	Other plt. treatment	\$334,740	2.50%	8,369	
36	141275	Other plt. reclaim wtr. trt.	\$0	2.50%	0	
37	141276	Other plt. reclaim wtr. dis.	\$460	2.50%	11	
38	141220	Office struct & improv.	\$52,857	10.00%	5,286	
39	141303	Office furn. & equip.	\$43,408	10.00%	4,341	
40	141305	Stores equipment	\$8,111	3.33%	270	
41	141308	Tool shop & misc. equip.	\$226,555	5.00%	11,328	
42	141306	Laboratory equipment	\$159,287	10.00%	15,929	
43	141309	Power operated equip.	\$478,138	10.00%	47,814	
44	141310	Communication equip.	\$103,571	10.00%	10,357	
45	141311	Misc equip. sewer	\$66,764	3.33%	2,223	
46	141278	Sewer plant allocated	\$526,952	6.67%	35,148	
47	0	Other tangible plt. sewer	\$0	2.50%	0	
48	141263	Reuse dist. reservoirs	\$3,507	2.00%	70	
49	141264	Reuse transmission & dist.	\$121,119	2.00%	2,422	
50	141401	Transportation equip.	\$183,139	20.00%	36,628	
51	141502	Desktop computer - wtr	(\$405)	0.00%	0	
52	141503	Mainframe computer - wtr	(\$2,739)	0.00%	0	
53	141504	Mini computer - wtr	(\$22,943)	0.00%	0	
54	141602	Comp. system cost - wtr	\$27,423	0.00%	0	
55	141603	Micro system cost - wtr	(\$1,417)	0.00%	0	
56	141501	Computer Hardware	(\$18)	0.00%	0	
57	141299	Utility Plant Clearing	(\$0)	0.00%	0	
58	141399	Building and Equipment Clearing	\$0	0.00%	0	
59	141233	Service Lines	(\$120)	2.00%	(2)	
60	141699	Computer Clearing	\$0	0.00%	0	
62	141601	Computer Software	(\$2,667)	0.00%	0	
63	141231	Dist Resv and Standpipes	\$0	2.00%	0	
64	141232	Trans and Distr Mains	\$0	1.00%	0	
65	141293	Plt. held for future use	\$0	0.00%	0	
66	141205	Struct and Improv Water Treat Plt	\$0	2.00%	0	
67	141230	Water Treatment Equipment	\$0	2.50%	0	
68	141226	Power Generation Equipment	\$298,745	10.00%	29,875	
69	113101		\$0	0.00%	0	
70		Pro forma plant additions	\$0	0.00%	0	
71		Total plant in service (Sum of L1 thru L64)	<u>\$108,896,685</u>		<u>\$3,065,342</u>	<u>2.81%</u> [4]

[1] Brown and Brown and Brown and 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 71.

**CAROLINA WATER SERVICE, INC., OF NC**

Brown and Feasel Exhibit I  
Schedule 3-14-1(c)

Docket No. W-354, Sub 400  
**CALCULATION OF DIRECT PLANT  
DEPRECIATION EXPENSE**  
For The Test Year Ended March 31, 2022

**BF/FH/TC WATER OPERATIONS**

Line No.	New Account No.	Item	Plant	Depreciation	Annual	Composite
			In Service [1]	Rate [2]	Depreciation [3]	Rate
			(a)	(b)	(c)	(d)
1	141201	Organization	\$79,800	2.50%	\$1,995	
2	141202	Franchises	\$51,240	2.50%	1,281	
3	141501	Computer Hardware	(\$4)	16.67%	(1)	
4	141502	Desktop/Laptop Computers	(\$82)	16.67%	(14)	
5	141601	Computer Software	(\$537)	0.00%	0	
6	141101	Land & land rights gen. plt.	\$0	0.00%	0	
7	141204	Struct & improv. src. supply	\$214,617	2.00%	4,292	
8	141205	Struct & improv. wtr. trt. plt.	\$147,285	2.00%	2,946	
9	141206	Struct & improv. trans. dist.	\$461	2.00%	9	
10	141203	Struct & improv. gen. plt.	\$2,244	2.00%	45	
11	141221	Collecting reservoirs	\$0	2.00%	0	
12	141223	Wells & springs	\$510,515	2.00%	10,210	
13	141224	Infiltration gallery	\$0	2.50%	0	
14	141225	Supply mains	\$10,995	1.00%	110	
15	141226	Power generation equip.	\$0	10.00%	0	
16	141227	Electric pump equip. src. plt.	\$63,258	14.29%	9,040	
17	141228	Electric pump equip. wtp.	\$400,215	3.33%	13,327	
18	141229	Electric pump equip. trans.	\$63,012	14.29%	9,004	
19	141230	Water treatment equip.	\$152,696	2.50%	3,817	
20	141231	Dist. resv. & standpipes	\$920,874	2.00%	18,417	
21	141232	Trans. & distr. mains	\$1,900,043	1.00%	19,000	
22	141233	Service lines	\$874,073	2.00%	17,481	
23	141234	Meters	\$197,234	3.33%	6,568	
24	141235	Meter installations	\$186,239	3.33%	6,202	
25	141236	Hydrants	\$278,957	2.50%	6,974	
26	141237	Backflow prevention devic.	\$151	10.00%	15	
27	141268	Other plt. & misc. equip. src. su.	\$0	2.50%	0	
28	141269	Other plt. & misc. equip. wtp.	\$0	2.50%	0	
29	141220	Office struct & improv.	\$24,979	10.00%	2,498	
30	141303	Office furn. & equip.	\$2,993	10.00%	299	
31	141305	Stores equipment	\$348	3.33%	12	
32	141308	Tool shop & misc. equip.	\$102,382	5.00%	5,119	
33	141306	Laboratory equipment	\$14,540	10.00%	1,454	
34	141309	Power operated equip.	\$13,291	10.00%	1,329	
35	141310	Communication equip.	\$77,889	10.00%	7,789	
36	141311	Misc. equipment	\$528	3.33%	18	
37	141278	Water plant allocated	\$0	6.67%	0	
38	141271	Other tangible plt. water	\$0	2.50%	0	
39	141401	Transportation equip.	(\$26)	20.00%	(5)	
40	141503	Mainframe computer - wtr	(\$552)	0.00%	0	
41	141504	Mini computer - wtr	(\$3,474)	0.00%	0	
42	141602	Comp. system cost - wtr	(\$16,431)	0.00%	0	
43	141603	Micro system cost - wtr	(\$285)	0.00%	0	
44	141293	Plt. held for future use	\$0	0.00%	0	
45	141699	Computer Clearing	\$0	0.00%	0	
46	141299	Utility Plant Clearing	\$0	0.00%	0	
47	141102	Land & land rights pump	\$0	0.00%	0	
48	141399	Building and Equipment Clearing	\$0	0.00%	0	
49		Total plant in service (Sum of L1 thru L45)	<u>\$6,269,466</u>		<u>\$149,231</u>	<u>2.38%</u> [4]

[1] Brown and Feasel Exhibit I, Schedule 2-1(c)(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 49.

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**CALCULATION OF DIRECT PLANT  
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
Schedule 3-14-1(d)

**BF/FH SEWER OPERATIONS**

Line No.	New Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	141201	Organization	\$14,682	2.50%	\$367	
2	141202	Franchises	\$41,938	2.50%	1,048	
3	141203	Struct and Improv General Plant	\$267,093	2.00%	5,342	
4	141207	Struct and Improv Collect Plant	\$150	0.00%	0	
5	141208	Struct and Improv Pump Plant	\$1,690,854	2.00%	33,817	
6	141209	Struct and Improv Treatment Plant	\$1,837,554	2.50%	45,939	
7	141211	Struct and Improv Reclaim Wtr Dist	\$2,477	2.50%	62	
8	141220	Struct and Improv Office	\$74,442	10.00%	7,444	
9	141227	Electric Pump Equip Src Pump	(\$2,538)	0.00%	0	
10	141230	Water Treatment Equipment	\$944,752	0.00%	0	
11	141231	Dist Resv and Standpipes	\$0	2.00%	0	
12	141232	Trans and Distr Mains	\$0	1.00%	0	
13	141239	Power Gen Equip Pump Plt	\$112,475	10.00%	11,247	
14	141241	Sewer Force Main	\$227,006	1.33%	3,019	
15	141242	Sewer Gravity Main	\$5,331,906	1.00%	53,319	
16	141243	Manholes	\$53,112	1.00%	531	
17	141244	Special Collection Structures	\$775	2.00%	16	
18	141245	Service to Customers	\$339,216	1.33%	4,512	
19	141246	Flow Measure Devices	\$17,806	4.00%	712	
20	141249	Pumping Equip Pump Plt	\$826,753	14.29%	118,143	
21	141250	Pumping Equip Reclaim WTP	\$96,219	14.29%	13,750	
22	141252	Treat/Disp Equip Lagoon	\$56	2.50%	1	
23	141253	Treat/Disp Equip Trt Plt	\$2,830,361	2.50%	70,759	
24	141255	Plant Sewers Treatment Plt	\$393,451	2.50%	9,836	
25	141257	Outfall Lines	\$74,700	1.00%	747	
26	141263	Reuse Dist Reservoirs	\$2,763	2.00%	55	
27	141264	Reuse Transmission and Dist	\$2,491	2.00%	50	
28	141271	Other Tangible Plant	\$79,334	2.50%	1,983	
29	141272	Other Plant Collection	(\$224)	2.00%	(4)	
30	141273	Other Plant Pump	\$3,442	2.50%	86	
31	141275	Other Plant Reclaim Water Trt	\$12,677	2.50%	317	
32	141299	Utility Plant Clearing	(\$0)	0.00%	0	
33	141303	Office Furniture	\$316	10.00%	32	
34	141305	Stores Equipment	\$2,798	3.33%	93	
35	141306	Lab Equipment	\$6,734	10.00%	673	
36	141308	Tool Shop Equipment	\$21,346	5.00%	1,067	
37	141309	Power Operated Equipment	\$53,931	10.00%	5,393	
38	141310	Communications Equipment	\$58,359	10.00%	5,836	
39	141311	Misc Equipment	\$68,996	3.33%	2,298	
40	141399	Building and Equipment Clearing	\$0	0.00%	0	
41	141401	Vehicles	(\$26)	0.00%	0	
42	141501	Computer Hardware	(\$4)	16.67%	(1)	
43	141502	Desktop/Laptop Computers	(\$83)	0.00%	0	
44	141503	Mainframe Computers	(\$565)	0.00%	0	
45	141504	Mini Comp Wtr	(\$5,283)	0.00%	0	
46	141601	Computer Software	(\$550)	0.00%	0	
47	141602	Comp Systems	(\$16,819)	0.00%	0	
48	141603	Micro Systems	(\$292)	0.00%	0	
49	141699	Computer Clearing	\$0	0.00%	0	
50	141251	Pumping Equip Rcl Wtr Dist	\$0	14.29%	0	
51	141254	Treat/Disp Equip Rclm Wtr	\$0	2.50%	0	
52						
53		Total plant in service (Sum of L1 thru L57)	<u>\$15,464,580</u>		<u>\$398,489</u>	<u>2.58%</u> [4]

[1] Brown and 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 53.

**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**CALCULATION OF CIAC AMORTIZATION**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 3-15  
 Page 1 of 4

**CWS - NC Uniform - Water**

Line No.	G/L Account	Description	CIAC Per Books - Test Year (4/1/2021 - 3/31/2022) [1]	CIAC (Additions) Retirements - Post Test Year (4/1/2022 - 8/31/2022) [1]	Amortizable Basis [2]	Amortization Rates [3]	Annualized Amortization [4]
			[a]	[b]	[c]	[d]	[e]
1	271003	CIAC - Structure/Improvement Src :	(51,493)	-	(51,493)	2.00%	(1,030)
2	271004	CIAC - Structure/Improvement WTF	(43,000)	-	(43,000)	2.00%	(860)
3	271008	CIAC - Structure/Improvement Trea	-	-	-	2.50%	-
4	271017	CIAC - Wells and Springs	(1,013,273)	-	(1,013,273)	2.00%	(20,265)
5	271019	CIAC - Electric Pump Equipment Sr	(27,158)	-	(27,158)	14.29%	(3,881)
6	271020	CIAC - Electric Pump Equipment W	(86,987)	-	(86,987)	3.33%	(2,897)
7	271021	CIAC - Electric Pump Equipment Tr	(200,932)	-	(200,932)	14.29%	(28,713)
8	271022	CIAC - Water Treatment Equipmen	(47,681)	-	(47,681)	2.50%	(1,192)
9	271023	CIAC - Dist Resv and S	(183,881)	-	(183,881)	2.00%	(3,678)
10	271024	CIAC - Trans and Distr Mains	(2,907,825)	-	(2,907,825)	1.00%	(29,078)
11	271025	CIAC - Service Lines	(268,291)	-	(268,291)	2.00%	(5,366)
12	271026	CIAC - Meters	(25,400)	-	(25,400)	3.33%	(846)
13	271028	CIAC - Hydrants	(336,477)	-	(336,477)	2.50%	(8,412)
14	271029	CIAC - Backflow Prevent D	(4,000)	-	(4,000)	10.00%	(400)
15	271034	CIAC - Misc Equipment	(164,750)	-	(164,750)	3.33%	(5,486)
16	271035	CIAC - Other Tangible Plant	(18,508,745)	-	(18,508,745)	2.50%	(462,719)
17	271036	CIAC - Tap Fee	(4,594,318)	(7,052)	(4,601,369)	2.73%	(125,617)
18	271037	CIAC - Management Fee	(21,294)	(150)	(21,444)	2.73%	(585)
19	271039	CIAC - Res Cap Fee	(39,250)	-	(39,250)	2.73%	(1,072)
20	271040	CIAC - Plant Mod Fee	(854,673)	(13,125)	(867,798)	2.73%	(23,691)
21	271041	CIAC - Plant Meter Fee	(277,934)	(6,762)	(284,696)	2.73%	(7,772)
22	271043	CIAC - Sewer Gravity Main	-	-	-	1.00%	-
23	271044	CIAC - Manholes	-	-	-	1.00%	-
24		Totals - Water (Sum of L1 thru L23)	<u>(29,657,361)</u>	<u>(27,088)</u>	<u>(29,684,450)</u>		<u>(733,560)</u>

[1] Per General Ledger Balances for Corresponding Periods  
 [2] Sum of Columns [a] and [b]  
 [3] Per Company Update (9.19.2022) and Settlement in Docket No. W-354, Sub 364  
 [4] Column [c] multiplied by Column [d]



**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**CALCULATION OF CIAC AMORTIZATION**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 3-15  
 Page 2 of 4

**CWS - NC Uniform - Sewer**

Line No.	G/L Account	Description	CIAC Per Books -	CIAC (Additions)	Amortizable Basis	Amortization	Annualized
			Test Year	Retirements -		Rates	Amortization
			(4/1/2021 - 3/31/2022) [1]	Post Test Year	[2]	[3]	[4]
			[a]	(4/1/2022 - 8/31/2022) [1]	[c]	[d]	[e]
25	271007	CIAC - Structure/Improvement Pum	(644,068)	-	(644,068)	2.00%	(12,881)
26	271008	CIAC - Structure/Improvement Trea	(402,017)	-	(402,017)	2.50%	(10,050)
27	271011	CIAC - Structure/Improvement Gen	(15,422,145)	-	(15,422,145)	2.00%	(308,443)
28	271035	CIAC - Other Tangible Plant	372	-	372	2.50%	9
29	271036	CIAC - Tap Fee	(3,522,407)	25,522	(3,496,885)	2.78%	(97,213)
30	271037	CIAC - Management Fee	(10,056)	-	(10,056)	2.78%	(280)
31	271040	CIAC - Plant Mod Fee	(6,073,903)	-	(6,073,903)	2.78%	(168,855)
32	271041	CIAC - Plant Meter Fee	(283)	-	(283)	2.78%	(8)
33	271042	CIAC - Sewer Force Main	(167,394)	-	(167,394)	1.33%	(2,226)
34	271043	CIAC - Sewer Gravity Main	(2,020,083)	-	(2,020,083)	1.00%	(20,201)
35	271044	CIAC - Manholes	(306,298)	-	(306,298)	1.00%	(3,063)
36	271046	CIAC - Service to Customers	(253,491)	-	(253,491)	1.33%	(3,371)
37	271054	CIAC - Treatment/Disp Equipment	44,800	-	44,800	2.50%	1,120
38		Totals - Sewer (Sum of L25 thru L3	<u>(28,776,974)</u>	<u>25,522</u>	<u>(28,751,451)</u>		<u>(625,462)</u>

[1] Per General Ledger Balances for Corresponding Periods  
 [2] Sum of Columns [a] and [b]  
 [3] Per Company Update (9.19.2022) and Settlement in Docket No. W-354, Sub 364  
 [4] Column [c] multiplied by Column [d]

**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**CALCULATION OF CIAC AMORTIZATION**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 3-15  
 Page 3 of 4

**BF/FH/TC - Water**

Line No.	G/L Account	Description	CIAC Per Books -	CIAC (Additions)	Amortizable Basis	Amortization	Annualized
			Test Year	Retirements -		Rates	Amortization
			(4/1/2021 - 3/31/2022) [1]	Post Test Year (4/1/2022 - 8/31/2022) [1]	[2]	[3]	[4]
			[a]	[b]	[c]	[d]	[e]
39	271008	CIAC - Structure/Improvement Treas	-	-	-	2.50%	-
40	271024	CIAC - Trans and Distr Mains	(25,920)	-	(25,920)	1.00%	(259)
41	271025	CIAC - Service Lines	(24,247)	-	(24,247)	2.00%	(485)
42	271028	CIAC - Hydrants	(68,395)	-	(68,395)	2.50%	(1,710)
43	271035	CIAC - Other Tangible Plant	(1,711,201)	-	(1,711,201)	2.50%	(42,780)
44	271036	CIAC - Tap Fee	(380,409)	(39,465)	(419,874)	2.28%	(9,573)
45	271037	CIAC - Management Fee	-	-	-	2.28%	-
46	271040	CIAC - Plant Mod Fee	(111,840)	-	(111,840)	2.28%	(2,550)
47	271041	CIAC - Plant Meter Fee	(14,288)	(1,050)	(15,338)	2.28%	(350)
48	271043	CIAC - Sewer Gravity Main	-	-	-	1.00%	-
49	271044	CIAC - Manholes	-	-	-	1.00%	-
50		Totals - Water (Sum of L39 thru L49)	<b>(2,336,301)</b>	<b>(40,515)</b>	<b>(2,376,815)</b>		<b>(57,707)</b>

[1] Per General Ledger Balances for Corresponding Periods  
 [2] Sum of Columns [a] and [b]  
 [3] Per Company Update (9.19.2022) and Settlement in Docket No. W-354, Sub 364  
 [4] Column [c] multiplied by Column [d]

**CAROLINA WATER SERVICE, INC., OF NC**  
 Docket No. W-354, Sub 400  
**CALCULATION OF CIAC AMORTIZATION**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I  
 Schedule 3-15  
 Page 4 of 4

**BF/FH - Sewer**

Line No.	G/L Account	Description	CIAC Per Books - Test Year (4/1/2021 - 3/31/2022) [1]	CIAC (Additions) Retirements - Post Test Year (4/1/2022 - 8/31/2022) [1]	Amortizable Basis [2]	Amortization Rates [3]	Annualized Amortization [4]
			[a]	[b]	[c]	[d]	[e]
51	271008	CIAC - Structure/Improvement Trea	-	-	-	2.50%	-
52	271011	CIAC - Structure/Improvement Gen	(5,554,903)	-	(5,554,903)	2.00%	(111,098)
53	271036	CIAC - Tap Fee	(492,942)	-	(492,942)	2.61%	(12,866)
54	271039	CIAC - Res Cap Fee	(707,193)	-	(707,193)	2.61%	(18,458)
55	271040	CIAC - Plant Mod Fee	(291,780)	-	(291,780)	2.61%	(7,615)
56	271041	CIAC - Plant Meter Fee	-	-	-	2.61%	-
57	271042	CIAC - Sewer Force Main	-	-	-	1.33%	-
58	271043	CIAC - Sewer Gravity Main	(59,811)	-	(59,811)	1.00%	(598)
59	271044	CIAC - Manholes	-	-	-	1.00%	-
60		Total - Sewer (Sum of L51 thru L59)	<b>(7,106,629)</b>	<b>-</b>	<b>(7,106,629)</b>		<b>(150,635)</b>

[1] Per General Ledger Balances for Corresponding Periods  
 [2] Sum of Columns [a] and [b]  
 [3] Per Company Update (9.19.2022) and Settlement in Docket No. W-354, Sub 364  
 [4] Column [c] multiplied by Column [d]

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**ADJUSTMENT TO PAYROLL TAX**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-16

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Payroll taxes per application	<u>\$ 302,217</u>	<u>\$179,305</u>	<u>\$36,311</u>	<u>\$37,168</u>
2	Adjustment to include company 09.19.2022 updates	2,188	2,305	262	269
3	Payroll taxes adjusted for company updates (L1 + L2)	304,405	181,610	36,573	37,437
4	Adjustments to update payroll taxes through August 31, 2022	<u>(6,480) [1]</u>	<u>(3,866) [1]</u>	<u>(778) [1]</u>	<u>(797) [1]</u>
5	Payroll taxes per Public Staff (L3 + L4)	<u>\$ 297,925</u>	<u>\$ 177,744</u>	<u>\$ 35,795</u>	<u>\$ 36,640</u>

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

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**CALCULATION OF INCOME TAXES**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-17(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>\$22,286,059</u>	<u>\$23,908,165</u>	<u>\$22,797,833</u>
	Operating revenue deductions:			
2	Maintenance expenses	4,623,305	4,623,305	4,623,305
3	General expenses	9,189,350	9,189,350	9,189,350
4	Depreciation expense	3,378,788	3,378,788	3,378,788
5	Amortization of CIAC	(733,560)	(733,560)	(733,560)
6	Amortization of PAA	(121,579)	(121,579)	(121,579)
7	Amortization of ITC	(265)	(265)	(265)
8	Franchise and other taxes	56,485	56,485	56,485
9	Property taxes	135,969	135,969	135,969
10	Payroll taxes	297,925	297,925	297,925
11	Regulatory fee	31,200	33,471	31,917
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,652,999</u> [2]	<u>1,652,999</u> [4]	<u>1,652,999</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>18,510,617</u>	<u>18,512,888</u>	<u>18,511,334</u>
15	Taxable income (L1 - L14)	<u>3,775,441</u>	<u>5,395,276</u>	<u>4,286,498</u>
16	State income tax (L15 x 2.5%)	<u>94,386</u>	<u>134,882</u>	<u>107,162</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>3,681,055</u>	<u>5,260,394</u>	<u>4,179,336</u>
18	Federal income tax (L17 x 21%)	<u>773,022</u>	<u>1,104,683</u>	<u>877,661</u>
19	Excess deferred income tax amortization	<u>(64,882)</u>	<u>(64,882)</u>	<u>(64,882)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>2,972,915</u>	<u>4,220,593</u>	<u>3,366,557</u>
21	Add: Interest expense	<u>1,652,999</u> [2]	<u>1,652,999</u> [4]	<u>1,652,999</u> [6]
22	Net income for a return (L20 + L21)	<u>\$4,625,914</u>	<u>\$5,873,592</u>	<u>\$5,019,556</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 400

**CALCULATION OF INCOME TAXES**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-17(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>\$17,044,147</u>	<u>\$18,747,969</u>	<u>\$18,361,654</u>
	Operating revenue deductions:			
2	Maintenance expenses	4,474,941	4,474,941	4,474,941
3	General expenses	5,501,371	5,501,371	5,501,371
4	Depreciation expense	3,065,342	3,065,342	3,065,342
5	Amortization of CIAC	(625,462)	(625,462)	(625,462)
6	Amortization of PAA	(17,621)	(17,621)	(17,621)
7	Amortization of ITC	(254)	(254)	(254)
8	Franchise and other taxes	48,173	48,173	48,173
9	Property taxes	105,629	105,629	105,629
10	Payroll taxes	177,744	177,744	177,744
11	Regulatory fee	23,862	26,247	25,706
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,552,181</u> [2]	<u>1,552,181</u> [4]	<u>1,552,181</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>14,305,906</u>	<u>14,308,291</u>	<u>14,307,750</u>
15	Taxable income (L1 - L14)	<u>2,738,241</u>	<u>4,439,678</u>	<u>4,053,904</u>
16	State income tax (L15 x 2.5%)	<u>68,456</u>	<u>110,992</u>	<u>101,348</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,669,785</u>	<u>4,328,686</u>	<u>3,952,556</u>
18	Federal income tax (L17 x 21%)	<u>560,655</u>	<u>909,024</u>	<u>830,037</u>
19	Excess deferred income tax amortization	<u>(38,709)</u>	<u>(38,709)</u>	<u>(38,709)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>2,147,839</u>	<u>3,458,371</u>	<u>3,161,228</u>
21	Add: Interest expense	<u>1,552,181</u> [2]	<u>1,552,181</u> [4]	<u>1,552,181</u> [6]
22	Net income for a return (L20 + L21)	<u>\$3,700,020</u>	<u>\$5,010,552</u>	<u>\$4,713,409</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 400

**CALCULATION OF INCOME TAXES**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-17(c)

**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1	Operating revenue	<u>\$1,850,029</u>	<u>\$2,081,782</u>	<u>\$1,953,536</u>
	Operating revenue deductions:			
2	Maintenance expenses	417,535	417,535	417,535
3	General expenses	1,089,816	1,089,816	1,089,816
4	Depreciation expense	149,231	149,231	149,231
5	Amortization of CIAC	(57,707)	(57,707)	(57,707)
6	Amortization of PAA	14,457	14,457	14,457
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	(1,321)	(1,321)	(1,321)
9	Property taxes	7,746	7,746	7,746
10	Payroll taxes	35,795	35,795	35,795
11	Regulatory fee	2,590	2,914	2,735
12	Gross receipts tax	0	0	0
13	Interest expense	84,079 [2]	84,079 [4]	84,079 [6]
14	Total deductions (Sum of L2 thru L13)	<u>1,742,222</u>	<u>1,742,546</u>	<u>1,742,367</u>
15	Taxable income (L1 - L14)	<u>107,807</u>	<u>339,236</u>	<u>211,169</u>
16	State income tax (L15 x 2.5%)	<u>2,695</u>	<u>8,481</u>	<u>5,279</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>105,112</u>	<u>330,755</u>	<u>205,890</u>
18	Federal income tax (L17 x 21%)	<u>22,074</u>	<u>69,459</u>	<u>43,237</u>
19	Excess deferred income tax amortization	<u>(8,585)</u>	<u>(8,585)</u>	<u>(8,585)</u>
20	Net amount (L15 - L16 - L18 - L19)	91,623	269,881	171,238
21	Add: Interest expense	<u>84,079 [2]</u>	<u>84,079 [4]</u>	<u>84,079 [6]</u>
22	Net income for a return (L20 + L21)	<u>\$175,702</u>	<u>\$353,960</u>	<u>\$255,317</u>

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

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

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

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

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

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

**CAROLINA WATER SERVICE, INC., OF NC**

Docket No. W-354, Sub 400

**CALCULATION OF INCOME TAXES**

For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit I

Schedule 3-17(d)

**BF/FH SEWER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$2,649,016</u>	<u>\$3,046,581</u>	<u>\$2,683,250</u>
	Operating revenue deductions:			
2	Maintenance expenses	408,114	408,114	408,114
3	General expenses	1,115,501	1,115,501	1,115,501
4	Depreciation expense	398,489	398,489	398,489
5	Amortization of CIAC	(150,635)	(150,635)	(150,635)
6	Amortization of PAA	43,346	43,346	43,346
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	(1,352)	(1,352)	(1,352)
9	Property taxes	9,754	9,754	9,754
10	Payroll taxes	36,640	36,640	36,640
11	Regulatory fee	3,709	4,265	3,757
12	Gross receipts tax	0	0	0
13	Interest expense	<u>228,050</u> [2]	<u>228,050</u> [4]	<u>228,050</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>2,091,616</u>	<u>2,092,172</u>	<u>2,091,664</u>
15	Taxable income (L1 - L14)	<u>557,400</u>	<u>954,409</u>	<u>591,586</u>
16	State income tax (L15 x 2.5%)	<u>13,935</u>	<u>23,860</u>	<u>14,790</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>543,465</u>	<u>930,549</u>	<u>576,796</u>
18	Federal income tax (L17 x 21%)	<u>114,128</u>	<u>195,415</u>	<u>121,127</u>
19	Excess deferred income tax amortization	<u>(8,786)</u>	<u>(8,786)</u>	<u>(8,786)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>438,123</u>	<u>743,920</u>	<u>464,455</u>
21	Add: Interest expense	<u>228,050</u> [2]	<u>228,050</u> [4]	<u>228,050</u> [6]
22	Net income for a return (L20 + L21)	<u>\$666,173</u>	<u>\$971,970</u>	<u>\$692,505</u>

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

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

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

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

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

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





**CAROLINA WATER SERVICE, INC. OF NC**  
 Docket No. W-354, Sub 400  
**CALCULATION OF GROSS REVENUE**  
**IMPACT OF PUBLIC STAFF ADJUSTMENTS**  
 For The Test Year Ended March 31, 2022

Brown and Feasel Exhibit II

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Total
1	Increase/(decrease) in total revenue per Company application	\$ 1,651,225	\$ 1,747,307	\$ 233,033	\$ 390,704	\$ 4,022,269
2	Company 09/19/22 update	403,404	319,802	(18,203)	(51,783)	652,780
3	Increase/(decrease) in total revenue per Company updates	2,054,629	2,066,669	214,830	338,921	4,675,049
4	Difference in calculation of revenue requirement based on Company amounts	(1)	1	(1)	4	3
5	Amort. of ITC not included in oper. rev. deduct.	0	0	0	0	0
6	GRT included in error by the Company	0	0	0	0	0
7	Adjust capital structure to 50% debt and 50% equity	0	0	0	0	0
8	Adjust return on equity from 10.45% to 9.45%	(470,490)	(442,576)	(23,716)	(63,841)	(1,000,623)
9	Adjust debt cost rate from 4.64% to 4.64%	0	0	0	0	0
10	Adjustment to uncollectibles	(60,303)	(99,560)	14,207	(26,080)	(171,736)
11	Adjustment to forfeited discounts	(63,183)	(45,511)	(5,289)	(7,094)	(121,077)
12	Adjustment to miscellaneous revenues	(18,372)	(10,961)	(1,183)	(1,210)	(31,725)
13	Update revenues to 6/31/2022	539,469	573,835	1,666	(9,864)	1,105,106
14	Adjustment to reclassify utility by accounts	(2,011)	2,011	0	0	0
15	Adjustment from engineer for PIS	0	0	0	0	0
16	Adjustment to over booked AFUDC	(273)	(258)	0	(7)	(538)
17	Adjustment to customer deposits	0	0	0	0	0
18	Adjustment to inventory	0	0	0	0	0
19	Adjustment to excess book value	0	0	0	0	0
20	Adjustment to average tax accruals	(12,588)	(9,781)	(746)	(954)	(24,069)
21	Adjustment to remove Company proposed additions to add PS post TY addtl	(300,497)	(245,201)	(12,514)	21,770	(536,442)
22	Adjustment to add back ERC book adjustment	(3,678)	(2,195)	(442)	(452)	(6,768)
23	Adjustment to gain on sale	0	0	0	0	0
24	Adjustment to include actual post TY GL additions	256,698	166,521	13,646	20,988	457,853
25	Adjustment to reflect annual level of depreciation	2,298	517	740	1,005	4,560
26	Adjustments - Hurricane Florence proceeds	(15,905)	(1,303)	(950)	(42,537)	(60,705)
27	Adjustment to cash working capital	(6,602)	(1,909)	(272)	(1,102)	(9,885)
28	Adjustment to ADIT	(6,883)	(3,986)	(814)	2,671	(9,012)
29	Adjustment for excess deferred taxes	(84,353)	(50,326)	(11,161)	(11,423)	(157,263)
30	Adjustment to deferred charges	(6,039)	(4,236)	(686)	(616)	(11,577)
31	Adjustment to purchased power	(2,208)	(22,376)	0	0	(24,584)
32	Adjustment to maintenance and repair	(6,081)	98,102	12,774	(60,014)	44,801
33	Adjustment to maintenance testing	0	0	0	0	0
34	Adjustment to chemicals	(64,638)	(11,609)	(32)	(4,839)	(81,118)
35	Adjustment to transportation	6,495	3,874	(2,408)	(2,464)	5,497
36	Adjustment to office utility	0	0	0	0	0
37	Adjustment to amortization expense - CIAC	0	0	0	0	0
38	Adjustment to franchise tax	0	0	0	0	0
39	Adjustment to regulatory commission expense	(271,998)	(162,275)	(33,991)	(34,795)	(503,059)
40	Adjustment to pension and benefits	(39,758)	(23,719)	(4,777)	(4,890)	(73,144)
41	Adjustment to amortization expense - PAA	(4,227)	(188)	(1,399)	(505)	(6,319)
42	Adjustment to meter reading	(6,733)	0	0	0	(6,733)
43	Adjustment to property tax	0	0	0	0	0
44	Adjustment to general salaries and wages	(77,996)	(46,533)	(9,371)	(9,592)	(143,492)
45	Adjustment to payroll tax	(6,489)	(3,871)	(779)	(798)	(11,937)
46	Adjustment to depreciation expense	(657,196)	(391,475)	(56,064)	(80,663)	(1,185,398)
47	Adjustment to outside services - other	(11,246)	(6,710)	0	0	(17,956)
48	Adjustment to office supplies and other office exp.	0	0	0	0	0
49	Adjustment to capitalized time	(6,869)	(4,098)	(825)	(845)	(12,637)
50	Adjustment to rent	0	0	0	0	0
51	Adjustment to insurance	37,758	22,527	4,536	4,645	69,466
52	Adjustment to miscellaneous	(181,444)	(27,844)	8,327	8,521	(192,440)
53	Adjustment to purchased water/sewer	0	0	0	0	0
54	Adjustment to reflect regulatory rate change impact on operating deduction	1,817	1,334	175	205	3,531
55	Adjustment to reflect regulatory rate change impact on rate base	653	615	34	88	1,390
56	Rounding	0	0	0	0	0
57	Revenue impact of Public Staff adjustments (Sum of L4 thru L56)	(1,542,854)	(749,164)	(111,323)	(304,688)	(2,708,028)
58	Increase/(decrease) per Public Staff (L3 + L57)	\$ 511,775	\$ 1,317,505	\$ 103,507	\$ 34,233	\$ 1,967,021
59	Public Staff recommended increase(decrease) (L58)	511,775	1,317,505	103,507	34,233	1,967,021
60	Federal Unprotected EDI Rider	0	0	0	0	0
61	Public Staff Recommended change in revenue requirement (L59 + L60)	\$ 511,775	\$ 1,317,505	\$ 103,507	\$ 34,233	\$ 1,967,021