



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

June 26, 2023

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

Re: Docket No. W-218, Sub 573 – Application by Aqua North Carolina, Inc., 202 MacKenan Court, Cary, North Carolina 27511, for Authority to Adjust and Increase Rates for Water and Sewer Utility Service in All Service Areas in North Carolina and for Approval of a Water and Sewer Investment Plan

Dear Ms. Dunston:

Pursuant to the Commission's Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Approving Water and Sewer Investment Plan, Granting Partial Rate Increase, and Requiring Customer Notice (Rate Case Order) issued on June 5, 2023, in the above-referenced docket, and its Order on Reconsideration issued on June 21, 2023, in the same docket, I herewith provide for filing on behalf of the Public Staff and Aqua North Carolina, Inc. the updated Base Case and WSIP Rate Years 1, 2, and 3 revenue requirements reflecting the decisions in the Rate Case Order and the Order on Reconsideration.

Sincerely,

Electronically submitted
/s/ Megan Jost
Staff Attorney

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(a)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$82,015,953 [2]	3.97% [1]	1.99%	\$3,256,033 [8]
2.	Equity	50.00%	82,015,953 [2]	7.84% [6]	3.92%	6,431,413 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$164,031,906</u> [3]		<u>5.91%</u>	<u>\$9,687,446</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$82,015,953 [4]	3.97% [1]	1.99%	\$3,256,033 [8]
5.	Equity	50.00%	82,015,953 [4]	14.60% [6]	7.30%	11,976,312 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$164,031,906</u> [3]		<u>9.29%</u>	<u>\$15,232,345</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$82,015,953 [5]	3.97% [1]	1.99%	\$3,256,033 [8]
8.	Equity	50.00%	82,015,953 [5]	9.80% [1]	4.90%	8,037,563 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$164,031,906</u> [3]		<u>6.89%</u>	<u>\$11,293,596</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a), Line 15, Column (c).
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Line 40, Column (c).
[11] Line 6 - Line 4, Column (e).
[12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Line 40, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(b)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$35,200,731 [2]	3.97% [1]	1.99%	\$1,397,469 [8]
2.	Equity	50.00%	35,200,731 [2]	8.56% [6]	4.28%	3,014,396 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$70,401,462 [3]</u>		<u>6.27%</u>	<u>\$4,411,865 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$35,200,731 [4]	3.97% [1]	1.99%	\$1,397,469 [8]
5.	Equity	50.00%	35,200,731 [4]	14.90% [6]	7.45%	5,245,470 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$70,401,462 [3]</u>		<u>9.44%</u>	<u>\$6,642,939 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$35,200,731 [5]	3.97% [1]	1.99%	\$1,397,469 [8]
8.	Equity	50.00%	35,200,731 [5]	9.80% [1]	4.90%	3,449,672 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$70,401,462 [3]</u>		<u>6.89%</u>	<u>\$4,847,141</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b), Line 15, Column (c).
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Line 41, Column (c).
[11] Line 6 - Line 4, Column (e).
[12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Line 41, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(c)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$2,471,740 [2]	3.97% [1]	1.99%	\$98,128 [8]
2.	Equity	50.00%	2,471,741 [2]	-1.09% [6]	-0.55%	(26,926) [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$4,943,481</u> [3]		<u>1.44%</u>	<u>\$71,202</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$2,471,740 [4]	3.97% [1]	1.99%	\$98,128 [8]
5.	Equity	50.00%	2,471,741 [4]	16.83% [6]	8.42%	415,917 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$4,943,481</u> [3]		<u>10.40%</u>	<u>\$514,045</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$2,471,740 [5]	3.97% [1]	1.99%	\$98,128 [8]
8.	Equity	50.00%	2,471,741 [5]	9.80% [1]	4.90%	242,231 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$4,943,481</u> [3]		<u>6.89%</u>	<u>\$340,359</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c), Line 15, Column (c).
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Line 40, Column (c).
[11] Line 6 - Line 4, Column (e).
[12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Line 40, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(d)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$7,945,378 [2]	3.97% [1]	1.99%	\$315,432 [8]
2.	Equity	50.00%	7,945,377 [2]	2.57% [6]	1.29%	204,121 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$15,890,755</u> [3]		<u>3.27%</u>	<u>\$519,553</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$7,945,378 [4]	3.97% [1]	1.99%	\$315,432 [8]
5.	Equity	50.00%	7,945,377 [4]	15.68% [6]	7.84%	1,245,444 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$15,890,755</u> [3]		<u>9.83%</u>	<u>\$1,560,876</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$7,945,378 [5]	3.97% [1]	1.99%	\$315,432 [8]
8.	Equity	50.00%	7,945,377 [5]	9.80% [1]	4.90%	778,647 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$15,890,755</u> [3]		<u>6.89%</u>	<u>\$1,094,079</u>

- [1] Provided by Public Staff witness Hinton.
- [2] Column (a) x Line 3, Column (b).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d), Line 15, Column (c).
- [4] Column (a) x Line 6, Column (b).
- [5] Column (a) x Line 9, Column (b).
- [6] Column (e) divided by Column (b).
- [7] Column (a) x Column (c).
- [8] Column (b) x Column (c).
- [9] Line 3 - Line 1, Column (e).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Line 41, Column (c).
- [11] Line 6 - Line 4, Column (e).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Line 41, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(e)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$16,514,213 [2]	3.97% [1]	1.99%	\$655,614 [8]
2.	Equity	50.00%	16,514,213 [2]	4.59% [6]	2.30%	757,190 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$33,028,426 [3]</u>		<u>4.28%</u>	<u>\$1,412,804 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$16,514,213 [4]	3.97% [1]	1.99%	\$655,614 [8]
5.	Equity	50.00%	16,514,213 [4]	12.39% [6]	6.20%	2,045,882 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$33,028,426 [3]</u>		<u>8.18%</u>	<u>\$2,701,496 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$16,514,213 [5]	3.97% [1]	1.99%	\$655,614 [8]
8.	Equity	50.00%	16,514,213 [5]	9.80% [1]	4.90%	1,618,393 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$33,028,426 [3]</u>		<u>6.89%</u>	<u>\$2,274,007</u>

- [1] Provided by Public Staff witness Hinton.
- [2] Column (a) x Line 3, Column (b).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e), Line 15, Column (c).
- [4] Column (a) x Line 6, Column (b).
- [5] Column (a) x Line 9, Column (b).
- [6] Column (e) divided by Column (b).
- [7] Column (a) x Column (c).
- [8] Column (b) x Column (c).
- [9] Line 3 - Line 1, Column (e).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Line 40, Column (c).
- [11] Line 6 - Line 4, Column (e).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Line 40, Column (e).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(a)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$96,474,950 [2]	3.97% [1]	1.99%	\$3,830,056 [8]
2.	Equity	50.00%	96,474,950 [2]	10.38% [6]	5.19%	10,011,252 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$192,949,900 [3]</u>		<u>7.18%</u>	<u>\$13,841,308 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$96,474,950 [4]	3.97% [1]	1.99%	\$3,830,056 [8]
5.	Equity	50.00%	96,474,950 [4]	12.15% [6]	6.08%	11,722,379 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$192,949,900 [3]</u>		<u>8.06%</u>	<u>\$15,552,435 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$96,474,950 [5]	3.97% [1]	1.99%	\$3,830,056 [8]
8.	Equity	50.00%	96,474,950 [5]	9.80% [1]	4.90%	9,454,545 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$192,949,900 [3]</u>		<u>6.89%</u>	<u>\$13,284,601</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a)-RY, Column (c) Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(b)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$46,012,038 [2]	3.97% [1]	1.99%	\$1,826,678 [8]
2.	Equity	50.00%	46,012,038 [2]	8.93% [6]	4.47%	4,108,234 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$92,024,076 [3]</u>		<u>6.45%</u>	<u>\$5,934,912 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$46,012,038 [4]	3.97% [1]	1.99%	\$1,826,678 [8]
5.	Equity	50.00%	46,012,038 [4]	10.36% [6]	5.18%	4,766,641 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$92,024,076 [3]</u>		<u>7.17%</u>	<u>\$6,593,319 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$46,012,038 [5]	3.97% [1]	1.99%	\$1,826,678 [8]
8.	Equity	50.00%	46,012,038 [5]	9.80% [1]	4.90%	4,509,180 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$92,024,076 [3]</u>		<u>6.89%</u>	<u>\$6,335,858</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b)-RY, Column (c), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(c)-RY1

FAIRWAYS WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Rate Year 1		Net Operating Income [7] (e)
				Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	
<u>Present rates:</u>						
1.	Debt	50.00%	\$4,095,172 [2]	3.97% [1]	1.99%	\$162,578 [8]
2.	Equity	50.00%	4,095,172 [2]	6.53% [6]	3.27%	267,432 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$8,190,344 [3]</u>		<u>5.25%</u>	<u>\$430,010 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$4,095,172 [4]	3.97% [1]	1.99%	\$162,578 [8]
5.	Equity	50.00%	4,095,172 [4]	10.81% [6]	5.41%	442,775 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$8,190,344 [3]</u>		<u>7.39%</u>	<u>\$605,353 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$4,095,172 [5]	3.97% [1]	1.99%	\$162,578 [8]
8.	Equity	50.00%	4,095,172 [5]	9.80% [1]	4.90%	401,327 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$8,190,344 [3]</u>		<u>6.89%</u>	<u>\$563,905</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c)-RY, Column (c), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(d)-RY1

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Rate Year 1		Net Operating Income [7] (e)
				Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	
<u>Present rates:</u>						
1.	Debt	50.00%	\$8,208,587 [2]	3.97% [1]	1.99%	\$325,881 [8]
2.	Equity	50.00%	8,208,587 [2]	14.40% [6]	7.20%	1,182,140 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$16,417,174 [3]</u>		<u>9.19%</u>	<u>\$1,508,021 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$8,208,587 [4]	3.97% [1]	1.99%	\$325,881 [8]
5.	Equity	50.00%	8,208,587 [4]	15.80% [6]	7.90%	1,296,599 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$16,417,174 [3]</u>		<u>9.89%</u>	<u>\$1,622,480 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$8,208,587 [5]	3.97% [1]	1.99%	\$325,881 [8]
8.	Equity	50.00%	8,208,587 [5]	9.80% [1]	4.90%	804,441 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$16,417,174 [3]</u>		<u>6.89%</u>	<u>\$1,130,322</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d)-RY, Line 15, Column (c).

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(e)-RY1

BROOKWOOD WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Rate Year 1		Net Operating Income [7] (e)
				Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	
<u>Present rates:</u>						
1.	Debt	50.00%	\$21,612,266 [2]	3.97% [1]	1.99%	\$858,007 [8]
2.	Equity	50.00%	21,612,266 [2]	7.14% [6]	3.57%	1,542,607 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$43,224,532 [3]</u>		<u>5.56%</u>	<u>\$2,400,614 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$21,612,266 [4]	3.97% [1]	1.99%	\$858,007 [8]
5.	Equity	50.00%	21,612,266 [4]	9.54% [6]	4.77%	2,060,760 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$43,224,532 [3]</u>		<u>6.76%</u>	<u>\$2,918,767 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$21,612,266 [5]	3.97% [1]	1.99%	\$858,007 [8]
8.	Equity	50.00%	21,612,266 [5]	9.80% [1]	4.90%	2,118,002 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$43,224,532 [3]</u>		<u>6.89%</u>	<u>\$2,976,009</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e)-RY, Column (c) Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(a)-RY2

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Rate Year 2		Net Operating Income [7] (e)
				Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	
<u>Present rates:</u>						
1.	Debt	50.00%	\$102,522,481 [2]	3.97% [1]	1.99%	\$4,070,142 [8]
2.	Equity	50.00%	102,522,480 [2]	10.45% [6]	5.23%	10,709,126 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$205,044,961 [3]</u>		<u>7.21%</u>	<u>\$14,779,268 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$102,522,481 [4]	3.97% [1]	1.99%	\$4,070,142 [8]
5.	Equity	50.00%	102,522,480 [4]	12.39% [6]	6.20%	12,701,009 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$205,044,961 [3]</u>		<u>8.18%</u>	<u>\$16,771,151 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$102,522,481 [5]	3.97% [1]	1.99%	\$4,070,142 [8]
8.	Equity	50.00%	102,522,480 [5]	9.80% [1]	4.90%	10,047,203 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$205,044,961 [3]</u>		<u>6.89%</u>	<u>\$14,117,345</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a)-RY, Column (f), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(b)-RY2

Line No.	Item	Rate Year 2				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$51,791,227 [2]	3.97% [1]	1.99%	\$2,056,112 [8]
2.	Equity	50.00%	51,791,227 [2]	7.87% [6]	3.94%	4,076,679 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$103,582,454 [3]</u>		<u>5.92%</u>	<u>\$6,132,791 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$51,791,227 [4]	3.97% [1]	1.99%	\$2,056,112 [8]
5.	Equity	50.00%	51,791,227 [4]	9.52% [6]	4.76%	4,932,573 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$103,582,454 [3]</u>		<u>6.75%</u>	<u>\$6,988,685 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$51,791,227 [5]	3.97% [1]	1.99%	\$2,056,112 [8]
8.	Equity	50.00%	51,791,227 [5]	9.80% [1]	4.90%	5,075,540 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$103,582,454 [3]</u>		<u>6.89%</u>	<u>\$7,131,652</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b)-RY, Column (f), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(c)-RY2

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 2				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$4,339,753 [2]	3.97% [1]	1.99%	\$172,288 [8]
2.	Equity	50.00%	4,339,753 [2]	9.18% [6]	4.59%	398,223 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$8,679,506 [3]</u>		<u>6.58%</u>	<u>\$570,511 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$4,339,753 [4]	3.97% [1]	1.99%	\$172,288 [8]
5.	Equity	50.00%	4,339,753 [4]	11.14% [6]	5.57%	483,281 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$8,679,506 [3]</u>		<u>7.56%</u>	<u>\$655,569 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$4,339,753 [5]	3.97% [1]	1.99%	\$172,288 [8]
8.	Equity	50.00%	4,339,753 [5]	9.80% [1]	4.90%	425,296 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$8,679,506 [3]</u>		<u>6.89%</u>	<u>\$597,584</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c)-RY, Column (f), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(d)-RY2

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Rate Year 2		Net Operating Income [7] (e)
				Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	
<u>Present rates:</u>						
1.	Debt	50.00%	\$8,048,205 [2]	3.97% [1]	1.99%	\$319,514 [8]
2.	Equity	50.00%	8,048,205 [2]	15.79% [6]	7.90%	1,270,652 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$16,096,410 [3]</u>		<u>9.88%</u>	<u>\$1,590,166 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$8,048,205 [4]	3.97% [1]	1.99%	\$319,514 [8]
5.	Equity	50.00%	8,048,205 [4]	16.21% [6]	8.11%	1,304,779 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$16,096,410 [3]</u>		<u>10.09%</u>	<u>\$1,624,293 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$8,048,205 [5]	3.97% [1]	1.99%	\$319,514 [8]
8.	Equity	50.00%	8,048,205 [5]	9.80% [1]	4.90%	788,724 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$16,096,410 [3]</u>		<u>6.89%</u>	<u>\$1,108,238</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d)-RY, Column (f), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

RETURN ON ORIGINAL COST RATE BASE

For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements

Schedule 1(e)-RY2

BROOKWOOD WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Rate Year 2		Net Operating Income [7] (e)
				Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	
<u>Present rates:</u>						
1.	Debt	50.00%	\$23,497,487 [2]	3.97% [1]	1.99%	\$932,850 [8]
2.	Equity	50.00%	23,497,488 [2]	7.89% [6]	3.95%	1,854,084 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$46,994,975 [3]</u>		<u>5.93%</u>	<u>\$2,786,934 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$23,497,487 [4]	3.97% [1]	1.99%	\$932,850 [8]
5.	Equity	50.00%	23,497,488 [4]	9.33% [6]	4.67%	2,191,917 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$46,994,975 [3]</u>		<u>6.65%</u>	<u>\$3,124,767 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$23,497,487 [5]	3.97% [1]	1.99%	\$932,850 [8]
8.	Equity	50.00%	23,497,488 [5]	9.80% [1]	4.90%	2,302,754 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$46,994,975 [3]</u>		<u>6.89%</u>	<u>\$3,235,604</u>

[1] Provided by Public Staff witness Hinton.

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

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e)-RY, Column (f), Line 15.

[4] Column (a) x Line 6, Column (b).

[5] Column (a) x Line 9, Column (b).

[6] Column (e) divided by Column (b).

[7] Column (a) x Column (c).

[8] Column (b) x Column (c).

[9] Line 3 - Line 1, Column (e).

[10] Public Staff calculated net operating income under present rate.

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

[12] Public Staff calculated net operating income under proposed rate.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(a)-RY3

Line No.	Item	Capitalization Ratio [1]	Original Cost Rate Base [2]	Rate Year 3		Overall Cost Rate [7]	Net Operating Income [8]
				Embedded Cost [3]	Overall Cost Rate [7]		
		(a)	(b)	(c)	(d)	(e)	
<u>Present rates:</u>							
1.	Debt	50.00%	\$108,207,033 [2]	3.97% [1]	1.99%	\$4,295,819 [8]	
2.	Equity	50.00%	108,207,033 [2]	11.08% [6]	5.54%	11,994,175 [9]	
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$216,414,066 [3]</u>		<u>7.53%</u>	<u>\$16,289,994 [10]</u>	
<u>Company proposed rates:</u>							
4.	Debt	50.00%	\$108,207,033 [4]	3.97% [1]	1.99%	\$4,295,819 [8]	
5.	Equity	50.00%	108,207,033 [4]	13.10% [6]	6.55%	14,172,507 [11]	
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$216,414,066 [3]</u>		<u>8.54%</u>	<u>\$18,468,326 [12]</u>	
<u>Public Staff recommended rates:</u>							
7.	Debt	50.00%	\$108,207,033 [5]	3.97% [1]	1.99%	\$4,295,819 [8]	
8.	Equity	50.00%	108,207,033 [5]	9.80% [1]	4.90%	10,604,289 [8]	
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$216,414,066 [3]</u>		<u>6.89%</u>	<u>\$14,900,108</u>	

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(b)-RY3

Line No.	Item	Rate Year 3				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present rates:						
1.	Debt	50.00%	\$53,099,438 [2]	3.97% [1]	1.99%	\$2,108,048 [8]
2.	Equity	50.00%	53,099,438 [2]	8.86% [6]	4.43%	4,703,857 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$106,198,876 [3]</u>		<u>6.42%</u>	<u>\$6,811,905 [10]</u>
Company proposed rates:						
4.	Debt	50.00%	\$53,099,438 [4]	3.97% [1]	1.99%	\$2,108,048 [8]
5.	Equity	50.00%	53,099,438 [4]	10.67% [6]	5.34%	5,663,313 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$106,198,876 [3]</u>		<u>7.32%</u>	<u>\$7,771,361 [12]</u>
Public Staff recommended rates:						
7.	Debt	50.00%	\$53,099,438 [5]	3.97% [1]	1.99%	\$2,108,048 [8]
8.	Equity	50.00%	53,099,438 [5]	9.80% [1]	4.90%	5,203,745 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$106,198,876 [3]</u>		<u>6.89%</u>	<u>\$7,311,793</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
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[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(c)-RY3

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 3				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$4,807,225 [2]	3.97% [1]	1.99%	\$190,847 [8]
2.	Equity	50.00%	4,807,226 [2]	9.43% [6]	4.72%	453,162 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$9,614,451 [3]</u>		<u>6.70%</u>	<u>\$644,009 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$4,807,225 [4]	3.97% [1]	1.99%	\$190,847 [8]
5.	Equity	50.00%	4,807,226 [4]	10.62% [6]	5.31%	510,600 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$9,614,451 [3]</u>		<u>7.30%</u>	<u>\$701,447 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$4,807,225 [5]	3.97% [1]	1.99%	\$190,847 [8]
8.	Equity	50.00%	4,807,226 [5]	9.80% [1]	4.90%	471,108 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$9,614,451 [3]</u>		<u>6.89%</u>	<u>\$661,955</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
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Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(d)-RY3

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 3				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present rates:						
1.	Debt	50.00%	\$8,821,730 [2]	3.97% [1]	1.99%	\$350,223 [8]
2.	Equity	50.00%	8,821,730 [2]	13.68% [6]	6.84%	1,206,396 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$17,643,460 [3]</u>		<u>8.83%</u>	<u>\$1,556,619 [10]</u>
Company proposed rates:						
4.	Debt	50.00%	\$8,821,730 [4]	3.97% [1]	1.99%	\$350,223 [8]
5.	Equity	50.00%	8,821,730 [4]	14.73% [6]	7.37%	1,299,598 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$17,643,460 [3]</u>		<u>9.35%</u>	<u>\$1,649,821 [12]</u>
Public Staff recommended rates:						
7.	Debt	50.00%	\$8,821,730 [5]	3.97% [1]	1.99%	\$350,223 [8]
8.	Equity	50.00%	8,821,730 [5]	9.80% [1]	4.90%	864,530 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$17,643,460 [3]</u>		<u>6.89%</u>	<u>\$1,214,753</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 1(e)-RY3

BROOKWOOD WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1]	Original Cost Rate Base [2]	Rate Year 3		Net Operating Income [7]
				Embedded Cost [3]	Overall Cost Rate [4]	
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$25,506,548 [2]	3.97% [1]	1.99%	\$1,012,610 [8]
2.	Equity	50.00%	25,506,548 [2]	7.95% [6]	3.98%	2,028,156 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$51,013,096 [3]</u>		<u>5.96%</u>	<u>\$3,040,766 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$25,506,548 [4]	3.97% [1]	1.99%	\$1,012,610 [8]
5.	Equity	50.00%	25,506,548 [4]	9.16% [6]	4.58%	2,336,613 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$51,013,096 [3]</u>		<u>6.57%</u>	<u>\$3,349,223 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$25,506,548 [5]	3.97% [1]	1.99%	\$1,012,610 [8]
8.	Equity	50.00%	25,506,548 [5]	9.80% [1]	4.90%	2,499,642 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$51,013,096 [3]</u>		<u>6.89%</u>	<u>\$3,512,252</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021
COMBINED OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 2

Line No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [1] (c)
1.	Plant in service	\$662,627,488	(\$43,593,129)	\$619,034,359
2.	Accumulated depreciation	(168,110,793)	(5,168,098)	(173,278,891)
3.	Contributions in aid of construction	(219,348,798)	(2,194,617)	(221,543,415)
4.	Accumulated amortization of CIAC	93,090,963	(1,619,806)	91,471,157
5.	Acquisition adjustments	1,951,369	23,400	1,974,769
6.	Accum. amort. of acquisition adjustments	203,376	56,522	259,898
7.	Advances for construction	(3,744,691)	370,320	(3,374,371)
8.	Net plant in service	366,668,914	(52,125,407)	314,543,506
9.	Customer deposits	(280,618)	27,581	(253,037)
10.	Unclaimed refunds and cost-free capital	(193,255)	124,179	(69,076)
11.	Accumulated deferred income taxes	(37,434,098)	1,750,084	(35,684,014)
12.	Materials and supplies inventory	3,548,743	(104,699)	3,444,044
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	6,626,563	(311,955)	6,314,608
15.	Original cost rate base	<u>\$338,936,248</u>	<u>(\$50,640,218)</u>	<u>\$288,296,030</u>

[1] Sum of amounts from Public Staff Corrected WSIP Exhibit 1, Schedules 2(a) through 2(e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(a)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [11] (c)
1.	Plant in service	355,578,457	(\$16,299,930) [1]	\$339,278,527
2.	Accumulated depreciation	(99,084,200)	(2,076,036) [2]	(101,160,236)
3.	Contributions in aid of construction	(102,549,100)	(1,370,206) [3]	(103,919,306)
4.	Accumulated amortization of CIAC	42,289,376	(612,341) [4]	41,677,035
5.	Acquisition adjustments	5,985,304	23,400 [5]	6,008,704
6.	Accum. amort. of acquisition adjustments	(3,182,927)	88,205 [6]	(3,094,722)
7.	Advances for construction	<u>(2,745,087)</u>	<u>255,000</u> [7]	<u>(2,490,087)</u>
8.	Net plant in service	196,291,823	(19,991,908)	176,299,915
9.	Customer deposits	(218,900)	19,935 [8]	(198,965)
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)
11.	Accumulated deferred income taxes	(19,983,443)	817,889	(19,165,554)
12.	Materials and supplies inventory	2,951,946	(87,092) [9]	2,864,854
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	<u>4,533,901</u>	<u>(255,663)</u> [10]	<u>4,278,238</u>
15.	Original cost rate base	<u>\$183,528,745</u>	<u>(\$19,496,839)</u>	<u>\$164,031,906</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (a).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (a).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (a).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (a).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 5, Column (a).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 11, Column (a).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-5, Line 5, Column (a).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (a).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (a).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (a).
- [11] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(b)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)
1.	Plant in service	\$204,286,509	(\$14,354,315) [1]	\$189,932,194
2.	Accumulated depreciation	(52,802,324)	(1,799,556) [2]	(54,601,880)
3.	Contributions in aid of construction	(91,744,047)	(749,771) [3]	(92,493,818)
4.	Accumulated amortization of CIAC	39,266,747	(809,475) [4]	38,457,272
5.	Acquisition adjustments	(4,002,509)	0	(4,002,509)
6.	Accum. amort. of acquisition adjustments	3,357,937	(31,759) [5]	3,326,178
7.	Advances for construction	(966,574)	105,000 [6]	(861,574)
8.	Net plant in service	97,395,739	(17,639,876)	79,755,863
9.	Customer deposits	(4,938)	436 [7]	(4,502)
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)
11.	Accumulated deferred income taxes	(11,547,230)	589,680	(10,957,550)
12.	Materials and supplies inventory	449,831	(13,271) [8]	436,560
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	1,227,155	(49,721) [9]	1,177,434
15.	Original cost rate base	<u>\$87,514,215</u>	<u>(\$17,112,753)</u>	<u>\$70,401,462</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (b).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (b).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (b).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (b).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 11, Column (b).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-5, Line 5, Column (b).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (b).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (b).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (b).
- [10] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(c)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [9] (c)
1.	Plant in service	17,877,676	(\$2,386,268) [1]	\$15,491,408
2.	Accumulated depreciation	(3,728,234)	(235,872) [2]	(3,964,106)
3.	Contributions in aid of construction	(8,657,705)	(54,450) [3]	(8,712,155)
4.	Accumulated amortization of CIAC	3,007,447	(75,866) [4]	2,931,581
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	(48,030)	10,320 [5]	(37,710)
8.	Net plant in service	8,451,154	(2,742,136)	5,709,017
9.	Customer deposits	(4,431)	290 [6]	(4,141)
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339)
11.	Accumulated deferred income taxes	(911,990)	(16,132)	(928,122)
12.	Materials and supplies inventory	28,284	(834) [7]	27,450
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	143,987	2,628 [8]	146,615
15.	Original cost rate base	<u>\$7,699,665</u>	<u>(\$2,756,184)</u>	<u>\$4,943,481</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (c).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (c).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (c).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (c).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-5, Line 5, Column (c).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (c).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (c).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (c).
- [9] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(d)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [8] (c)
1.	Plant in service	\$33,467,272	(\$6,384,074) [1]	\$27,083,198
2.	Accumulated depreciation	(3,341,327)	(573,038) [2]	(3,914,365)
3.	Contributions in aid of construction	(8,387,127)	(11,000) [3]	(8,398,127)
4.	Accumulated amortization of CIAC	2,556,923	(70,955) [4]	2,485,968
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	15,000	0	15,000
8.	Net plant in service	24,310,741	(7,039,067)	17,271,674
9.	Customer deposits	(92)	(5) [5]	(97)
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,577,322)	47,013	(1,530,309)
12.	Materials and supplies inventory	8,739	(258) [6]	8,481
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	132,720	8,503 [7]	141,223
15.	Original cost rate base	<u>\$22,874,569</u>	<u>(\$6,983,814)</u>	<u>\$15,890,755</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (d).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (d).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (d).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (d).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (d).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (d).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (d).
- [8] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(e)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)
1.	Plant in service	\$51,417,574	(\$4,168,542) [1]	\$47,249,032
2.	Accumulated depreciation	(9,154,708)	(483,595) [2]	(9,638,303)
3.	Contributions in aid of construction	(8,010,819)	(9,190) [3]	(8,020,009)
4.	Accumulated amortization of CIAC	5,970,470	(51,169) [4]	5,919,301
5.	Acquisition adjustments	(31,426)	0	(31,426)
6.	Accum. amort. of acquisition adjustments	28,366	76 [5]	28,442
7.	Advances for construction	0	0	0
8.	Net plant in service	40,219,457	(4,712,420)	35,507,037
9.	Customer deposits	(52,257)	6,925 [6]	(45,332)
10.	Unclaimed refunds and cost-free capital	(132,775)	124,179 [7]	(8,596)
11.	Accumulated deferred income taxes	(3,414,113)	311,634	(3,102,479)
12.	Materials and supplies inventory	109,943	(3,244) [8]	106,699
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	588,800	(17,703) [9]	571,097
15.	Original cost rate base	<u>\$37,319,055</u>	<u>(\$4,290,629)</u>	<u>\$33,028,426</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (e).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (e).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (e).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (e).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 11, Column (e).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (e).
- [7] Based on response to Data Request 2.
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (e).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (e).
- [10] Column (a) plus Column (b).

AQUA WATER OPERATIONS		Rate Year 1				Rate Year 2				Rate Year 3			
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [11] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [11] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [11] (i)			
1.	Plant in service	378,667,373	(\$5,663,975) [1]	\$373,003,398	399,750,002	(\$7,094,197) [1]	\$392,655,806	420,192,197	(\$8,130,161) [1]	\$412,062,036			
2.	Accumulated depreciation	(107,765,444)	(423,814) [2]	(108,189,258)	(118,207,148)	590,322 [2]	(117,616,825)	(129,476,198)	1,749,551 [2]	(127,726,647)			
3.	Contributions in aid of construction	(102,549,100)	(1,370,206)	(103,919,306) [3]	(102,549,100)	(1,370,206)	(103,919,306) [3]	(102,549,100)	(1,370,206)	(103,919,306) [3]			
4.	Accumulated amortization of CIAC	44,307,965	122,236	44,430,201 [4]	46,326,554	183,354	46,509,908 [4]	48,345,143	244,472	48,589,615 [4]			
5.	Acquisition adjustments (PAA)	5,985,304	23,400	6,008,704 [5]	5,985,304	23,400	6,008,704 [5]	5,985,304	23,400	6,008,704 [5]			
6.	Accum. amort. of acquisition adjustments	(3,449,590)	(2,749)	(3,452,339) [6]	(3,716,253)	(4,475)	(3,720,728) [6]	(3,982,916)	(6,201)	(3,989,117) [6]			
7.	Advances for construction	(2,745,087)	255,000	(2,490,087) [7]	(2,745,087)	255,000	(2,490,087) [7]	(2,745,087)	255,000	(2,490,087) [7]			
8.	Net plant in service	212,451,421	(7,060,108)	205,391,312	224,844,273	(7,416,801)	217,427,472	235,769,343	(7,234,144)	228,535,199			
9.	Customer deposits	(218,900)	19,935	(198,965) [8]	(218,900)	19,935	(198,965) [8]	(218,900)	19,935	(198,965) [8]			
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)	(46,582)	0	(46,582)	(46,582)	0	(46,582)			
11.	Accumulated deferred income taxes	(20,671,131)	1,672,708	(18,998,423)	(21,164,886)	2,516,303	(18,648,583)	(21,709,081)	3,574,473	(18,134,608)			
12.	Materials and supplies inventory	3,041,685	(176,831)	2,864,854 [9]	3,134,152	(269,298)	2,864,854 [9]	3,229,430	(364,576)	2,864,854 [9]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	4,619,693	(681,990) [10]	3,937,703	4,086,553	(439,788) [10]	3,646,766	3,555,864	(161,695) [10]	3,394,169			
15.	Original cost rate base	\$199,176,185	(\$6,226,285)	\$192,949,900	\$210,634,610	(\$5,589,649)	\$205,044,961	\$220,580,074	(\$4,166,007)	\$216,414,066			

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (a) [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (a). [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (a).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(a) [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(a). [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(a).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(a), Line 3, Col(c) [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(a), Line 3, Col(c). [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(a), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 5, Col(c). [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 5, Col(c). [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 5, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(a), Line 3, Col (c) [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(a), Line 3, Col (c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(a), Line 3, Col (c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 7, Col(c). [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 7, Col(c). [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 7, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 9, Col(c). [8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 9, Col(c). [8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 9, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 12, Col(c). [9] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 12, Col(c). [9] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 12, Col(c).
[10] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col [10] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (a). [10] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (a).
[11] Column (a) plus Column (b). [11] Column (d) plus Column (e). [11] Column (g) plus Column (h).

AQUA SEWER OPERATIONS		Rate Year 1				Rate Year 2				Rate Year 3			
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [10] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [10] (i)			
1.	Plant in service	\$212,405,438	(\$595,504) [1]	\$211,809,933	\$226,592,216	(\$763,511) [1]	\$225,828,705	\$232,897,344	(\$883,137) [1]	\$232,014,207			
2.	Accumulated depreciation	(58,209,002)	(185,399) [2]	(58,394,400)	(63,408,369)	(148,400) [2]	(63,556,769)	(69,836,787)	5,016 [2]	(69,831,771)			
3.	Contributions in aid of construction	(91,744,047)	(749,771)	(92,493,818) [3]	(91,744,047)	(749,771)	(92,493,818) [3]	(91,744,047)	(749,771)	(92,493,818) [3]			
4.	Accumulated amortization of CIAC	41,748,079	35,362	41,783,441 [4]	44,229,411	53,043	44,282,454 [4]	46,710,743	70,724	46,781,467 [4]			
5.	Acquisition adjustments (PAA)	(4,002,509)	0	(4,002,509)	(4,002,509)	0	(4,002,509)	(4,002,509)	0	(4,002,509)			
6.	Accum. amort. of acquisition adjustments	3,452,869	(345)	3,452,524 [5]	3,547,801	(518)	3,547,283 [5]	3,642,733	(691)	3,642,042 [5]			
7.	Advances for construction	(966,574)	105,000	(861,574) [6]	(966,574)	105,000	(861,574) [6]	(966,574)	105,000	(861,574) [6]			
8.	Net plant in service	102,684,254	(1,390,658)	101,293,597	114,247,929	(1,504,157)	112,743,772	116,700,903	(1,452,858)	115,248,045			
9.	Customer deposits	(4,938)	436	(4,502) [7]	(4,938)	436	(4,502) [7]	(4,938)	436	(4,502) [7]			
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)	(6,342)	0	(6,342)	(6,342)	0	(6,342)			
11.	Accumulated deferred income taxes	(11,787,201)	905,631	(10,881,570)	(11,654,694)	860,479	(10,794,215)	(11,643,922)	945,428	(10,698,494)			
12.	Materials and supplies inventory	463,506	(26,946)	436,560 [8]	477,597	(41,037)	436,560 [8]	492,116	(55,556)	436,560 [8]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	1,356,547	(170,214) [9]	1,186,333	1,307,205	(100,024) [9]	1,207,181	1,258,946	(35,337) [9]	1,223,609			
15.	Original cost rate base	\$92,705,826	(\$681,751)	\$92,024,076	\$104,366,757	(\$784,303)	\$103,582,454	\$106,796,764	(\$597,887)	\$106,198,876			

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (b) [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (b).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(b) [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(b).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(b), Line 3, Col(c) [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(b), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(b), Line 3, Col (c) [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(b), Line 3, Col (b).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 7, Col(c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 7, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 9, Col(c). [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 9, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 12, Col(c). [8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (c) [9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (b).
[10] Column (a) plus Column (b). [10] Column (d) plus Column (e).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (b).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(b).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(b), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(b), Line 3, Col (c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 7, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 9, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (b).
[10] Column (g) plus Column (h).

FAIRWAYS WATER OPERATIONS		Rate Year 1				Rate Year 2				Rate Year 3			
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [9]	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff (f) [9]	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff (i) [9]			
1.	Plant in service	\$20,728,343	(\$2,154,490) [1]	\$18,573,853	\$21,506,983	(\$2,205,792) [1]	\$19,301,191	\$22,695,671	(\$2,243,597) [1]	\$20,452,074			
2.	Accumulated depreciation	(3,985,624)	(104,819) [2]	(4,090,443)	(4,573,705)	22,041 [2]	(4,551,664)	(5,157,122)	150,293 [2]	(5,006,828)			
3.	Contributions in aid of construction	(8,657,705)	(54,450)	(8,712,155) [3]	(8,657,705)	(54,450)	(8,712,155) [3]	(8,657,705)	(54,450)	(8,712,155) [3]			
4.	Accumulated amortization of CIAC	3,242,047	4,644	3,246,691 [4]	3,476,647	6,966	3,483,613 [4]	3,711,247	9,288	3,720,535 [4]			
5.	Acquisition adjustments (PAA)	0	0	0	0	0	0	0	0	0			
6.	Accum. amort. of acquisition adjustments	0	0	0	0	0	0	0	0	0			
7.	Advances for construction	(48,030)	10,320 [5]	(37,710)	(48,030)	10,320 [5]	(37,710)	(48,030)	10,320 [5]	(37,710)			
8.	Net plant in service	11,279,031	(2,298,795)	8,980,236	11,704,190	(2,220,915)	9,483,275	12,544,062	(2,128,146)	10,415,916			
9.	Customer deposits	(4,431)	290	(4,141) [6]	(4,431)	290	(4,141) [6]	(4,431)	290	(4,141) [6]			
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339)	(7,339)	0	(7,339)	(7,339)	0	(7,339)			
11.	Accumulated deferred income taxes	(929,194)	(16,323)	(945,517)	(919,075)	(36,995)	(956,070)	(893,474)	(59,963)	(953,437)			
12.	Materials and supplies inventory	29,144	(1,694)	27,450 [7]	30,030	(2,580)	27,450 [7]	30,943	(3,493)	27,450 [7]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	170,355	(30,699) [8]	139,656	147,188	(10,857) [8]	136,331	124,161	11,841 [8]	136,002			
15.	Original cost rate base	\$10,537,566	(\$2,347,221)	\$8,190,344	\$10,950,563	(\$2,271,057)	\$8,679,506	\$11,793,922	(\$2,179,471)	\$9,614,451			

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (c) [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (c). [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (c).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(c) [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(c). [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(c).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(c), Line 3, Col(c) [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(c), Line 3, Col(c). [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(c), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-5-RY1, Line 5, Col (c) [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-5-RY2, Line 5, Col (c). [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-5-RY3, Line 5, Col (c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 9, Col(c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 9, Col(c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 9, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 12, Col(c). [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 12, Col(c). [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 12, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (c) [8] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (c). [8] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (c).
[9] Column (a) plus Column (b). [9] Column (d) plus Column (e). [9] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025
FAIRWAYS SEWER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(d)-RY

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [8] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [8] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [8] (i)
1.	Plant in service	\$33,963,905	(\$5,868,986) [1]	\$28,094,919	\$34,439,229	(\$5,898,425) [1]	\$28,540,804	\$36,700,800	(\$5,919,399) [1]	\$30,781,401
2.	Accumulated depreciation	(4,266,389)	(325,918) [2]	(4,592,307)	(5,223,834)	(129,627) [2]	(5,353,461)	(6,028,633)	44,125 [2]	(5,984,507)
3.	Contributions in aid of construction	(8,387,127)	(11,000)	(8,398,127) [3]	(8,387,127)	(11,000)	(8,398,127) [3]	(8,387,127)	(11,000)	(8,398,127) [3]
4.	Accumulated amortization of CIAC	2,770,503	458	2,770,961 [4]	2,984,083	687	2,984,770 [4]	3,197,663	916	3,198,579 [4]
5.	Acquisition adjustments	0	0	0	0	0	0	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0	0	0	0	0	0	0
7.	Advances for construction	15,000	0	15,000	15,000	0	15,000	15,000	0	15,000
8.	Net plant in service	24,095,893	(6,205,446)	17,890,446	23,827,351	(6,038,366)	17,788,986	25,497,704	(5,885,357)	19,612,346
9.	Customer deposits	(92)	(5)	(97) [5]	(92)	(5)	(97) [5]	(92)	(5)	(97) [5]
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)	(217)	0	(217)	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,595,081)	(26,559)	(1,621,640)	(1,686,504)	(156,550)	(1,843,054)	(1,830,824)	(292,579)	(2,123,403)
12.	Materials and supplies inventory	9,004	(523)	8,481 [6]	9,278	(797)	8,481 [6]	9,560	(1,079)	8,481 [6]
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0
14.	Working capital allowance	152,591	(12,391) [7]	140,200	141,752	559 [7]	142,311	131,003	15,346 [7]	146,349
15.	Original cost rate base	\$22,662,098	(\$6,244,925)	\$16,417,174	\$22,291,569	(\$6,195,159)	\$16,096,410	\$23,807,134	(\$6,163,674)	\$17,643,460

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (d) [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (d). [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (d).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(d) [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(d). [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(d).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(d), Line 3, Col(c) [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(d), Line 3, Col(c). [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(d), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 9, Col(c). [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 9, Col(c). [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 9, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 12, Col(c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 12, Col(c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 12, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (i) [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (d). [7] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (d).
[8] Column (a) plus Column (b). [8] Column (d) plus Column (e). [8] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025
BROOKWOOD WATER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 2(e)-RY

Line No.	Item	Rate Year 1				Rate Year 2				Rate Year 3			
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	Amount Per Application [10] (d)	Public Staff Adjustments (e)	Amount Per Public Staff (f)	Amount Per Application [10] (g)	Public Staff Adjustments (h)	Amount Per Public Staff (i)			
1.	Plant in service	\$60,118,163	(\$1,839,278) [1]	\$58,278,886	\$65,409,475	(\$2,718,880) [1]	\$62,690,594	\$71,187,006	(\$3,242,916) [1]	\$67,944,090			
2.	Accumulated depreciation	(9,959,642)	(123,230) [2]	(10,082,872)	(11,609,564)	183,920 [2]	(11,425,644)	(13,409,748)	566,269 [2]	(12,843,479)			
3.	Contributions in aid of construction	(8,010,819)	(9,190)	(8,020,009) [3]	(8,010,819)	(9,190)	(8,020,009) [3]	(8,010,819)	(9,190)	(8,020,009) [3]			
4.	Accumulated amortization of CIAC	6,124,949	574	6,125,523 [4]	6,279,428	861	6,280,289 [4]	6,433,907	1,148	6,435,055 [4]			
5.	Acquisition adjustments	(31,426)	0	(31,426)	(31,426)	0	(31,426)	(31,426)	0	(31,426)			
6.	Accum. amort. of acquisition adjustments	28,137	(0)	28,137	27,908	(0)	27,908	27,679	0	27,679			
7.	Advances for construction	(52,257)	52,257	0 [5]	(52,257)	52,257	0 [5]	(52,257)	52,257	0 [5]			
8.	Net plant in service	48,217,105	(1,918,867)	46,298,238	52,012,745	(2,491,032)	49,521,713	56,144,342	(2,632,431)	53,511,910			
9.	Customer deposits	(8,596)	(36,736)	(45,332) [6]	(8,596)	(36,736)	(45,332) [6]	(8,596)	(36,736)	(45,332) [6]			
10.	Unclaimed refunds and cost-free capital	(124,179)	115,583	(8,596) [7]	(124,179)	115,583	(8,596) [7]	(124,179)	115,583	(8,596) [7]			
11.	Accumulated deferred income taxes	(3,747,895)	652,233	(3,095,662)	(3,975,287)	899,082	(3,076,205)	(4,155,983)	1,131,356	(3,024,627)			
12.	Materials and supplies inventory	113,285	(6,586)	106,699 [8]	116,729	(10,030)	106,699 [8]	120,277	(13,579)	106,699 [8]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	636,724	(667,539) [9]	(30,815)	550,924	(54,229) [9]	496,696	465,484	7,558 [9]	473,042			
15.	Original cost rate base	\$45,086,444	(\$1,861,912)	\$43,224,532	\$48,572,336	(\$1,577,362)	\$46,994,975	\$52,441,345	(\$1,428,249)	\$51,013,096			

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (e) [1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (e).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(e) [2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(e).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 3, Col(c). [3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(e), Line 3, Col(c) [4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(e), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 7, Col(c). [5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 7, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 9, Col(c). [6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 9, Col(c).
[7] Based on response to Data Request 2. [7] Based on response to Data Request 2.
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 12, Col(c). [8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (i) [9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (e).
[10] Column (a) plus Column (b). [10] Column (d) plus Column (e).
[10] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to post test year additions	(\$15,939,748) [1]	(\$14,529,977) [1]	(\$2,435,335) [1]	(\$6,414,762) [1]	(\$4,273,307) [1]
2	Adjustment to allocate purchased vehicles	<u>(360,182) [2]</u>	<u>175,662 [2]</u>	<u>49,067 [2]</u>	<u>30,688 [2]</u>	<u>104,765 [2]</u>
3	Adjustment to plant in service (L1 + L2)	<u><u>(\$16,299,930)</u></u>	<u><u>(\$14,354,315)</u></u>	<u><u>(\$2,386,268)</u></u>	<u><u>(\$6,384,074)</u></u>	<u><u>(\$4,168,542)</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a), Line 5.

[2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(b), Line 1.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS**
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1(a)

Line No.	Item	Base Year				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
Plant in service						
1.	Updated post test year system additions per Company	\$5,887,746 [1]	\$3,397,060 [1]	\$56,404 [1]	(\$283,325) [1]	\$796,336 [1]
2.	Updated post test year IT additions per Company	220,013 [1]	61,796 [1]	17,261 [1]	10,796 [1]	47,911 [1]
3.	Total post test year additions per Company updates (L1 + L2)	6,107,759	3,458,856	73,665	(272,529)	844,247
4.	Amount per Company application	22,047,507	17,988,833	2,509,000	6,142,233	5,117,554
5.	Adjustment to post test year additions (L3 - L4)	<u>(\$15,939,748)</u>	<u>(\$14,529,977)</u>	<u>(\$2,435,335)</u>	<u>(\$6,414,762)</u>	<u>(\$4,273,307)</u>
Accumulated depreciation						
6.	Updated post test year system additions per Company	(169,696) [1]	(91,004) [1]	(1,143) [1]	15,634 [1]	(17,221) [1]
7.	Updated post test year SIP/SAP addition	(12,935)	(3,633)	(1,015)	(635)	(2,817)
8.	Updated post test year IT additions per Company	4,232 [1]	1,189 [1]	332 [1]	208 [1]	922 [1]
9.	Total post test year additions per Company updates (L6 + L7)	(178,399)	(93,448)	(1,826)	15,207	(19,116)
10.	Amount per Company application	1,886,882	1,680,183	230,190	585,833	451,700
11.	Adjustment to accumulated depreciation (L8 - L9)	<u>(\$2,065,281)</u>	<u>(\$1,773,631)</u>	<u>(\$232,016)</u>	<u>(\$570,626)</u>	<u>(\$470,816)</u>
Depreciation expense						
12.	Updated post test year system additions per Company	169,696 [1]	91,004 [1]	1,143 [1]	(15,634) [1]	17,221 [1]
13.	Updated post test year IT additions per Company	12,564 [1]	3,529 [1]	986 [1]	616 [1]	2,736 [1]
14.	Total post test year additions per Company updates (L11+ L12)	182,260	94,533	2,129	(15,018)	19,957
15.	Amount per Company application	562,849	318,591	49,009	96,634	116,923
16.	Adjustment to depreciation expense (L13 - L14)	<u>(\$380,589)</u>	<u>(\$224,058)</u>	<u>(\$46,880)</u>	<u>(\$111,652)</u>	<u>(\$96,966)</u>

[1] Amount provided by the Company in response to Public Staff Data Request

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ALLOCATE VEHICLES PURCHASED
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1(b)

Base Year

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> [1] (a)	<u>Aqua Sewer</u> [1] (b)	<u>Fairways Water</u> [1] (c)	<u>Fairways Sewer</u> [1] (d)	<u>Brookwood Water</u> [1] (e)
1.	Adjustment to allocate purchased vehicles	<u>(\$360,182)</u>	<u>\$175,662</u>	<u>\$49,067</u>	<u>\$30,688</u>	<u>\$104,765</u>
2.	Adjustment to allocate accumulated depreciation of purchased vehicles	<u>\$28,310</u>	<u>(\$13,807)</u>	<u>(\$3,857)</u>	<u>(\$2,412)</u>	<u>(\$8,235)</u>
3.	Adjustment to allocate depreciation expense of purchased vehicles	<u>(\$28,310)</u>	<u>\$13,807</u>	<u>\$3,857</u>	<u>\$2,412</u>	<u>\$8,235</u>

[1] Amount provided by the Company in response to Public Staff Data Request and allocated using customer ratio from Rate Base Appendix 3.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO PLANT IN SERVICE

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-1-RY1

Rate Year 1

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$378,667,373 [1]	\$212,405,438 [1]	\$20,728,343 [1]	\$33,963,905 [1]	\$60,118,163 [1]
2	Adjustment to plant in service for rate year 1	<u>(5,663,975)</u>	<u>(595,504)</u>	<u>(2,154,490)</u>	<u>(5,868,986)</u>	<u>(1,839,278)</u>
3	Amount per Public Staff for rate year 1 (L1 + L2)	<u>\$373,003,398</u> [2]	<u>\$211,809,934</u> [2]	<u>\$18,573,853</u> [2]	<u>\$28,094,919</u> [2]	<u>\$58,278,885</u> [2]

[1] Per examine of the Company's financial records.

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1-RY2

Rate Year 2

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	399,750,002 [1]	\$226,592,216 [1]	\$21,506,983 [1]	\$34,439,229 [1]	\$65,409,475 [1]
2	Adjustment to plant in service for rate year 2	<u>(7,094,197)</u>	<u>(763,511)</u>	<u>(2,205,792)</u>	<u>(5,898,425)</u>	<u>(2,718,880)</u>
3	Amount per Public Staff for rate year 2 (L1 + L2)	<u>\$392,655,806 [2]</u>	<u>\$225,828,705 [2]</u>	<u>\$19,301,191 [2]</u>	<u>\$28,540,804 [2]</u>	<u>\$62,690,594 [2]</u>

[1] Per examine of the Company's financial records.

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1-RY3

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 3</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	420,192,197 [1]	\$232,897,344 [1]	\$22,695,671 [1]	\$36,700,800 [1]	\$71,187,006 [1]
2	Adjustment to plant in service for rate year 3	<u>(8,130,161)</u>	<u>(883,137)</u>	<u>(2,243,597)</u>	<u>(5,919,399)</u>	<u>(3,242,916)</u>
3	Amount per Public Staff for rate year 3 (L1 + L2)	<u>\$412,062,036 [2]</u>	<u>\$232,014,207 [2]</u>	<u>\$20,452,074 [2]</u>	<u>\$30,781,401 [2]</u>	<u>\$67,944,090 [2]</u>

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

**CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS**

For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-1(a)-RY1

Line No.	tem	Rate Year 1					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total (f) [2]
Plant in service							
1	Rate year 1 additions per Public Staff	\$31,247,641 [1]	\$21,181,949 [1]	\$2,888,092 [1]	\$890,169 [1]	\$10,490,405 [1]	\$66,698,256
2	Rate year 1 common asset additions per Public Staff	2,477,230 [1]	695,791 [1]	194,354 [1]	121,552 [1]	539,448 [1]	4,028,375
3	Total Rate Year 1 additions per Public Staff (L1 + L2)	33,724,871	21,877,740	3,082,446	1,011,721	11,029,853	70,726,631
Accumulated depreciation							
4	Accumulated depreciation for Rate year 1 additions per Public Staff	(1,042,212) [1]	(660,707) [1]	(69,969) [1]	(29,851) [1]	(275,462) [1]	(2,078,201)
5	Accumulated depreciation for Rate year 1 common asset per Public Staff	(284,503) [1]	(79,910) [1]	(22,321) [1]	(13,960) [1]	(61,954) [1]	(462,648)
6	Total accumulated depreciation for Rate Year 1 additions per Public Staff (L4 + L5)	(1,326,715)	(740,617)	(92,290)	(43,811)	(337,416)	(2,540,849)
Depreciation expense							
7	Depreciation for Rate year 1 additions per Public Staff	1,042,212 [1]	660,707 [1]	69,969 [1]	29,851 [1]	275,462 [1]	2,078,201
8	Depreciation for Rate year 1 common asset per Public Staff	284,503 [1]	79,910 [1]	22,321 [1]	13,960 [1]	61,954 [1]	462,648
9	Total depreciation for Rate Year 1 additions per Public Staff (L7 + L8)	1,326,715	740,617	92,290	43,811	337,416	2,540,849

[1] Amount provided by the Company in response to Public Staff Data Request

[2] Sum of Columns (a) through (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS**
For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1(a)-RY2

Line No.	Item	Rate Year 2					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total [2] (f)
Plant in service							
1	Rate year 2 additions per Public Staff	\$18,507,357 [1]	\$13,697,156 [1]	\$637,502 [1]	\$389,700 [1]	\$4,162,360 [1]	\$37,394,075
2	Rate year 2 common asset additions per Public Staff	1,145,051 [1]	321,616 [1]	89,836 [1]	56,185 [1]	249,349 [1]	1,862,036
3	Total Rate Year 2 additions per Public Staff (L1 + L2)	19,652,408	14,018,772	727,338	445,885	4,411,709	39,256,111
Accumulated depreciation							
4	Updated post test year system additions per Company	(608,855) [1]	(410,195) [1]	(25,377) [1]	(13,007) [1]	(118,430) [1]	(1,175,864)
5	Updated post test year IT additions per Company	(149,410) [1]	(41,965) [1]	(11,722) [1]	(7,331) [1]	(32,536) [1]	(242,965)
6	Total post test year additions per Company updates (L4 + L5)	(758,265)	(452,160)	(37,099)	(20,338)	(150,966)	(1,418,829)
Depreciation expense							
7	Updated post test year system additions per Company	608,855 [1]	410,195 [1]	25,377 [1]	13,007 [1]	118,430 [1]	1,175,864
8	Updated post test year IT additions per Company	149,410 [1]	41,965 [1]	11,722 [1]	7,331 [1]	32,536 [1]	242,965
9	Total post test year additions per Company updates (L7+ L8)	758,265	452,160	37,099	20,338	150,966	1,418,829

[1] Amount provided by the Company in response to Public Staff Data Request
[2] Sum of Columns (a) through (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-1(a)-RY3

Line No.	Item	Rate Year 3					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total [2] (f)
Plant in service							
1	Rate year 3 additions per Public Staff	\$18,368,948 [1]	\$5,894,156 [1]	\$1,069,502 [1]	\$2,189,700 [1]	\$5,027,614 [1]	\$32,549,920
2	Rate year 3 common asset additions per Public Staff	1,037,282 [1]	291,346 [1]	81,381 [1]	50,898 [1]	225,882 [1]	1,686,789
3	Total Rate Year 3 additions per Public Staff	19,406,230	6,185,502	1,150,883	2,240,598	5,253,496	34,236,709
Accumulated depreciation							
4	Updated post test year system additions per Company	(523,724) [1]	(205,426) [1]	(30,712) [1]	(62,867) [1]	(140,029) [1]	(962,758)
5	Updated post test year IT additions per Company	(131,177) [1]	(36,844) [1]	(10,292) [1]	(6,437) [1]	(28,566) [1]	(213,315)
6	Total post test year additions per Company updates (L6 + L7)	(654,901)	(242,270)	(41,004)	(69,304)	(168,595)	(1,176,073)
Depreciation expense							
7	Updated post test year system additions per Company	523,724 [1]	205,426 [1]	30,712 [1]	62,867 [1]	140,029 [1]	962,758
8	Updated post test year IT additions per Company	131,177 [1]	36,844 [1]	10,292 [1]	6,437 [1]	28,566 [1]	213,315
9	Total post test year additions per Company updates (L11+ L12)	654,901	242,270	41,004	69,304	168,595	1,176,073

[1] Amount provided by the Company in response to Public Staff Data Request
[2] Sum of Columns (a) through (e).

Agua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO ACCUMULATED DEPRECIATION

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-2

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to post test year additions	<u>(\$2,065,281) [1]</u>	<u>(\$1,773,631) [1]</u>	<u>(\$232,016) [1]</u>	<u>(\$570,626) [1]</u>	<u>(\$470,816) [1]</u>
2	Adjustment for vehicle allocations	28,310 [2]	(13,807) [2]	(3,857) [2]	(2,412) [2]	(8,235) [2]
3	Adjustment for WSIC/SSIC in service date	<u>(39,066) [3]</u>	<u>(12,118) [2]</u>	<u>0</u>	<u>0</u>	<u>(4,545) [2]</u>
4	Total Public Staff adjustment (Sum of L1 thru L3)	<u><u>(\$2,076,036)</u></u>	<u><u>(\$1,799,556)</u></u>	<u><u>(\$235,872)</u></u>	<u><u>(\$573,038)</u></u>	<u><u>(\$483,595)</u></u>

[1] Public Staff Corrected WSIP Exh bit 1, Schedule 2-1(a), Line 10.

[2] Public Staff Corrected WSIP Exh bit 1, Schedule 2-1(c), Line 2.

[3] Calculated based on adjustments to May 1, 2019 WSIC/SSIC rate application.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-2-RY1

Line No.	Item	Rate Year 1				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(\$107,765,444) [1]	(\$58,209,002) [1]	(\$3,985,624) [1]	(\$4,266,389) [1]	(\$9,959,642) [1]
2	Adjustment to plant in service for rate year 1	<u>(423,814)</u>	<u>(185,399)</u>	<u>(104,819)</u>	<u>(325,918)</u>	<u>(123,230)</u>
3	Amount per Public Staff for rate year 1 (L1 + L2)	<u>(\$108,189,258) [2]</u>	<u>(\$58,394,400) [2]</u>	<u>(\$4,090,443) [2]</u>	<u>(\$4,592,307) [2]</u>	<u>(\$10,082,872) [2]</u>

[1] Per examine of the Company's financial records.

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-2 RY2

Line No.	Item	Rate Year 2				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(\$118,207,148) [1]	(\$63,408,369) [1]	(\$4,573,705) [1]	(\$5,223,834) [1]	(\$11,609,564) [1]
2	Adjustment to plant in service for rate year 2	<u>590,322</u>	<u>(148,400)</u>	<u>22,041</u>	<u>(129,627)</u>	<u>183,920</u>
3	Amount per Public Staff for rate year 2 (L1 + L2)	<u>(\$117,616,825) [2]</u>	<u>(\$63,556,769) [2]</u>	<u>(\$4,551,664) [2]</u>	<u>(\$5,353,461) [2]</u>	<u>(\$11,425,644) [2]</u>

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-2- RY3

Line No.	Item	Rate Year 3				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(129,476,198) [1]	(\$69,836,787) [1]	(\$5,157,122) [1]	(\$6,028,633) [1]	(\$13,409,748) [1]
2	Adjustment to plant in service for rate year 3	<u>1,749,551</u>	<u>5,016</u>	<u>150,293</u>	<u>44,125</u>	<u>566,269</u>
3	Amount per Public Staff for rate year 3 (L1 + L2)	<u>(\$127,726,647) [2]</u>	<u>(\$69,831,771) [2]</u>	<u>(\$5,006,828) [2]</u>	<u>(\$5,984,507) [2]</u>	<u>(\$12,843,479) [2]</u>

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Line No.	Item	Aqua Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated depreciation amount per Public Staff	(\$101,160,236) [1]	(\$101,160,236) [1]	(\$101,160,236) [1]
2	Base Year accumulated depreciation carryforward to rate years	(9,526,188) [1]	(19,052,376) [1]	(28,578,564) [1]
3	Rate year 1 additions accumulated depreciation	(1,326,715) [1]	(2,653,430) [1]	(3,980,145) [1]
4	Rate year 2 additions accumulated depreciation	[1]	(758,265) [1]	(1,516,530) [1]
5	Rate year 3 additions accumulated depreciation	[1]	[1]	(654,901) [1]
6	Rate year 1 retirement	3,823,881 [2]	3,823,881 [2]	3,823,881 [2]
7	Rate year 2 retirement		2,183,601 [2]	2,183,601 [2]
8	Rate year 3 retirement			2,156,248 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 through L8)	(\$108,189,258)	(\$117,616,825)	(\$127,726,647)

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Line No.	Item	Aqua Sewer		
		Rate Year 1 (a)	Rate Year 2 (b)	Rate Year 3 (c)
1	Base Year accumulated depreciatoin amount per Public Staff	(\$54,601,880) [1]	(\$54,601,880) [1]	(\$54,601,880) [1]
2	Base Year accumulated depreciatoin carryforward to rate years	(5,527,233) [1]	(11,054,465) [1]	(16,581,698) [1]
3	Rate year 1 additions accumulated derpeciation	(740,617) [1]	(1,481,233) [1]	(2,221,850) [1]
4	Rate year 2 additions accumulated derpeciation	[1]	(452,160) [1]	(904,321) [1]
5	Rate year 3 additions accumulated derpeciation	[1]	[1]	(242,270) [1]
6	Rate year 1 retirement	2,475,329 [2]	2,475,329 [2]	2,475,329 [2]
7	Rate year 2 retirement		1,557,641 [2]	1,557,641 [2]
8	Rate year 3 retirement			687,278 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 throu L8)	<u>(\$58,394,400)</u>	<u>(\$63,556,769)</u>	<u>(\$69,831,771)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Line No.	Item	Fairway Water		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		(a)	(b)	(c)
1	Base Year accumulated depreciation amount per Public Staff	(\$3,964,106) [1]	(\$3,964,106) [1]	(\$3,964,106) [1]
2	Base Year accumulated depreciation carryforward to rate years	(412,648) [1]	(825,295) [1]	(1,237,943) [1]
3	Rate year 1 additions accumulated depreciation	(92,290) [1]	(184,580) [1]	(276,870) [1]
4	Rate year 2 additions accumulated depreciation	[1]	(37,099) [1]	(74,198) [1]
5	Rate year 3 additions accumulated depreciation	[1]	[1]	(41,004) [1]
6	Rate year 1 retirement	378,601 [2]	378,601 [2]	378,601 [2]
7	Rate year 2 retirement		80,816 [2]	80,816 [2]
8	Rate year 3 retirement			127,876 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$4,090,443)</u>	<u>(\$4,551,664)</u>	<u>(\$5,006,828)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Line No.	Item	Fairway Sewer		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated depreciation amount per Public Staff	(\$3,914,365) [1]	(\$3,914,365) [1]	(\$3,914,365) [1]
2	Base Year accumulated depreciation carryforward to rate years	(746,548) [1]	(1,493,096) [1]	(2,239,644) [1]
3	Rate year 1 additions accumulated depreciation	(43,811) [1]	(87,622) [1]	(131,433) [1]
4	Rate year 2 additions accumulated depreciation	[1]	(20,338) [1]	(40,676) [1]
5	Rate year 3 additions accumulated depreciation	[1]	[1]	(69,304) [1]
6	Rate year 1 retirement	112,417 [2]	112,417 [2]	112,417 [2]
7	Rate year 2 retirement		49,543 [2]	49,543 [2]
8	Rate year 3 retirement			248,955 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$4,592,307)</u>	<u>(\$5,353,461)</u>	<u>(\$5,984,507)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Line No.	Item	Brookwood Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated depreciation amount per Public Staff	(\$9,638,303) [1]	(\$9,638,303) [1]	(\$9,638,303) [1]
2	Base Year accumulated depreciation carryforward to rate years	(1,344,581) [1]	(2,689,161) [1]	(4,033,742) [1]
3	Rate year 1 additions accumulated depreciation	(337,416) [1]	(674,832) [1]	(1,012,249) [1]
4	Rate year 2 additions accumulated depreciation	[1]	(150,966) [1]	(301,932) [1]
5	Rate year 3 additions accumulated depreciation	[1]	[1]	(168,595) [1]
6	Rate year 1 retirement	1,237,428 [2]	1,237,428 [2]	1,237,428 [2]
7	Rate year 2 retirement		490,191 [2]	490,191 [2]
8	Rate year 3 retirement			583,722 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$10,082,872)</u>	<u>(\$11,425,644)</u>	<u>(\$12,843,479)</u>

[1] Per Public Staff calculation
[2] Recommended by Public Staff engineer

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION (CIAC), ACCUMULATED
AMORTIZATION AND AMORTIZATION EXPENSE**

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-3

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	<u>Contributions in aid of construction</u> Adjustment to include post test year additions	<u>(\$1,370,206)</u> [1]	<u>(749,771)</u> [1]	<u>(\$54,450)</u> [1]	<u>(\$11,000)</u> [1]	<u>(\$9,190)</u> [1]
2	<u>Accumulated amortization of CIAC</u> Adjustment to include post test year additions	<u>(\$612,341)</u> [2]	<u>(\$809,475)</u> [2]	<u>(\$75,866)</u> [2]	<u>(\$70,955)</u> [2]	<u>(\$51,169)</u> [2]
3	<u>Amortization expense - CIAC</u> Adjustment to include post test year additions	<u>(\$59,330)</u> [2]	<u>(\$17,545)</u> [2]	<u>(\$2,358)</u> [2]	<u>(\$257)</u> [2]	<u>(\$398)</u> [2]

[1] Amount provided by the Company in response to Public Staff date request.

[2] Calculated based on updated CIAC and amortization rates.

ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u>		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$41,677,035 [1]	\$41,677,035 [1]	\$41,677,035 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	2,753,166 [1]	4,832,873 [1]	6,912,580 [1]
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u>\$44,430,201</u>	<u>\$46,509,908</u>	<u>\$48,589,615</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-3-RY(b)

ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

<u>Line No.</u>	<u>Item</u>	<u>Aqua Sewer</u>		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$38,457,272 [1]	\$38,457,272 [1]	\$38,457,272 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>3,326,169 [1]</u>	<u>5,825,182 [1]</u>	<u>8,324,195 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u>\$41,783,441</u>	<u>\$44,282,454</u>	<u>\$46,781,467</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-3-RY(c)

<u>Line No.</u>	<u>Item</u>	<u>Fairway Water</u>		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$2,931,581 [1]	\$2,931,581 [1]	\$2,931,581 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	315,110 [1]	552,032 [1]	788,954 [1]
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u>\$3,246,691</u>	<u>\$3,483,613</u>	<u>\$3,720,535</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-3-RY(d)

<u>Line No.</u>	<u>Item</u>	<u>Fairway Sewer</u>		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$2,485,968 [1]	\$2,485,968 [1]	\$2,485,968 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>284,993 [1]</u>	<u>498,802 [1]</u>	<u>712,611 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u><u>\$2,770,961</u></u>	<u><u>\$2,984,770</u></u>	<u><u>\$3,198,579</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-3-RY(e)

<u>Line No.</u>	<u>Item</u>	<u>Brookwood Water</u>		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$5,919,301 [1]	\$5,919,301 [1]	\$5,919,301 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>206,222 [1]</u>	<u>360,988 [1]</u>	<u>515,754 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u><u>\$6,125,523</u></u>	<u><u>\$6,280,289</u></u>	<u><u>\$6,435,055</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**ADJUSTMENT TO PLANT ACQUISITION ADJUSTMENT (PAA),
NET ACQUISITION INCENTIVE ADJUSTMENTS (AIA)
AND ACCUMULATED AMORTIZATION OF PAA AND AIA**
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-4

Line No.	Item	Base Year				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Plant Acquisition Adjustment (PAA) and AIA per application	<u>\$5,985,304</u>	<u>(\$4,002,509)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$31,426)</u>
2	Adjustment to remove post test year PAA additions per application	-	-	-	-	-
3	Adjustment for post test year AIA additions through August 31, 2022	23,400	-	-	-	-
4	Adjustment for post test year PAA additions through August 31, 2022	-	-	-	-	-
5	Adjustment to PAA and AIA (Sum of L2 thru L4)	<u>23,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6	Plant Acquisition Adjustment PAA and AIA per Public Staff (L1 + L5)	<u>\$6,008,704</u>	<u>(\$4,002,509)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$31,426)</u>
7	Accumulated Amortization of PAA and AIA per application	<u>(\$3,182,927)</u>	<u>\$3,357,937</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,366</u>
8	Adjustment to remove post test year accumulated amortization of PAA and AIA per application	266,663	(94,932)	-	-	229
9	Adjustment for post test year accumulated amortization of PAA per Public Staff	(125,383)	71,018	-	-	(153)
10	Adjustment for post test year accumulated amortization of AIA per Public Staff	<u>(53,075)</u>	<u>(7,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>
11	Adjustment to accumulated amortization of PAA (Sum of L8 thru L11)	<u>88,205</u>	<u>(31,759)</u>	<u>0</u>	<u>0</u>	<u>76</u>
12	Accumulated Amortization of PAA and AIA per Public Staff (L7 + L12)	<u>(\$3,094,722)</u>	<u>\$3,326,178</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,442</u>

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

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-4-RY(a)

ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

<u>Line No.</u>	<u>Item</u>	Aqua Water		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	(\$3,094,722) [1]	(\$3,094,722) [1]	(\$3,094,722) [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	<u>(357,618) [1]</u>	<u>(626,006) [1]</u>	<u>(894,395) [1]</u>
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u><u>(\$3,452,339)</u></u>	<u><u>(\$3,720,728)</u></u>	<u><u>(\$3,989,117)</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-4-RY(b)

ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

<u>Line No.</u>	<u>Item</u>	Aqua Sewer		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$3,326,178 [1]	\$3,326,178 [1]	\$3,326,178 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	126,346 [1]	221,105 [1]	315,864 [1]
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>\$3,452,524</u>	<u>\$3,547,283</u>	<u>\$3,642,042</u>

[1] Per Public Staff calculation

Agua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-4-RY(c)

ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

<u>Line No.</u>	<u>Item</u>	Fairway Water		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$0 [1]	\$0 [1]	\$0 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	<u>0 [1]</u>	<u>0 [1]</u>	<u>0 [1]</u>
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION

For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-4-RY(d)

<u>Line No.</u>	<u>Item</u>	Fairway Sewer		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$0 [1]	\$0 [1]	\$0 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	<u>0 [1]</u>	<u>0 [1]</u>	<u>0 [1]</u>
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

[1] Per Public Staff calculation

Agua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-4-RY(e)

ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION

For The Rate Year 1 through Rate Year 3

<u>Line No.</u>	<u>Item</u>	Brookwood Water		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$28,442 [1]	\$28,442 [1]	\$28,442 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	<u>(305) [1]</u>	<u>(534) [1]</u>	<u>(763) [1]</u>
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>\$28,137</u>	<u>\$27,908</u>	<u>\$27,679</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO ADVANCES FOR CONSTRUCTION

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-5

Line No.	Item	<u>Base Year</u>			
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L5 - L4)	<u>\$255,000</u>	<u>\$105,000</u>	<u>\$10,320</u>	<u>\$0</u>

[1] Amount provided by Company in response to Public Staff data request.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO ADVANCES FOR CONSTRUCTION

For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-5-RY1

Rate Year 1

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> [1] (a)	<u>Aqua Sewer</u> [1] (b)	<u>Fairways Water</u> [1] (c)	<u>Fairways Sewer</u> [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L3 - L4)	<u>\$255,000</u>	<u>\$105,000</u>	<u>\$10,320</u>	<u>\$0</u>

[1] Amount provided by Company in response to Public Staff data request.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION
For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-5-RY2

Rate Year 2

<u>Line No.</u>	<u>Item</u>	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L3 - L4)	<u>\$255,000</u>	<u>\$105,000</u>	<u>\$10,320</u>	<u>\$0</u>

[1] Amount provided by Company in response to Public Staff data request.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION
For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-5-RY3

Rate Year 3

<u>Line No.</u>	<u>Item</u>	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L3 - L4)	<u>\$255,000</u>	<u>\$105,000</u>	<u>\$10,320</u>	<u>\$0</u>

[1] Amount provided by Company in response to Public Staff data request.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-6

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	(218,900) [1]	(4,938) [1]	(4,431) [1]	(92) [1]	(52,257) [1]
2	Adjustment to customer deposit through August 31, 2022	(198,965) [1]	(4,502) [1]	(4,141) [1]	(97) [1]	(45,332) [1]
3	Adjustment to Customer Deposits per Public Staff	<u>19,935</u>	<u>\$436</u>	<u>\$290</u>	<u>(\$5)</u>	<u>\$6,925</u>

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-6-RY1

Line No.	Item	<u>Rate Year 1</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	(\$218,900) [1]	(\$4,938) [1]	(\$4,431) [1]	(\$92) [1]	(\$52,257) [1]
2	Adjustment to customer deposit through August 31, 2022	(\$281,444) [1]	(\$7,128) [1]	(\$5,931) [1]	(\$92) [1]	(\$64,761) [1]
3	Adjustment to Customer Deposits per Public Staff (L2-L1)	<u>(\$62,544)</u>	<u>(\$2,190)</u>	<u>(\$1,500)</u>	<u>\$0</u>	<u>(\$12,504)</u>

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-6-RY2

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 2</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	\$0 [1]	\$0 [1]	\$0 [1]	\$0 [1]	\$0 [1]
2	Adjustment to customer deposit through August 31, 2022	(\$281,444) [1]	(\$7,128) [1]	(\$5,931) [1]	(\$92) [1]	(\$64,761) [1]
3	Adjustment to Customer Deposits per Public Staff (L2-L1)	(\$281,444)	(\$7,128)	(\$5,931)	(\$92)	(\$64,761)

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Rate Year 1 through Rate Year 3

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-6-RY3

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 3</u>				
		<u>Aqua Water</u>	<u>Aqua Sewer</u>	<u>Fairways Water</u>	<u>Fairways Sewer</u>	<u>Brookwood Water</u>
		(a)	(b)	(c)	(d)	(e)
1	Amount per Company application	\$1,227,155 [1]	\$0 [1]	\$132,720 [1]	\$0 [1]	\$0 [1]
2	Adjustment to customer deposit through August 31, 2022	(\$281,444) [1]	(\$7,128) [1]	(\$5,931) [1]	(\$92) [1]	(\$64,761) [1]
3	Adjustment to Customer Deposits per Public Staff (L2-L1)	<u>(\$1,508,599)</u>	<u>(\$7,128)</u>	<u>(\$138,651)</u>	<u>(\$92)</u>	<u>(\$64,761)</u>

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-7

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
		[1]	[1]	[1]	[1]	[1]
1	Material and supplies inventory per Company application	<u>\$2,951,946</u>	<u>\$449,831</u>	<u>\$28,284</u>	<u>\$8,739</u>	<u>\$109,943</u>
2	Adjustment to materials and supplies inventory through August 31, 2022	\$2,864,854	\$436,560	\$27,450	\$8,481	\$106,699
3	Adjustment to materials and supplies inventory per Public Staff	<u>(87,092)</u>	<u>(13,271)</u>	<u>(834)</u>	<u>(258)</u>	<u>(3,244)</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES INVENTORY
For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-7-RY1

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u>	<u>Aqua Sewer</u>	<u>Rate Year 1 Fairways Water</u>	<u>Fairways Sewer</u>	<u>Brookwood Water</u>
		(a)	(b)	(c)	(d)	(e)
		[1]	[1]	[1]	[1]	[1]
1	Inventory per Company	\$3,041,685	\$463,506	\$29,144	\$9,004	113,285
2	Adjustment to update inventory to 8.31.2022	<u>(176,831)</u>	<u>(26,946)</u>	<u>(1,694)</u>	<u>(523)</u>	<u>(6,586)</u>
3	Inventory per Public Staff (L1 + L2)	<u><u>\$2,864,854</u></u>	<u><u>\$436,560</u></u>	<u><u>\$27,450</u></u>	<u><u>\$8,481</u></u>	<u><u>\$106,699</u></u>

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES INVENTORY
For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-7-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
		[1]	[1]	[1]	[1]	[1]
1	Inventory per Company	\$3,134,152	\$477,597	\$30,030	\$9,278	116,729
2	Adjustment to update inventory to 8.31.2022	<u>(269,298)</u>	<u>(41,037)</u>	<u>(2,580)</u>	<u>(797)</u>	<u>(10,030)</u>
3	Inventory per Public Staff (L1 + L2)	<u><u>\$2,864,854</u></u>	<u><u>\$436,560</u></u>	<u><u>\$27,450</u></u>	<u><u>\$8,481</u></u>	<u><u>106,699</u></u>

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES INVENTORY
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-7-RY3

Line No.	Item	<u>Rate Year 3</u>				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Inventory per Company	\$3,229,430	\$492,116	\$30,943	\$9,560	120,277
2	Adjustment to update inventory to 8.31.2022	<u>(364,576)</u>	<u>(55,556)</u>	<u>(3,493)</u>	<u>(1,079)</u>	<u>(13,579)</u>
3	Inventory per Public Staff (L1 + L2)	<u><u>\$2,864,854</u></u>	<u><u>\$436,560</u></u>	<u><u>\$27,450</u></u>	<u><u>\$8,481</u></u>	<u><u>106,699</u></u>

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

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO WORKING CAPITAL
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-8

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Total O&M expenses excluding purchased water and sewer treatment	<u>\$19,689,656</u> [1]	<u>\$9,209,935</u> [1]	<u>\$1,090,727</u> [1]	<u>\$1,103,566</u> [1]	<u>\$3,395,101</u> [1]
2	Cash working capital (L1 / 8)	<u>2,461,207</u>	<u>1,151,242</u>	<u>136,341</u>	<u>137,946</u>	<u>424,388</u>
	<u>Prepayments:</u>					
3	Unamortized tank painting	1,992,735 [2]	0	18,511 [2]	0	176,527 [2]
4	Unamortized rate case expense	71,155 [2]	20,968 [2]	5,554 [2]	3,449 [2]	15,383 [2]
5	Unamortized depreciation study	7,073 [2]	1,771 [2]	506 [2]	322 [2]	1,587 [2]
6	Unamortized repair tax credit	53,992 [2]	17,272 [2]	1,360 [2]	1,496 [2]	8,568 [2]
7	Total prepayments (Sum of L3 thru L6)	<u>2,124,955</u>	<u>40,011</u>	<u>25,931</u>	<u>5,267</u>	<u>202,065</u>
	<u>Average tax accruals:</u>					
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(12,048) [4]	(5,183) [4]	(396) [4]	(631) [4]	(1,897) [4]
10	Property tax	(293,020) [5]	(7,703) [5]	(15,239) [5]	(1,317) [5]	(53,388) [5]
11	Total tax accruals (Sum of L8 thru L10)	<u>(307,924)</u>	<u>(13,819)</u>	<u>(15,657)</u>	<u>(1,990)</u>	<u>(55,356)</u>
12	Working capital per Public Staff (L2 + L7 + L11)	4,278,238	1,177,434	146,615	141,223	571,097
13	Amount per application	<u>4,533,901</u>	<u>1,227,155</u>	<u>143,987</u>	<u>132,720</u>	<u>588,800</u>
14	Adjustment to working capital (L12 - L13)	<u>(\$255,663)</u>	<u>(\$49,721)</u>	<u>\$2,628</u>	<u>\$8,503</u>	<u>(\$17,703)</u>

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.

[2] Based on examine of information provided by Company, updated through August 2022.

[3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.

[4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5

[5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 2-8-RY1

ADJUSTMENT TO WORKING CAPITAL

For The Rate Year 1 Ended December 31, 2023

Line No.	Item	Rate Year 1				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Total O&M expenses excluding purchased water and sewer treatment	\$20,285,519 [1]	\$9,485,867 [1]	\$1,123,821 [1]	\$1,130,362 [1]	\$3,499,660 [1]
2	Cash working capital (L1 / 8)	2,535,690	1,185,733	140,478	141,295	437,457
Prepayments:						
3	Unamortized tank painting	1,682,427 [2]	0 [2]	14,779 [2]	0 [2]	142,795 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credit	49,228 [2]	15,748 [2]	1,240 [2]	1,364 [2]	7,812 [2]
7	Total prepayments (Sum of L3 thru L6)	1,731,655	15,748	16,019	1,364	150,607
Average tax accruals:						
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(14,066) [4]	(5,995) [4]	(555) [4]	(1,011) [4]	(2,366) [4]
10	Property tax	(312,720) [5]	(8,220) [5]	(16,264) [5]	(1,406) [5]	(616,442) [5]
11	Total tax accruals (Sum of L8 thru L10)	(329,642)	(15,148)	(16,841)	(2,459)	(618,879)
12	Working capital per Public Staff (L2 + L7 + L11)	3,937,703	1,186,333	139,656	140,200	(30,815)
13	Amount per application	4,619,693	1,356,547	170,355	152,591	636,724
14	Adjustment to working capital (L12 - L13)	(\$681,990)	(\$170,214)	(\$30,699)	(\$12,391)	(\$667,539)

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.

[2] Based on examine of information provided by Company, updated through August 2022.

[3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.

[4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5

[5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

Jun 26 2023

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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO WORKING CAPITAL
For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-8-RY2

Line No.	Item	Rate Year 2				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Total O&M expenses excluding purchased water and sewer treatment	\$20,566,321 [1]	\$9,668,937 [1]	\$1,132,856 [1]	\$1,149,004 [1]	\$3,536,507 [1]
2	Cash working capital (L1 / 8)	2,570,790	1,208,617	141,607	143,625	442,063
Prepayments:						
3	Unamortized tank painting	1,372,119 [2]	0 [2]	11,047 [2]	0 [2]	109,063 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credit	44,464 [2]	14,224 [2]	1,120 [2]	1,232 [2]	7,056 [2]
7	Total prepayments (Sum of L3 thru L6)	1,416,583	14,224	12,167	1,232	116,119
Average tax accruals:						
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(14,689) [4]	(6,235) [4]	(619) [4]	(1,052) [4]	(2,554) [4]
10	Property tax	(323,062) [5]	(8,492) [5]	(16,802) [5]	(1,452) [5]	(58,861) [5]
11	Total tax accruals (Sum of L8 thru L10)	(340,607)	(15,660)	(17,443)	(2,546)	(61,486)
12	Working capital per Public Staff (L2 + L7 + L11)	3,646,766	1,207,181	136,331	142,311	496,696
13	Amount per application	4,086,553	1,307,205	147,188	141,752	550,924
14	Adjustment to working capital (L12 - L13)	(\$439,788)	(\$100,024)	(\$10,857)	\$559	(\$54,229)

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.

[2] Based on examine of information provided by Company, updated through August 2022.

[3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.

[4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5

[5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO WORKING CAPITAL
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 2-8-RY3

Line No.	Item	Rate Year 3				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Total O&M expenses excluding purchased water and sewer treatment	\$21,157,387 [1]	\$9,817,286 [1]	\$1,165,738 [1]	\$1,182,846 [1]	\$3,639,740 [1]
2	Cash working capital (L1 / 8)	2,644,673	1,227,161	145,717	147,856	454,967
	Prepayments:					
3	Unamortized tank painting	1,061,811 [2]	0 [2]	7,315 [2]	0 [2]	75,331 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credit	39,700 [2]	12,700 [2]	1,000 [2]	1,100 [2]	6,300 [2]
7	Total prepayments (Sum of L3 thru L6)	<u>1,101,511</u>	<u>12,700</u>	<u>8,315</u>	<u>1,100</u>	<u>81,631</u>
	Average tax accruals:					
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(15,414) [4]	(6,546) [4]	(650) [4]	(1,065) [4]	(2,677) [4]
10	Property tax	(333,745) [5]	(8,773) [5]	(17,358) [5]	(1,500) [5]	(60,808) [5]
11	Total tax accruals (Sum of L8 thru L10)	<u>(352,015)</u>	<u>(16,252)</u>	<u>(18,030)</u>	<u>(2,607)</u>	<u>(63,556)</u>
12	Working capital per Public Staff (L2 + L7 + L11)	3,394,169	1,223,609	136,002	146,349	473,042
13	Amount per application	<u>3,555,864</u>	<u>1,258,946</u>	<u>124,161</u>	<u>131,003</u>	<u>465,484</u>
14	Adjustment to working capital (L12 - L13)	<u>(\$161,695)</u>	<u>(\$35,337)</u>	<u>\$11,841</u>	<u>\$15,346</u>	<u>\$7,558</u>

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.

[2] Based on examine of information provided by Company, updated through August 2022.

[3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.

[4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5

[5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
AQUA WATER OPERATIONS

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Amount Per Public Staff [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]			
1	Operating Revenues:									
1	Service revenues	\$41,727,242	\$638,038	\$42,365,280 [18]	\$7,229,320	\$49,594,600 [18]	\$2,094,064	\$44,459,344 [31]		
2	Late payment fees	69,178	1,059	70,237 [19]	11,986	82,223 [19]	3,472	73,709 [19]		
3	Miscellaneous revenues	752,131	29,979	782,109 [18]	0	782,109	0	782,109		
4	Uncollectibles	(357,571)	167,808	(189,763) [20]	(32,382)	(222,145) [20]	(9,380)	(199,143) [20]		
5	Total operating revenues	42,190,980	836,883	43,027,863	7,208,924	50,236,787	2,088,156	45,116,019		
6	Operating Revenue Deductions:									
6	Salaries and wages	8,261,575	(984,028) [2]	7,277,547	0	7,277,547	0	7,277,547		
7	Employee pensions and benefits	2,880,426	(697,470) [2]	2,182,956	0	2,182,956	0	2,182,956		
8	Purchased water	2,679,188	(167,914) [3]	2,511,274	0	2,511,274	0	2,511,274		
9	Purchased power	2,426,141	9,339 [3]	2,435,480	0	2,435,480	0	2,435,480		
10	Fuel for power production	1,754	(1,150) [4]	604	0	604	0	604		
11	Chemicals	489,754	296,827 [5]	786,581	0	786,581	0	786,581		
12	Materials and supplies	491,362	(14,499) [6]	476,863	0	476,863	0	476,863		
13	Testing fees	714,295	(21,074) [7]	693,221	0	693,221	0	693,221		
14	Transportation	1,455,375	(359,100) [4]	1,096,275	0	1,096,275	0	1,096,275		
15	Contractual services - engineering	417	(12) [8]	405	0	405	0	405		
16	Contractual services - accounting	147,827	(29,528) [9]	118,299	0	118,299	0	118,299		
17	Contractual services - legal	175,759	(11,884) [10]	163,875	0	163,875	0	163,875		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	2,368,777	(69,884) [11]	2,298,893	0	2,298,893	0	2,298,893		
20	Rent	263,096	(7,762) [12]	255,334	0	255,334	0	255,334		
21	Insurance	964,057	(275,536) [2]	688,521	0	688,521	0	688,521		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	381,034	155,266	536,300 [21]	0	536,300	0	536,300		
24	Miscellaneous expense	1,035,753	(30,553) [2]	1,005,200	0	1,005,200	0	1,005,200		
25	Interest on customer deposits	19,080	0	19,080	0	19,080	0	19,080		
26	Annualization & consumption adjustments	(73,159)	73,159 [13]	0	0	0	0	0		
27	Non-recurring COV D expenses	0	(38,497) [14]	(38,497)	0	(38,497)	0	(38,497)		
28	Contra-OH Allocations	(1,633,450)	1,326,170 [15]	(307,280)	0	(307,280)	0	(307,280)		
29	Total O&M and G&A expense	23,049,061	(848,130)	22,200,930	0	22,200,930	0	22,200,930		
30	Depreciation and amortization expense	8,480,202	(489,427) [16]	7,990,775	0	7,990,775	0	7,990,775		
31	Property taxes	586,039	0	586,039	0	586,039	0	586,039		
32	Payroll taxes	742,787	(218,804) [2]	523,983	0	523,983	0	523,983		
33	Other taxes	174,357	0	174,357	0	174,357	0	174,357		
34	Benefit costs - Pension	(17,445)	0	(17,445)	0	(17,445)	0	(17,445)		
35	Regulatory fee	54,246	5,993	60,239 [22]	10,093	70,332 [22]	2,923	63,162 [22]		
36	Deferred income tax	0	(74,576)	(74,576)	0	(74,576)	0	(74,576)		
37	State income tax	314,211	(107,887)	206,324 [23]	179,971	386,295 [27]	52,131	258,455 [32]		
38	Federal income tax	2,573,388	(883,596)	1,689,792 [24]	1,473,961	3,163,753 [28]	426,951	2,116,743 [33]		
39	Total operating revenue deductions	35,956,845	(2,616,427)	33,340,418	1,664,025	35,004,443	482,005	33,822,423		
40	Net operating income for return	\$6,234,135	\$3,453,311	\$9,687,446	\$5,544,899	\$15,232,345	\$1,606,151	\$11,293,597		

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
AQUA SEWER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(b)
Page 1 of 2

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Public Staff Increase [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]			
	Operating Revenues:									
1	Service revenues	\$18,397,181	\$131,140	\$18,528,321 [18]	\$2,907,047	\$21,435,368 [18]	\$567,157	\$19,095,478 [31]		
2	Late payment fees	20,488	147	20,635 [19]	3,238	23,873 [19]	632	21,267 [19]		
3	Miscellaneous revenues	22,331	0	22,331	0	22,331	0	22,331		
4	Uncollectibles	(61,113)	(505)	(61,618) [20]	(9,667)	(71,285) [20]	(1,886)	(63,504) [20]		
5	Total operating revenues	18,378,887	130,782	18,509,669	2,900,618	21,410,287	565,903	19,075,572		
	Operating Revenue Deductions:									
6	Salaries and wages	2,640,569	(172,036) [2]	2,468,533	0	2,468,533	0	2,468,533		
7	Employee pensions and benefits	848,387	(128,458) [2]	719,929	0	719,929	0	719,929		
8	Purchased sewer treatment	896,578	(94,113) [3]	802,465	0	802,465	0	802,465		
9	Sludge removal	667,903	(13,069) [3]	654,834	0	654,834	0	654,834		
10	Purchased power	1,115,877	22,958 [3]	1,138,835	0	1,138,835	0	1,138,835		
11	Fuel for power production	40,855	(13,947) [4]	26,908	0	26,908	0	26,908		
12	Chemicals	613,724	328,266 [5]	941,990	0	941,990	0	941,990		
13	Materials and supplies	132,819	(3,919) [6]	128,900	0	128,900	0	128,900		
14	Testing fees	233,369	(6,886) [7]	226,483	0	226,483	0	226,483		
15	Transportation	424,078	(106,575) [4]	317,503	0	317,503	0	317,503		
16	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
17	Contractual services - accounting	41,009	(8,277) [9]	32,732	0	32,732	0	32,732		
18	Contractual services - legal	121,434	(5,244) [10]	116,190	0	116,190	0	116,190		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	1,822,192	(53,763) [11]	1,768,429	0	1,768,429	0	1,768,429		
21	Rent	58,848	(1,737) [12]	57,111	0	57,111	0	57,111		
22	Insurance	278,916	(76,024) [2]	202,892	0	202,892	0	202,892		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	100,611	57,425	158,036 [21]	0	158,036	0	158,036		
25	Miscellaneous expense	341,787	(10,084) [2]	331,703	0	331,703	0	331,703		
26	Interest on customer deposits	419	0	419	0	419	0	419		
27	Annualization & consumption adjustments	69,624	(69,624) [13]	0	0	0	0	0		
28	Non-recurring COV D expenses	0	(8,870) [14]	(8,870)	0	(8,870)	0	(8,870)		
29	Contra-OH Allocations	(283,235)	210,613 [15]	(72,622)	0	(72,622)	0	(72,622)		
30	Total O&M and G&A expense	10,165,764	(153,364)	10,012,400	0	10,012,400	0	10,012,400		
31	Depreciation and amortization expense	3,176,269	(227,796) [16]	2,948,473	0	2,948,473	0	2,948,473		
32	Property taxes	15,405	0	15,405	0	15,405	0	15,405		
33	Payroll taxes	220,186	(39,983) [2]	180,203	0	180,203	0	180,203		
34	Other taxes	48,289	0	48,289	0	48,289	0	48,289		
35	Benefit costs - Pension	(4,819)	0	(4,819)	0	(4,819)	0	(4,819)		
36	Regulatory fee	27,709	(1,795)	25,914 [22]	4,060	29,974 [22]	792	26,706 [22]		
37	Deferred income tax	0	(20,946)	(20,946)	0	(20,946)	0	(20,946)		
38	State income tax	145,994	(48,836)	97,158 [23]	72,414	169,572 [27]	14,128	111,286 [32]		
39	Federal income tax	1,195,693	(399,966)	795,727 [24]	593,070	1,388,797 [28]	115,707	911,434 [33]		
40	Total operating revenue deductions	14,990,491	(892,687)	14,097,804	669,544	14,767,348	130,627	14,228,431		
41	Net operating income for return	\$3,388,396	\$1,023,469	\$4,411,865	\$2,231,074	\$6,642,939	\$435,276	\$4,847,141		

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
FAIRWAYS WATER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(c)
Page 1 of 2

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Amount Per Public Staff [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]			
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
	Operating Revenues:									
1	Service revenues	\$1,343,704	(\$24,470)	\$1,319,234 [18]	\$567,551	\$1,886,785 [18]	\$341,103	\$1,660,337 [31]		
2	Late payment fees	2,228	(41)	2,187 [19]	941	3,128 [19]	566	2,753 [19]		
3	Miscellaneous revenues	99,955	0	99,955	0	99,955	0	99,955		
4	Uncollectibles	(6,236)	327	(5,909) [20]	(2,542)	(8,451) [20]	(1,528)	(7,437) [20]		
5	Total operating revenues	1,439,651	(24,184)	1,415,467	565,950	1,981,417	340,141	1,755,608		
	Operating Revenue Deductions:									
6	Salaries and wages	344,194	91,993 [2]	436,187	0	436,187	0	436,187		
7	Employee pensions and benefits	109,950	(20,382) [2]	89,568	0	89,568	0	89,568		
8	Purchased water	329	(329) [3]	0	0	0	0	0		
9	Purchased power	92,920	(3,760) [3]	89,160	0	89,160	0	89,160		
10	Fuel for power production	0	951 [4]	951	0	951	0	951		
11	Chemicals	29,896	25,018 [5]	54,914	0	54,914	0	54,914		
12	Materials and supplies	18,177	(537) [6]	17,640	0	17,640	0	17,640		
13	Testing fees	21,985	(649) [7]	21,336	0	21,336	0	21,336		
14	Transportation	46,879	(11,436) [4]	35,443	0	35,443	0	35,443		
15	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
16	Contractual services - accounting	11,479	(2,311) [9]	9,168	0	9,168	0	9,168		
17	Contractual services - legal	13,257	(2,354) [10]	10,903	0	10,903	0	10,903		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	175,369	(5,172) [11]	170,197	0	170,197	0	170,197		
20	Rent	18,925	(558) [12]	18,367	0	18,367	0	18,367		
21	Insurance	50,511	3,236 [2]	53,747	0	53,747	0	53,747		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	29,079	12,786	41,865 [21]	0	41,865	0	41,865		
24	Miscellaneous expense	52,737	(1,554) [2]	51,183	0	51,183	0	51,183		
25	Interest on customer deposits	395	0	395	0	395	0	395		
26	Annualization & consumption adjustments	(2,736)	2,736 [13]	0	0	0	0	0		
27	Non-recurring COV D expenses	0	(2,101) [14]	(2,101)	0	(2,101)	0	(2,101)		
28	Contra-OH Allocations	(43,937)	35,743 [15]	(8,194)	0	(8,194)	0	(8,194)		
29	Total O&M and G&A expense	969,409	121,318	1,090,727	0	1,090,727	0	1,090,727		
30	Depreciation and amortization expense	229,011	(45,381) [16]	183,630	0	183,630	0	183,630		
31	Property taxes	30,479	0	30,479	0	30,479	0	30,479		
32	Payroll taxes	28,302	2,828 [2]	31,130	0	31,130	0	31,130		
33	Other taxes	13,519	0	13,519	0	13,519	0	13,519		
34	Benefit costs - Pension	(1,351)	0	(1,351)	0	(1,351)	0	(1,351)		
35	Regulatory fee	1,747	235	1,982 [22]	792	2,774 [22]	476	2,458 [22]		
36	Deferred income tax	0	(5,851)	(5,851)	0	(5,851)	0	(5,851)		
37	State income tax	14,795	(14,795)	0 [23]	13,310	13,310 [27]	7,672	7,672 [32]		
38	Federal income tax	121,172	(121,172)	0 [24]	109,005	109,005 [28]	62,835	62,835 [33]		
39	Total operating revenue deductions	1,407,083	(62,818)	1,344,265	123,107	1,467,372	70,983	1,415,248		
40	Net operating income for return	\$32,568	\$38,634	\$71,202	\$442,843	\$514,045	\$269,158	\$340,360		

NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
FAIRWAYS SEWER OPERATIONS

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Public Staff Increase [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]			
1	Operating Revenues:									
1	Service revenues	\$2,284,643	(\$24,577)	\$2,260,066 [18]	\$1,356,827	\$3,616,893 [18]	\$748,598	\$3,008,664 [31]		
2	Late payment fees	2,544	(27)	2,517 [19]	1,511	4,028 [19]	834	3,351 [19]		
3	Miscellaneous revenues	40	0	40	0	40	0	40		
4	Uncollectibles	(7,589)	73	(7,516) [20]	(4,512)	(12,028) [20]	(2,490)	(10,006) [20]		
5	Total operating revenues	2,279,638	(24,531)	2,255,107	1,353,826	3,608,933	746,942	3,002,049		
6	Operating Revenue Deductions:									
6	Salaries and wages	239,315	105,750 [2]	345,065	0	345,065	0	345,065		
7	Employee pensions and benefits	80,725	(16,953) [2]	63,772	0	63,772	0	63,772		
8	Purchased sewer treatment	8,920	(1,242) [3]	7,678	0	7,678	0	7,678		
9	Sludge removal	172,329	14,818 [3]	187,147	0	187,147	0	187,147		
10	Purchased power	121,678	1,724 [3]	123,402	0	123,402	0	123,402		
11	Fuel for power production	0	353 [4]	353	0	353	0	353		
12	Chemicals	36,972	20,137 [5]	57,109	0	57,109	0	57,109		
13	Materials and supplies	16,823	(496) [6]	16,327	0	16,327	0	16,327		
14	Testing fees	13,165	(389) [7]	12,776	0	12,776	0	12,776		
15	Transportation	35,742	(8,853) [4]	26,889	0	26,889	0	26,889		
16	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
17	Contractual services - accounting	7,181	(1,449) [9]	5,732	0	5,732	0	5,732		
18	Contractual services - legal	8,601	(1,058) [10]	7,543	0	7,543	0	7,543		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	161,338	(4,760) [11]	156,578	0	156,578	0	156,578		
21	Rent	11,842	(350) [12]	11,492	0	11,492	0	11,492		
22	Insurance	34,212	(833) [2]	33,379	0	33,379	0	33,379		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	18,527	7,472	25,999 [21]	0	25,999	0	25,999		
25	Miscellaneous expense	42,818	(1,261) [2]	41,557	0	41,557	0	41,557		
26	Interest on customer deposits	7	0	7	0	7	0	7		
27	Annualization & consumption adjustments	7,582	(7,582) [13]	0	0	0	0	0		
28	Non-recurring COV D expenses	0	(1,311) [14]	(1,311)	0	(1,311)	0	(1,311)		
29	Contra-OH Allocations	(36,850)	26,598 [15]	(10,252)	0	(10,252)	0	(10,252)		
30	Total O&M and G&A expense	980,927	130,317	1,111,244	0	1,111,244	0	1,111,244		
31	Depreciation and amortization expense	639,423	(109,497) [16]	529,926	0	529,926	0	529,926		
32	Property taxes	2,634	0	2,634	0	2,634	0	2,634		
33	Payroll taxes	21,216	3,628 [2]	24,844	0	24,844	0	24,844		
34	Other taxes	8,461	0	8,461	0	8,461	0	8,461		
35	Benefit costs - Pension	(846)	0	(846)	0	(846)	0	(846)		
36	Regulatory fee	4,758	(1,601)	3,157 [22]	1,896	5,053 [22]	1,046	4,203 [22]		
37	Deferred income tax	0	(3,659)	(3,659)	0	(3,659)	0	(3,659)		
38	State income tax	38,314	(31,808)	6,506 [23]	33,799	40,305 [27]	18,648	25,154 [32]		
39	Federal income tax	313,791	(260,504)	53,287 [24]	276,808	330,095 [28]	152,722	206,009 [33]		
40	Total operating revenue deductions	2,008,677	(273,123)	1,735,554	312,503	2,048,057	172,416	1,907,970		
41	Net operating income for return	\$270,961	\$248,592	\$519,553	\$1,041,323	\$1,560,876	\$574,526	\$1,094,079		

NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
BROOKWOOD WATER OPERATIONS

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Public Staff Increase [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]			
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
	Operating Revenues:									
1	Service revenues	\$6,538,856	(\$27,779)	\$6,511,077 [18]	\$1,701,220	\$8,212,297 [18]	\$1,136,884	\$7,647,961 [31]		
2	Late payment fees	23,214	(98)	23,116 [19]	6,039	29,155 [19]	4,036	27,152 [19]		
3	Miscellaneous revenues	361,152	0	361,152	0	361,152	0	361,152		
4	Uncollectibles	(121,910)	87	(121,823) [20]	(31,830)	(153,653) [20]	(21,271)	(143,094) [20]		
5	Total operating revenues	6,801,312	(27,790)	6,773,522	1,675,429	8,448,951	1,119,649	7,893,171		
	Operating Revenue Deductions:									
6	Salaries and wages	904,084	23,315 [2]	927,399	0	927,399	0	927,399		
7	Employee pensions and benefits	289,258	(51,173) [2]	238,085	0	238,085	0	238,085		
8	Purchased water	312,747	(1,005) [3]	311,742	0	311,742	0	311,742		
9	Purchased power	281,414	(9,859) [3]	271,555	0	271,555	0	271,555		
10	Fuel for power production	1,348	(833) [4]	515	0	515	0	515		
11	Chemicals	308,600	160,446 [5]	469,046	0	469,046	0	469,046		
12	Materials and supplies	28,651	(3,987) [6]	24,664	0	24,664	0	24,664		
13	Testing fees	70,146	(2,069) [7]	68,077	0	68,077	0	68,077		
14	Transportation	128,620	(28,987) [4]	99,633	0	99,633	0	99,633		
15	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
16	Contractual services - accounting	32,608	(6,442) [9]	26,166	0	26,166	0	26,166		
17	Contractual services - legal	37,934	(9,475) [10]	28,459	0	28,459	0	28,459		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	840,927	(24,812) [11]	816,115	0	816,115	0	816,115		
20	Rent	30,744	(907) [12]	29,837	0	29,837	0	29,837		
21	Insurance	137,873	10,981 [2]	148,854	0	148,854	0	148,854		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	84,231	31,714	115,945 [21]	0	115,945	0	115,945		
24	Miscellaneous expense	158,425	(4,675) [2]	153,750	0	153,750	0	153,750		
25	Interest on customer deposits	4,919	0	4,919	0	4,919	0	4,919		
26	Annualization & consumption adjustments	(6,053)	6,053 [13]	0	0	0	0	0		
27	Non-recurring COV D expenses	0	(7,263) [14]	(7,263)	0	(7,263)	0	(7,263)		
28	Contra-OH Allocations	(108,414)	87,758 [15]	(20,656)	0	(20,656)	0	(20,656)		
29	Total O&M and G&A expense	3,538,062	168,781	3,706,843	0	3,706,843	0	3,706,843		
30	Depreciation and amortization expense	1,322,013	(89,129) [16]	1,232,884	0	1,232,884	0	1,232,884		
31	Property taxes	106,775	0	106,775	0	106,775	0	106,775		
32	Payroll taxes	74,191	(8,856) [2]	65,335	0	65,335	0	65,335		
33	Other taxes	38,482	0	38,482	0	38,482	0	38,482		
34	Benefit costs - Pension	(3,853)	0	(3,853)	0	(3,853)	0	(3,853)		
35	Regulatory fee	10,845	(1,362)	9,483 [22]	2,346	11,829 [22]	1,567	11,050 [22]		
36	Deferred income tax	0	(16,240)	(16,240)	0	(16,240)	0	(16,240)		
37	State income tax	62,407	(38,358)	24,049 [23]	41,827	65,876 [27]	27,952	52,001 [32]		
38	Federal income tax	511,116	(314,155)	196,961 [24]	342,564	539,525 [28]	228,928	425,889 [33]		
39	Total operating revenue deductions	5,660,039	(299,320)	5,360,718	386,737	5,747,455	258,447	5,619,165		
40	Net operating income for return	\$1,141,273	\$271,530	\$1,412,804	\$1,288,692	\$2,701,496	\$861,202	\$2,274,006		

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountants.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (a).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 2, Column (a).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (a).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (a).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (a).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (a).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (a).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (a).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (a).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (a).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (d).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 15, Column (c).

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- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (b).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 2, Column (b).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (b).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (b).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (b).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (b).
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- [13] Remove company's annualization and consumption adjustments.
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- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (b).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (b).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
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- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 15, Column (c).

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- [2] Provided by Public Staff Accountants.
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- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (c).
- [6] Remove proforma increase for material and supplies.
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- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (c).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (c).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (c).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (c).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (c).
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- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (c).
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- [17] Column (a) plus Column (b), unless footnoted otherwise.
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- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (f).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 13, Column (b).
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- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (d).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (d).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (d).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (d).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (d).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (d).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (d).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (d).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (g).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 15, Column (c).

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (e).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 12, Column (e).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (e).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (e).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (e).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (e).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (e).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (e).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (e).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (e).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (h).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (c).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO MISCELLANEOUS REVENUES

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-1

Base Year

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to remove Oaks at Hunter Hill and Shepherds Way \$	14,649 [1]	\$0	\$0	\$0	\$0
2	Adjustment to remove Lakewood in Gaston County	5,110 [1]	0	0	0	0
3	Adjustment to remove NorthGate in Wake County	<u>10,220 [1]</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	Adjustment to miscellaneous revenues (Sum of L1 thru L3)	<u><u>\$29,979</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

[1] Recommended by Public Staff engineer Junis

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PURCHASED WATER/SEWER
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-2

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	\$2,679,188 [1]	\$896,578 [1]	\$329 [1]	\$8,920 [1]	\$312,747 [1]
2	Adjustment to remove proforma increase	(\$116,838)	(\$26,452)	(\$10)	(\$263)	(\$9,227)
3	Adjustment to Purchased Water and Sewer through August 31, 2022	(51,076) [2]	(67,661) [2]	(319) [2]	(979) [2]	8,222 [2]
2	Total adjustment to purchased water/sewer through August 31, 2022	(167,914)	(94,113)	(329)	(1,242)	(1,005)
3	Adjustment to purchased water/sewer per Public Staff	<u>\$2,511,274</u>	<u>\$802,465</u>	<u>\$0</u>	<u>\$7,678</u>	<u>\$311,742</u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Franklin

Agua North Carolina, Inc.

Docket No. W-218, Sub 573

SLUDGE REMOVEL

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-3

Base Year

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	[1]	<u>Aqua Sewer</u> (b)	[1]	<u>Fairways Water</u> (c)	[1]	<u>Fairways Sewer</u> (d)	[1]	<u>Brookwood Water</u> (e)	[1]
1	Amount per Company application	\$0	[1]	\$667,903	[1]	\$0	[1]	\$172,329	[1]	\$0	[1]
2	Adjustment to remove proforma increase	0		(19706)		0		(5084)		0	[1]
3	Adjustment to Purchased water through August 31, 2022	0	[2]	(25494)	[2]	0	[2]	11843	[2]	0	[2]
4	Adjustment to Reflect the growth and consumption factors	0	[3]	32,131	[3]	0	[3]	8,059	[3]	0	[3]
5	Total adjustment to Sludge Hauling per Public Staff	0		(13,069)		0		14,818		0	
6	Amount per Public Staff	<u>\$0</u>		<u>\$654,834</u>		<u>\$0</u>		<u>\$187,147</u>		<u>\$0</u>	

[1] Per examination of Company financial records.

[2] Per recommendation of witness Franklin

[3] Per witness Darden's recommended growth factors

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

PURCHASED POWER

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-4

Line No.	Item	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	\$2,426,141 [1]	\$1,115,877 [1]	\$92,920 [1]	\$121,678 [1]	\$281,414 [1]
2	Adjustment to remove proforma increase	(71,579)	(32,922)	(2,741)	(3,590)	(8,302) [1]
3	Adjustment to Purchased water through August 31, 2022	(1,214) [2]	- [2]	[2]	[2]	- [2]
4	Adjustment to Reflect the growth and consumption factors	82,132 [3]	55,880 [3]	(1,019) [3]	5,314 [3]	(1,557) [3]
5	Total adjustment to power per Public Staff	9,339	22,958	(3,760)	1,724	(9,859)
6	Purchased Power per Public Staff	<u>\$2,435,480</u>	<u>1,138,835</u>	<u>89,160</u>	<u>123,402</u>	<u>271,555</u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Franklin

[3] Per witness Darden's recommended growth factors

Agua North Carolina, Inc.

Docket No. W-218, Sub 573

FUEL FOR POWER PRODUCTION

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-5

Line No.	Item	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	<u>\$1,754</u> [1]	<u>\$40,855</u> [1]	<u>\$0</u> [1]	<u>\$0</u> [1]	<u>\$1,348</u> [1]
2	Adjustment to remove proforma increase	(51) [1]	(1,205) [1]	[1]	[1]	(40) [1]
3	Adjustment to fuel for power production per PS Engineer	<u>(1,099)</u> [2]	<u>(12,742)</u> [2]	<u>951</u> [2]	<u>353</u> [2]	<u>(793)</u> [2]
4	Adjustment to fuel for power production (Line 2 + Line 3)	(1,150)	(13,947)	951	353	(833)
5	Total fuel for power production per Public Staff (L1 + L4)	<u><u>604</u></u>	<u><u>26,908</u></u>	<u><u>951</u></u>	<u><u>353</u></u>	<u><u>515</u></u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Houser

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CHEMICALS
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-6

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	<u>\$489,754</u>	<u>\$613,724</u>	<u>\$29,896</u>	<u>\$36,972</u>	<u>\$308,600</u>
4	Adjustment to remove proforma increase	(14,450) [1]	(18,106) [1]	(883) [1]	(1,091) [1]	(9,105) [1]
5	Adjustment to add in Company's adjustments on updates	284,755 [2]	300,798 [2]	26,527 [2]	18,711 [2]	168,558 [2]
6	Adjustments from Public Staff engineer	(4) [2]	(648) [2]	1 [2]	58 [2]	3,682 [2]
7	Adjustments to apply growth factor	<u>26,526</u> [1]	<u>46,222</u> [1]	<u>(628)</u> [1]	<u>2,459</u> [1]	<u>(2,689)</u> [1]
8	Total adjustments for chemicals (Sum L2 through L5)	296,827	328,266	25,018	20,137	160,446
9	Adjustment to chemicals per Public Staff	<u>\$786,581</u>	<u>\$941,990</u>	<u>\$54,914</u>	<u>\$57,109</u>	<u>\$469,046</u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Bhatta.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO TESTING FEES

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-7

Line No.	Item	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	<u>\$714,295</u> [1]	<u>\$233,369</u> [1]	<u>\$21,985</u> [1]	<u>\$13,165</u> [1]	<u>\$70,146</u> [1]
2	Adjustment to remove proforma increase	(21,074)	(6,886)	(649)	(389)	(2,069)
3	Adjustment to testing fees per Public Staff	<u>\$693,221</u>	<u>\$226,483</u>	<u>\$21,336</u>	<u>\$12,776</u>	<u>\$68,077</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO TRANSPORTATION FEES

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-8

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	<u>\$1,455,375</u> [1]	<u>\$424,078</u> [1]	<u>\$46,879</u> [1]	<u>\$35,742</u> [1]	<u>\$128,620</u> [1]
2	Adjustment to remove proforma increase	(42,941)	(12,512)	(1,384)	(1,053)	(3,797)
3	Adjustment to transportation per engineer	(316,159) [2]	(94,063) [2]	(10,052) [2]	(7,800) [2]	(25,190) [2]
4	Total adjustment to transportation fees (Line 2 + Line 3)	(359,100)	(106,575)	(11,436)	(8,853)	(28,987)
5	Adjustment to transportation fees per Public Staff	<u>\$1,096,275</u>	<u>\$317,503</u>	<u>\$35,443</u>	<u>\$26,889</u>	<u>\$99,633</u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Houser

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**ADJUSTMENT TO CONTRACTUAL SERVICES -
ENGINEERING**

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-9

For The Test Year Ended December 31, 2021

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	<u>\$417</u> [1]	<u>\$0</u> [1]	<u>\$0</u> [1]	<u>\$0</u> [1]	<u>\$0</u> [1]
2	Adjustment to remove proforma increase	(12)	0	0	0	0
3	Total adjustment to contractual services - engineer through August 31, 2022	<u>(12)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	Total contractual services - engineer per Public Staff	<u><u>405</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

[1] Per examination of Company financial records.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CONTRACTUAL SERVICES - ACCOUNTING
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-10

Line No.	Item	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	<u>\$147,827</u> [1]	<u>\$41,009</u> [1]	<u>\$11,479</u> [1]	<u>\$7,181</u> [1]	<u>\$32,608</u> [1]
2	Adjustment to remove proforma increase	(4,361)	(1,210)	(339)	(213)	(962)
3	Adjustment to remove unsupported expenses					
	Adjustment to remove non-recurring costs:					
4	Other acquisitions	(2,107)	(592)	(165)	(103)	(459) [1]
5	IT System changes 2021	(918)	(258)	(72)	(45)	(200) [1]
6	Goodwill impairment analysis	(5,509)	(1,547)	(432)	(271)	(1,199) [1]
7	SAP pre-implementation	(12,041)	(3,381)	(944)	(591)	(2,622) [1]
8	SOX controls audit-overage (estimate)	(3,673)	(1,031)	(288)	(180)	(800) [1]
9	Adjustment to remove unsubstantiated costs	(918)	(258)	(72)	(45)	(200) [1]
10	Total adjustment to remove non-recurring costs (L4 through L9)	<u>(25,167)</u>	<u>(7,067)</u>	<u>(1,972)</u>	<u>(1,236)</u>	<u>(5,480)</u>
11	Total adjustments to contract services - acctg per Public Staff (L2 + L3 +L10)	<u>(29,528)</u>	<u>(8,277)</u>	<u>(2,311)</u>	<u>(1,449)</u>	<u>(6,442)</u>
12	Contract services - acctg per Public Staff (L1 + L10)	<u><u>118,299</u></u>	<u><u>32,732</u></u>	<u><u>9,168</u></u>	<u><u>5,732</u></u>	<u><u>26,166</u></u>

[1] Per examination of Company response to PSDR8-2.
[2] Allocated using customer count ratios per Company Item 4.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**ADJUSTMENT TO CONTRACTUAL
SERVICES - LEGAL**
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-11

Line No.	Item	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	\$ 175,759	\$ 121,434	\$ 13,257	\$ 8,601	\$ 37,934
2	Adjustment to remove proforma increase	(7,248)	(3,943)	(1,991)	(830)	(8,466)
3	Adjustment to remove expenses outside of the test year for Davis Hartman Wright	(1,586) [1]	(445) [1]	(124) [1]	(78) [1]	(345) [1]
4	Adjustment to remove expenses outside of the test year for Manning, Fulton	(6,921) [1]	(1,943) [1]	(542) [1]	(340) [1]	(1,507) [1]
5	Adjustment to add expenses incurred in 2021, processed 2022	3,871 [1]	1,087 [1]	303 [1]	190 [1]	843 [1]
6	Public Staff adjustments to contract services - legal (sum lines 2 thru 5)	<u>(11,884)</u>	<u>(5,244)</u>	<u>(2,354)</u>	<u>(1,058)</u>	<u>(9,475)</u>
7	Contract services - legal expense per Public Staff (L1 - L6)	<u>163,875</u>	<u>\$116,190</u>	<u>\$10,903</u>	<u>\$7,543</u>	<u>\$28,459</u>

[1] Per examination of Company response to PSDR34-1.
[2] Allocated using customer count rations per Item 4.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO CONTRACTUAL SERVICES-OTHER

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-12

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	\$2,368,777 [1]	\$1,822,192 [1]	\$175,369 [1]	\$161,338 [1]	\$840,927
2	Adjustment to remove proforma increase	(\$69,884)	(\$53,763)	(\$5,172)	(\$4,760)	(\$24,812)
3	Total contractual services other per Public Staff (L1-L2)	<u>\$2,298,893</u>	<u>\$1,768,429</u>	<u>\$170,197</u>	<u>\$156,578</u>	<u>\$816,115</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO RENT

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-13

Line No.	Item	Base Year				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	<u>\$263,096</u> [1]	<u>\$58,848</u> [1]	<u>\$18,925</u> [1]	<u>\$11,842</u> [1]	<u>\$30,744</u> [1]
2	Adjustment to backout the proposed increase for rent	(7,762) [1]	(1,737) [1]	(558) [1]	(350) [1]	(907) [1]
3	Amount per Public Staff	<u>255,334</u>	<u>57,111</u>	<u>18,367</u>	<u>11,492</u>	<u>29,837</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-14

Line No.	Item	<u>Base Year</u>							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>\$175,989</u>	<u>1,592,460</u> [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period			<u>398,115</u>	<u>\$243,137</u> [4]	<u>71,647</u> [5]	<u>18,980</u> [6]	<u>11,787</u> [7]	<u>52,565</u> [8]
4	Unamortized balance of current rate case expense			<u>1,194,345</u>	<u>729,410</u> [4]	<u>214,940.66</u> [5]	<u>56,939</u> [6]	<u>35,361</u> [7]	<u>157,694</u> [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>\$1</u>	<u>985,455</u> [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>328,485</u>	<u>200,612</u> [4]	<u>59,116</u> [5]	<u>15,660</u> [6]	<u>9,725</u> [7]	<u>43,371</u> [8]
8	Unamortized balance of Sub 526 rate case expense			<u>273,738</u>	<u>167,177</u> [4]	<u>49,263.25</u> [5]	<u>13,050</u> [6]	<u>8,105</u> [7]	<u>36,143</u> [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>\$0</u>	<u>419,435</u>					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>139,812</u>	<u>\$85,386</u> [4]	<u>\$25,161</u> [5]	<u>\$6,665</u> [6]	<u>\$4,139</u> [7]	<u>\$18,460</u> [8]
12	Unamortized balance of Sub 497 rate case expense			<u>116,510</u>	<u>\$71,155</u> [4]	<u>\$20,968</u> [5]	<u>\$5,554</u> [6]	<u>\$3,449</u> [7]	<u>\$15,383</u> [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>\$0</u>	<u>58,664</u>					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>11,733</u>	<u>\$7,165</u> [4]	<u>\$2,111</u> [5]	<u>\$559</u> [6]	<u>\$347</u> [7]	<u>\$1,549</u> [8]
16	Unamortized balance of depreciation study expense			<u>11,244</u>	<u>\$6,867</u> [4]	<u>\$2,024</u> [5]	<u>\$536</u> [6]	<u>\$333</u> [7]	<u>\$1,485</u> [8]
17	Regulatory commission expense per Public Staff				<u>\$536,300</u>	<u>\$158,036</u>	<u>\$41,865</u>	<u>\$25,999</u>	<u>\$115,945</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$974,608</u>	<u>\$287,195</u>	<u>\$76,080</u>	<u>\$47,248</u>	<u>\$210,705</u>

[1] Column (c) minus Column (a).
[2] Per examination of the company's response to accounting data requests
[3] Calculated base on amount approved in Sub 526 rate case.
[4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
[6] Column (c) multiplied by Fairways Water allocation factor.
[7] Column (c) multiplied by Fairways Sewer allocation factor.
[8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

COVID EXPENSES

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-15

Line No.	Item	Base Year				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
	Adjustments to remove non-recurring COVID expenses from test year:					
1	04.1- REG LABOR	\$16,513	\$3,851	\$1,077	\$672	\$3,027
2	04.3- LABOR BON/OPT	2,645	699	196	122	550
3	05- EMP BEN	21,019	5,578	1,560	973	4,384
4	22-OS SVCS-MA NT	2,712	2,713	0	0	2,713
5	25-SUPPLIES	15,015	0	0	0	0
6	26.1-TRANS LEASE	156	42	12	7	33
7	26.2-TRANS FUEL	6,888	1,838	514	321	1,444
8	26.3-TRANS OTH	820	218	61	38	171
9	26.4-TRANS MAINT	2,023	532	149	93	418
10	27- INSURANCE	4,005	1,004	281	175	789
11	33.3-OTHER TAXES-PR	5,198	1,267	354	221	996
		<u>(38,497)</u>	<u>(8,870)</u>	<u>(2,101)</u>	<u>(1,311)</u>	<u>(7,263)</u>
12	Public Staff adjustment to remove non-recurring COVID Expenses (L1 thru 11)	<u>(\$38,497)</u>	<u>(\$8,870)</u>	<u>(\$2,101)</u>	<u>(\$1,311)</u>	<u>(\$7,263)</u>

AQUA NORTH CAROLINA, INC.

Docket No. W-218, Sub 573

ADJUSTMENT TO CONTRA-OH ALLOCATIONS

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 16

Line No.	Item	Base Year				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Contra-OH Allocations per application	\$ (1,633,450)	\$ (283,235)	\$ (43,937)	\$ (36,850)	\$ (108,414)
2	Adjustment to remove the proforma Cap_OH credit for base case	8,605 [1]	1,616 [1]	285 [1]	219 [1]	742 [1]
3	Adjustment to reclassify the Cap-OH-Credit-Labor	357,523 [1]	61,600 [1]	9,441 [1]	7,681 [1]	22,985 [1]
4	Adjustment to reclassify the Cap-OH-Credit-Benefits	647,016 [1]	112,750 [1]	17,755 [1]	15,197 [1]	43,894 [1]
5	Adjustment to reclassify the Cap-OH-Credit-PR Tax	152,251 [1]	0 [1]	4,163 [1]	0 [1]	10,293 [1]
6	Adjustment to fuel transportation expenses	64,110 [1]	19,074 [1]	2,038 [1]	1,581 [1]	5,108 [1]
7	Adjustment to reclassify the Cap-OH-Credit-Other-Insurance	96,665 [1]	15,573 [1]	2,061 [1]	1,921 [1]	4,736 [1]
8	Public Staff adjustments to Contra-OH Allocations (sum L2 thru L6)	1,326,170	210,613	35,743	26,598	87,758
9	Contr-OH Allocation per Public Staff (L1 + L7)	(307,280)	(72,622)	(8,194)	(10,252)	(20,656)

[1] Per examination of Company financial records.

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JUN 26 2023

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**

For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-17

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
<u>Depreciation expense</u>						
1	Adjustment to include post test year additions	(\$380,589) [1]	(\$224,058) [1]	(\$46,880) [1]	(\$111,652) [1]	(\$96,966) [1]
2	Adjustment for vehicle purchases	(28,310) [2]	13,807 [2]	3,857 [2]	2,412 [2]	8,235 [2]
3	Adjustment to excess capacity	0	0	0	0	0
4	Total adjustment to depreciation expense	<u>(408,899)</u>	<u>(210,251)</u>	<u>(43,023)</u>	<u>(109,240)</u>	<u>(88,731)</u>
<u>CIAC amortization expense</u>						
5	Adjustment to include post test year additions	(59,330) [3]	(17,545) [3]	(2,358) [3]	(257) [3]	(398) [3]
6	Adjustment to excess capacity	0	0	0	0	0
7	Adjustment to tank painting	(21,900) [4]	0	0	0	0
8	Adjustment to JoCo transmission fee revenue deficit	0	0	0	0	0
9	Adjustment to PTY plant deferred accounting	0	0	0	0	0
10	Total adjustment to CIAC amortization	<u>(81,230)</u>	<u>(17,545)</u>	<u>(2,358)</u>	<u>(257)</u>	<u>(398)</u>
<u>Amortization of acquisition adjustments</u>						
11	Adjustment to include post test year additions	<u>702</u> [4]	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12	Total Public Staff adjustment (L4 + L10 + L11)	<u>(\$489,427)</u>	<u>(\$227,796)</u>	<u>(\$45,381)</u>	<u>(\$109,497)</u>	<u>(\$89,129)</u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a), Line 15, Col (a).

[2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(b), Line 3, Col(a).

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 3, Col(a).

[4] Provided by Public Staf.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
AQUA WATER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-18(a)

Line No.	Item	<u>Base Year</u>		
		Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	<u>\$43,027,863</u>	<u>\$50,236,787</u>	<u>\$45,116,019</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	22,200,930	22,200,930	22,200,930
3.	Depreciation and amortization expense	7,990,775	7,990,775	7,990,775
4.	Property taxes	586,039	586,039	586,039
5.	Payroll taxes	523,983	523,983	523,983
6.	Other taxes	174,357	174,357	174,357
7.	Benefit costs - Pension	(17,445)	(17,445)	(17,445)
8.	Regulatory fee	60,239	70,332	63,162
9.	Gross receipts tax	0	0	0
10.	Interest expense	3,256,033 [2]	3,256,033 [4]	3,256,033 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>34,774,911</u>	<u>34,785,004</u>	<u>34,777,834</u>
12.	Taxable income (L1 - L11)	<u>8,252,953</u>	<u>15,451,784</u>	<u>10,338,186</u>
13.	State income tax (L12 x 2.50%)	<u>206,324</u>	<u>386,295</u>	<u>258,455</u>
14.	Federal taxable income (L12 - L13)	<u>8,046,629</u>	<u>15,065,489</u>	<u>10,079,731</u>
15.	Federal income tax (L14 x 21.00%)	<u>1,689,792</u>	<u>3,163,753</u>	<u>2,116,743</u>
16.	Excess deferred income tax amortization	<u>(74,576)</u>	<u>(74,576)</u>	<u>(74,576)</u>
17.	Net amount (L12 - L13 - L15 - L16)	6,431,413	11,976,312	8,037,564
18.	Add: interest expense	<u>3,256,033 [2]</u>	<u>3,256,033 [4]</u>	<u>3,256,033 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$9,687,446</u></u>	<u><u>\$15,232,345</u></u>	<u><u>\$11,293,597</u></u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
AQUA SEWER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-18(b)

Line No.	Item	<u>Base Year</u>		
		Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	<u>\$18,509,669</u>	<u>\$21,410,287</u>	<u>\$19,075,572</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	10,012,400	10,012,400	10,012,400
3.	Depreciation and amortization expense	2,948,473	2,948,473	2,948,473
4.	Property taxes	15,405	15,405	15,405
5.	Payroll taxes	180,203	180,203	180,203
6.	Other taxes	48,289	48,289	48,289
7.	Benefit costs - Pension	(4,819)	(4,819)	(4,819)
8.	Regulatory fee	25,914	29,974	26,706
9.	Gross receipts tax	0	0	0
10.	Interest expense	1,397,469 [2]	1,397,469 [4]	1,397,469 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>14,623,334</u>	<u>14,627,394</u>	<u>14,624,126</u>
12.	Taxable income (L1 - L11)	<u>3,886,335</u>	<u>6,782,893</u>	<u>4,451,446</u>
13.	State income tax (L12 x 2.50%)	<u>97,158</u>	<u>169,572</u>	<u>111,286</u>
14.	Federal taxable income (L12 - L13)	<u>3,789,177</u>	<u>6,613,321</u>	<u>4,340,160</u>
15.	Federal income tax (L14 x 21.00%)	<u>795,727</u>	<u>1,388,797</u>	<u>911,434</u>
16.	Excess deferred income tax amortization	(20,946)	(20,946)	(20,946)
17.	Net amount (L12 - L13 - L15 - L16)	3,014,396	5,245,470	3,449,672
18.	Add: interest expense	1,397,469 [2]	1,397,469 [4]	1,397,469 [6]
19.	Net income for return (L17 + L18)	<u>\$4,411,865</u>	<u>\$6,642,939</u>	<u>\$4,847,141</u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
FAIRWAYS WATER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-18(c)

Line No.	Item	Base Year		
		Present	Company	Public Staff
		Rates [1] (a)	Proposed Rates [3] (b)	Recommended Rates [5] (c)
1.	Operating revenue	<u>\$1,415,467</u>	<u>\$1,981,417</u>	<u>\$1,755,608</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	1,090,727	1,090,727	1,090,727
3.	Depreciation and amortization expense	183,630	183,630	183,630
4.	Property taxes	30,479	30,479	30,479
5.	Payroll taxes	31,130	31,130	31,130
6.	Other taxes	13,519	13,519	13,519
7.	Benefit costs - Pension	(1,351)	(1,351)	(1,351)
8.	Regulatory fee	1,982	2,774	2,458
9.	Gross receipts tax	0	0	0
10.	Interest expense	98,128 [2]	98,128 [4]	98,128 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,448,244</u>	<u>1,449,036</u>	<u>1,448,720</u>
12.	Taxable income (L1 - L11)	<u>(32,777)</u>	<u>532,381</u>	<u>306,888</u>
13.	State income tax (L12 x 2.50%)	<u>0</u>	<u>13,310</u>	<u>7,672</u>
14.	Federal taxable income (L12 - L13)	<u>(32,777)</u>	<u>519,071</u>	<u>299,216</u>
15.	Federal income tax (L14 x 21.00%)	<u>0</u>	<u>109,005</u>	<u>62,835</u>
16.	Excess deferred income tax amortization	<u>(5,851)</u>	<u>(5,851)</u>	<u>(5,851)</u>
17.	Net amount (L12 - L13 - L15 - L16)	(26,926)	415,917	242,232
18.	Add: interest expense	<u>98,128 [2]</u>	<u>98,128 [4]</u>	<u>98,128 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$71,202</u></u>	<u><u>\$514,045</u></u>	<u><u>\$340,360</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
FAIRWAYS SEWER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-18(d)

Line No.	Item	<u>Base Year</u>		
		Present	Company	Public Staff
		Rates	Proposed	Recommended
		[1]	[3]	[5]
		(a)	(b)	(c)
1.	Operating revenue	<u>\$2,255,107</u>	<u>\$3,608,933</u>	<u>\$3,002,049</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	1,111,244	1,111,244	1,111,244
3.	Depreciation and amortization expense	529,926	529,926	529,926
4.	Property taxes	2,634	2,634	2,634
5.	Payroll taxes	24,844	24,844	24,844
6.	Other taxes	8,461	8,461	8,461
7.	Benefit costs - Pension	(846)	(846)	(846)
8.	Regulatory fee	3,157	5,053	4,203
9.	Gross receipts tax	0	0	0
10.	Interest expense	315,432	315,432	315,432
11.	Total deductions (Sum of L2 thru L10)	<u>1,994,852</u>	<u>1,996,748</u>	<u>1,995,898</u>
12.	Taxable income (L1 - L11)	<u>260,255</u>	<u>1,612,185</u>	<u>1,006,151</u>
13.	State income tax (L12 x 2.50%)	<u>6,506</u>	<u>40,305</u>	<u>25,154</u>
14.	Federal taxable income (L12 - L13)	<u>253,749</u>	<u>1,571,880</u>	<u>980,997</u>
15.	Federal income tax (L14 x 21.00%)	<u>53,287</u>	<u>330,095</u>	<u>206,009</u>
16.	Excess deferred income tax amortization	<u>(3,659)</u>	<u>(3,659)</u>	<u>(3,659)</u>
17.	Net amount (L12 - L13 - L15 - L16)	204,121	1,245,444	778,647
18.	Add: interest expense	<u>315,432</u>	<u>315,432</u>	<u>315,432</u>
19.	Net income for return (L17 + L18)	<u><u>\$519,553</u></u>	<u><u>\$1,560,876</u></u>	<u><u>\$1,094,079</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
BROOKWOOD WATER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-18(e)

Line No.	Item	<u>Base Year</u>		
		Present	Company Proposed	Public Staff Recommended
		Rates [1] (a)	Rates [3] (b)	Rates [5] (c)
1.	Operating revenue	<u>\$6,773,522</u>	<u>\$8,448,951</u>	<u>\$7,893,171</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	3,706,843	3,706,843	3,706,843
3.	Depreciation and amortization expense	1,232,884	1,232,884	1,232,884
4.	Property taxes	106,775	106,775	106,775
5.	Payroll taxes	65,335	65,335	65,335
6.	Other taxes	38,482	38,482	38,482
7.	Benefit costs - Pension	(3,853)	(3,853)	(3,853)
8.	Regulatory fee	9,483	11,829	11,050
9.	Gross receipts tax	0	0	0
10.	Interest expense	655,614 [2]	655,614 [4]	655,614 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>5,811,562</u>	<u>5,813,908</u>	<u>5,813,129</u>
12.	Taxable income (L1 - L11)	<u>961,960</u>	<u>2,635,043</u>	<u>2,080,042</u>
13.	State income tax (L12 x 2.50%)	<u>24,049</u>	<u>65,876</u>	<u>52,001</u>
14.	Federal taxable income (L12 - L13)	<u>937,911</u>	<u>2,569,167</u>	<u>2,028,041</u>
15.	Federal income tax (L14 x 21.00%)	<u>196,961</u>	<u>539,525</u>	<u>425,889</u>
16.	Excess deferred income tax amortization	<u>(16,240)</u>	<u>(16,240)</u>	<u>(16,240)</u>
17.	Net amount (L12 - L13 - L15 - L16)	757,190	2,045,882	1,618,392
18.	Add: interest expense	<u>655,614 [2]</u>	<u>655,614 [4]</u>	<u>655,614 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$1,412,804</u></u>	<u><u>\$2,701,496</u></u>	<u><u>\$2,274,006</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 7, Column (e).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3(a)-RY

NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025

Page 1 of 2

AQUA WATER OPERATIONS

Line No.	Item	Rate Year 1		Rate Year 2			Rate Year 3		
		PS Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues:									
1	Service revenues	\$44,459,344	\$4,409,426	\$48,868,770 [3]	\$2,093,754	\$50,962,524 [3]	\$2,241,842	\$53,204,366 [3]	
2	Late payment fees	73,709	7,311	81,020 [4]	3,471	84,491 [4]	3,717	88,208 [4]	
3	Miscellaneous revenues	782,109	0	782,109 [4]	0	782,109 [4]	0	782,109 [4]	
4	Uncollectibles	(199,143)	(19,751)	(218,894) [4]	(9,378)	(228,272) [4]	(10,042)	(238,314) [4]	
5	Total operating revenues	45,116,019	4,396,987	49,513,005	2,087,847	51,600,852	2,235,517	53,836,369	
Operating Revenue Deductions:									
6	Salaries and wages	7,277,547	218,327	7,495,874	224,877	7,720,751	231,623	7,952,375	
7	Employee pensions and benefits	2,182,956	65,489	2,248,444	67,453	2,315,898	69,477	2,385,375	
8	Purchased water	2,511,274	0	2,511,274	0	2,511,274	0	2,511,274	
9	Purchased power	2,435,480	74,040	2,509,520	76,291	2,585,811	78,610	2,664,421	
10	Fuel for power production	604	0	604	0	604	0	604	
11	Chemicals	786,581	23,911	810,492	24,638	835,130	25,387	860,517	
12	Materials and supplies	476,863	14,496	491,359	14,937	506,296	15,391	521,687	
13	Testing fees	693,221	21,074	714,295	21,715	736,010	22,375	758,386	
14	Transportation	1,096,275	11,643	1,107,918	11,766	1,119,684	11,892	1,131,576	
15	Contractual services - engineering	405	13	418	13	431	13	444	
16	Contractual services - accounting	118,299	3,596	121,895	3,706	125,601	3,818	129,419	
17	Contractual services - legal	163,875	4,982	168,857	5,133	173,990	5,289	179,279	
18	Contractual services - management fees	0	0	0	0	0	0	0	
19	Contractual services - other	2,298,893	69,885	2,368,778	72,009	2,440,787	74,198	2,514,985	
20	Rent	255,334	7,763	263,097	7,999	271,096	8,242	279,338	
21	Insurance	688,521	20,930	709,451	21,566	731,017	22,222	753,239	
22	Advertising	0	0	0	0	0	0	0	
23	Regulatory commission expense	536,300	(0)	536,300	(293,163)	243,137	0	243,137	
24	Miscellaneous expense	1,005,200	30,558	1,035,758	31,487	1,067,245	32,444	1,099,690	
25	Interest on customer deposits	19,080	0	19,080	0	19,080	0	19,080	
26	Annualization & consumption adjustments	0	0	0	0	0	0	0	
27	Non-recurring COVID expenses	(38,497)	38,497	0	0	0	0	0	
28	Contra-OH Allocations	(307,280)	(9,341)	(316,621)	(9,625)	(326,246)	(9,918)	(336,164)	
29	Total O&M and G&A expense	22,200,930	595,863	22,796,793	280,802	23,077,595	591,065	23,668,661	
30	Depreciation and amortization expense	7,990,775	1,326,715	9,317,490	758,265	10,075,755	654,901	10,730,656	
31	Property taxes	586,039	39,401	625,440	20,683	646,123	21,367	667,490	
32	Payroll taxes	523,983	15,719	539,702	16,191	555,894	16,677	572,570	
33	Other taxes	174,357	0	174,357	0	174,357	0	174,357	
34	Benefit costs - Pension	(17,445)	(523)	(17,968)	(539)	(18,507)	(555)	(19,063)	
35	Regulatory fee	63,162	6,156	69,318	2,923	72,241	3,130	75,371	
36	Deferred income tax	(74,576)	0	(74,576)	0	(74,576)	0	(74,576)	
37	State income tax	258,455	45,990	304,445	19,236	323,681	18,082	341,763	
38	Federal income tax	2,116,743	376,665	2,493,408	157,542	2,650,950	148,087	2,799,037	
39	Total operating revenue deductions	33,822,423	2,405,986	36,228,409	1,255,103	37,483,512	1,452,754	38,936,266	
40	Net operating income for return	\$11,293,597	\$1,991,001	\$13,284,597	\$832,744	\$14,117,340	\$782,763	\$14,900,103	

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

NET OPERATING INCOME FOR A RETURN

For The Rate Years 1-3 Ended December 31, 2025

AQUA SEWER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements

Schedule 3(b)-RY

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Line No.	Item	Rate Year 1		Rate Year 2		Rate Year 3		
		Amount Per	RY1 Public Staff	RY1 Amount Per	RY2 Public Staff	RY2 Amount Per	RY3 Public Staff	RY3 Amount Per
		Base Year (a)	Adjustments (b)	Public Staff (c)	Adjustments [19] (d)	Public Staff (e)	Adjustments [23] (f)	Public Staff (g)
Operating Revenues:								
1	Service revenues	\$19,095,478	\$2,862,312	\$21,957,790 [3]	\$1,636,966	\$23,594,756 [3]	\$643,368	\$24,238,124 [3]
2	Late payment fees	21,267	3,187	24,454 [4]	1,823	26,277 [4]	717	26,994 [4]
3	Miscellaneous revenues	22,331	0	22,331 [4]	0	22,331 [4]	0	22,331 [4]
4	Uncollectibles	(63,504)	(9,519)	(73,023) [4]	(5,444)	(78,467) [4]	(2,139)	(80,606) [4]
5	Total operating revenues	19,075,572	2,855,980	21,931,552	1,633,345	23,564,897	641,946	24,206,843
Operating Revenue Deductions:								
6	Salaries and wages	2,468,533	74,056	2,542,589	76,278	2,618,867	78,566	2,697,433
7	Employee pensions and benefits	719,929	21,598	741,527	22,246	763,773	22,913	786,686
8	Purchased sewer treatment	802,465	24,395	826,860	25,137	851,997	25,901	877,897
9	Sludge removal	654,834	19,907	674,741	20,512	695,253	21,135	716,389
10	Purchased power	1,138,835	34,622	1,173,457	35,675	1,209,132	36,759	1,245,891
11	Fuel for power production	26,908	0	26,908	0	26,908	0	26,908
12	Chemicals	941,990	28,636	970,626	29,507	1,000,132	30,404	1,030,536
13	Materials and supplies	128,900	3,919	132,819	4,038	136,857	4,161	141,018
14	Testing fees	226,483	6,886	233,369	7,095	240,464	7,311	247,774
15	Transportation	317,503	3,372	320,875	3,408	324,283	3,444	327,727
16	Contractual services - engineering	0	0	0	0	0	0	0
17	Contractual services - accounting	32,732	995	33,727	1,026	34,753	1,057	35,809
18	Contractual services - legal	116,190	3,533	119,723	3,640	123,363	3,751	127,113
19	Contractual services - management fees	0	0	0	0	0	0	0
20	Contractual services - other	1,768,429	53,763	1,822,192	49,780	1,871,971	(77,901)	1,794,071
21	Rent	57,111	1,736	58,847	1,789	60,636	1,843	62,480
22	Insurance	202,892	6,168	209,060	6,355	215,415	6,549	221,964
23	Advertising	0	0	0	0	0	0	0
24	Regulatory commission expense	158,036	0	158,036 [14]	(86,389)	71,647	0	71,647
25	Miscellaneous expense	331,703	10,081	341,784	10,387	352,170	10,703	362,873
26	Interest on customer deposits	419	0	419	0	419	0	419
27	Annualization & consumption adjustments	0	0	0 [15]	0	0	0	0
28	Non-recurring COVID expenses	(8,870)	8,870	0	0	0	0	0
29	Contra-OH Allocations	(72,622)	(2,208)	(74,831)	(2,276)	(77,106)	(2,345)	(79,451)
30	Total O&M and G&A expense	10,012,400	300,327	10,312,727	208,206	10,520,933	174,250	10,695,184
31	Depreciation and amortization expense	2,948,473	740,617	3,689,090	452,160	4,141,250	242,270	4,383,520
32	Property taxes	15,405	1,035	16,440	544	16,984	562	17,546
33	Payroll taxes	180,203	5,406	185,609	5,568	191,177	5,735	196,913
34	Other taxes	48,289	0	48,289	0	48,289	0	48,289
35	Benefit costs - Pension	(4,819)	(145)	(4,964)	(149)	(5,112)	(153)	(5,266)
36	Regulatory fee	26,706	3,998	30,704 [16]	2,287	32,991 [16]	899	33,890 [16]
37	Deferred income tax	(20,946)	0	(20,946)	0	(20,946)	0	(20,946)
38	State income tax	111,286	34,388	145,674 [17]	18,383	164,057 [21]	4,161	168,218 [26]
39	Federal income tax	911,434	281,640	1,193,074 [18]	150,551	1,343,625 [22]	34,080	1,377,705 [27]
40	Total operating revenue deductions	14,228,431	1,367,267	15,595,698	837,551	16,433,248	461,804	16,895,053
41	Net operating income for return	\$4,847,141	\$1,488,713	\$6,335,854	\$795,794	\$7,131,648	\$180,142	\$7,311,790

Acqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3(c)-RY

NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025

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FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2		Rate Year 3	
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$1,660,337	\$401,017	\$2,061,354	\$89,335	\$2,150,689	\$154,634	\$2,305,323
2	Late payment fees	2,753	665	3,418	148	3,566	256	3,822
3	Miscellaneous revenues	99,955	0	99,955	0	99,955	0	99,955
4	Uncollectibles	(7,437)	(1,796)	(9,233)	(400)	(9,633)	(693)	(10,326)
5	Total operating revenues	1,755,608	399,886	2,155,494	89,083	2,244,577	154,197	2,398,774
Operating Revenue Deductions:								
6	Salaries and wages	436,187	13,081	449,268	13,479	462,747	13,883	476,630
7	Employee pensions and benefits	89,568	2,687	92,255	2,768	95,023	2,851	97,873
8	Purchased water	0	0	0	0	0	0	0
9	Purchased power	89,160	2,710	91,870	2,793	94,663	2,878	97,541
10	Fuel for power production	951	0	951	0	951	0	951
11	Chemicals	54,914	1,670	56,583	1,719	58,302	1,773	60,075
12	Materials and supplies	17,640	536	18,176	553	18,729	569	19,298
13	Testing fees	21,336	648	21,984	669	22,653	689	23,342
14	Transportation	35,443	376	35,819	380	36,199	385	36,584
15	Contractual services - engineering	0	0	0	0	0	0	0
16	Contractual services - accounting	9,168	279	9,446	287	9,733	295	10,028
17	Contractual services - legal	10,903	331	11,234	341	11,576	352	11,928
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	170,197	5,175	175,372	5,329	180,701	5,495	186,196
20	Rent	18,367	559	18,926	576	19,502	593	20,095
21	Insurance	53,747	1,635	55,382	1,684	57,067	1,734	58,801
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	41,865	(0)	41,864 [13]	(22,885)	18,980	0	18,980
24	Miscellaneous expense	51,183	1,554	52,737	1,598	54,335	1,650	55,985
25	Interest on customer deposits	395	0	395	0	395	0	395
26	Annualization & consumption adjustments	0	0	0 [14]	0	0	0	0
27	Non-recurring COVID expenses	(2,101)	2,101	0	0	0	0	0
28	Contra-OH Allocations	(8,194)	(249) [2]	(8,443)	(256)	(8,699)	(264)	(8,964)
29	Total O&M and G&A expense	1,090,727	33,093	1,123,821	9,035	1,132,856	32,882	1,165,738
30	Depreciation and amortization expense	183,630	92,290 [7]	275,920	37,099	313,019	41,004	354,022
31	Property taxes	30,479	2,049	32,528	1,076	33,604	1,111	34,715
32	Payroll taxes	31,130	934 [2]	32,064	962	33,026	991	34,017
33	Other taxes	13,519	0	13,519	0	13,519	0	13,519
34	Benefit costs - Pension	(1,351)	(41)	(1,392)	(42)	(1,433)	(43)	(1,476)
35	Regulatory fee	2,458	560	3,018 [15]	125	3,142 [15]	216	3,358 [15]
36	Deferred income tax	(5,851)	0 [8]	(5,851)	0	(5,851)	0	(5,851)
37	State income tax	7,672	5,164	12,836 [16]	778	13,614 [20]	1,487	15,101 [25]
38	Federal income tax	62,835	42,292	105,127 [17]	6,371	111,498 [21]	12,178	123,676 [26]
39	Total operating revenue deductions	1,415,248	176,342	1,591,590	55,404	1,646,993	89,825	1,736,819
40	Net operating income for return	\$340,360	\$223,544	\$563,905	\$33,679	\$597,584	\$64,372	\$661,955

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3(d)-RY

NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025

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FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 1				Rate Year 2				Rate Year 3			
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff					
		(a)	(b) [1]	(c) [10]	(d) [19]	(e) [20]	(f) [23]	(g) [24]					
Operating Revenues:													
1	Service revenues	\$3,008,664	\$116,094	\$3,124,758 [11]	\$13,330	\$3,138,088 [11]	\$234,226	\$3,372,314 [25]					
2	Late payment fees	3,351	129	3,480 [12]	15	\$3,495 [12]	261	\$3,756 [12]					
3	Miscellaneous revenues	40	0	40	0	\$40	0	\$40					
4	Uncollectibles	(10,006)	(386)	(10,392) [13]	(44)	(\$10,436) [13]	(779)	(\$11,215) [13]					
5	Total operating revenues	3,002,049	115,837	3,117,886	13,301	3,131,187	233,708	3,364,895					
Operating Revenue Deductions:													
6	Salaries and wages	345,065	10,350 [2]	355,415	10,661	366,077	10,984	377,061					
7	Employee pensions and benefits	63,772	1,913 [2]	65,685	1,971	67,656	2,030	69,686					
8	Purchased sewer treatment	7,678	233	7,911	240	8,151	248	8,399					
9	Sludge removal	187,147	0 [3]	187,147	5,689	192,836	5,862	198,698					
10	Purchased power	123,402	3,752 [4]	127,154	3,866	131,020	3,984	135,004					
11	Fuel for power production	353	0 [4]	353	0	353	0	353					
12	Chemicals	57,109	1,736	58,845	1,789	60,634	1,844	62,478					
13	Materials and supplies	16,327	496 [5]	16,823	511	17,334	527	17,861					
14	Testing fees	12,776	0 [3]	12,776	389	13,165	400	13,565					
15	Transportation	26,889	285	27,174	289	27,463	292	27,755					
16	Contractual services - engineering	0	0	0	0	0	0	0					
17	Contractual services - accounting	5,732	0	5,732	174	5,906	180	6,086					
18	Contractual services - legal	7,543	229 [6]	7,772	237	8,009	244	8,252					
19	Contractual services - management fees	0	0	0	0	0	0	0					
20	Contractual services - other	156,578	4,758 [7]	161,336	4,904	166,240	5,054	171,295					
21	Rent	11,492	0	11,492	349	11,841	360	12,201					
22	Insurance	33,379	1,016 [2]	34,395	1,047	35,442	1,078	36,520					
23	Advertising	0	0	0	0	0	0	0					
24	Regulatory commission expense	25,999	(0)	25,999 [14]	(14,212)	11,787	0	11,787					
25	Miscellaneous expense	41,557	1,263 [2]	42,820	1,298	44,117	1,335	45,452					
26	Interest on customer deposits	7	0	7	0	7	0	7					
27	Annualization & consumption adjustments	0	0	0 [15]	0	0	0	0					
28	Non-recurring COVID expenses	(1,311)	1,311	0	0	0	0	0					
29	Contra-OH Allocations	(10,252)	(312) [2]	(10,563)	(321)	(10,884)	(331)	(11,215)					
30	Total O&M and G&A expense	1,111,244	27,030	1,138,274	18,881	1,157,155	34,090	1,191,246					
31	Depreciation and amortization expense	529,926	43,811 [8]	573,737	20,338	594,075	69,304	663,379					
32	Property taxes	2,634	177	2,811	93	2,904	96	3,000					
33	Payroll taxes	24,844	745 [2]	25,589	768	26,357	791	27,148					
34	Other taxes	8,461	-	8,461	0	8,461	0	8,461					
35	Benefit costs - Pension	(846)	(25)	(871)	(26)	(898)	(27)	(924)					
36	Regulatory fee	4,203	162	4,365 [16]	19	4,384 [16]	327	4,711 [16]					
37	Deferred income tax	(3,659)	- [9]	(3,659)	-	(3,659)	-	(3,659)					
38	State income tax	25,154	837	25,991 [17]	-510	25,481 [21]	2,460	27,941 [26]					
39	Federal income tax	206,009	6,857	212,866 [18]	-4,178	208,688 [22]	20,151	228,839 [27]					
40	Total operating revenue deductions	1,907,970	79,594	1,987,564	35,385	2,022,949	127,192	2,150,141					
41	Net operating income for return	\$1,094,079	\$36,243	\$1,130,322	(\$22,084)	\$1,108,238	\$106,516	\$1,214,754					

Agua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3(e)-RY

NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025

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BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2		Rate Year 3	
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$7,647,961	\$1,323,921	\$8,971,882	\$516,729	\$9,488,611	\$623,363	\$10,111,974
2	Late payment fees	27,152	4,700	31,852	1,834	33,686	2,214	35,900
3	Miscellaneous revenues	361,152	-	361,152	-	361,152	-	361,152
4	Uncollectibles	(143,094)	(24,771)	(167,865)	(9,668)	(177,533)	(11,663)	(189,196)
5	Total operating revenues	7,893,171	1,303,850	9,197,021	508,895	9,705,916	613,914	10,319,830
Operating Revenue Deductions:								
6	Salaries and wages	927,399	27,819	955,219	28,654	983,873	29,513	1,013,386
7	Employee pensions and benefits	238,085	7,143	245,227	7,357	252,584	7,578	260,162
8	Purchased water	311,742	0	311,742	0	311,742	0	311,742
9	Purchased power	271,555	8,255	279,811	8,506	288,317	8,765	297,082
10	Fuel for power production	515	0	515	0	515	0	515
11	Chemicals	469,046	14,260	483,306	14,693	497,999	15,138	513,138
12	Materials and supplies	24,664	749	25,413	773	26,186	797	26,983
13	Testing fees	68,077	2,069	70,146	2,132	72,278	2,197	74,476
14	Transportation	99,633	1,058	100,691	1,070	101,761	1,081	102,842
15	Contractual services - engineering	0	0	0	0	0	0	0
16	Contractual services - accounting	26,166	795	26,962	820	27,782	845	28,627
17	Contractual services - legal	28,459	866	29,325	891	30,216	918	31,134
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	816,115	24,808	840,923	25,566	866,489	26,341	892,830
20	Rent	29,837	907	30,744	933	31,677	962	32,639
21	Insurance	148,854	4,525	153,379	4,663	158,042	4,803	162,845
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	115,945	(0)	115,945	(63,380)	52,565	0	52,565
24	Miscellaneous expense	153,750	4,670	158,420	4,816	163,236	4,961	168,197
25	Interest on customer deposits	4,919	0	4,919	0	4,919	0	4,919
26	Annualization & consumption adjustments	0	0	0	0	0	0	0
27	Non-recurring COVID expenses	(7,263)	7,263	0	0	0	0	0
28	Contra-OH Allocations	(20,656)	(628)	(21,284)	(647)	(21,931)	(667)	(22,598)
29	Total O&M and G&A expense	3,706,843	104,559	3,811,402	36,847	3,848,249	103,233	3,951,482
30	Depreciation and amortization expense	1,232,884	337,416	1,570,300	150,966	1,721,266	168,595	1,889,860
31	Property taxes	106,775	7,179	113,954	3,768	117,722	3,893	121,615
32	Payroll taxes	65,335	1,960	67,295	2,019	69,314	2,079	71,393
33	Other taxes	38,482	0	38,482	0	38,482	0	38,482
34	Benefit costs - Pension	(3,853)	(116)	(3,969)	(119)	(4,088)	(123)	(4,210)
35	Regulatory fee	11,050	1,826	12,876 [15]	712	13,588 [15]	859	14,448 [15]
36	Deferred income tax	(16,240)	0	(16,240)	0	(16,240)	0	(16,240)
37	State income tax	52,001	16,216	68,217 [16]	5,996	74,213 [20]	6,391	80,604 [25]
38	Federal income tax	425,889	132,807	558,696 [17]	49,111	607,807 [21]	52,338	660,145 [26]
39	Total operating revenue deductions	5,619,165	601,847	6,221,012	249,300	6,470,312	337,265	6,807,578
40	Net operating income for return	\$2,274,006	\$702,003	\$2,976,009	\$259,595	\$3,235,603	\$276,649	\$3,512,252

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(a)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(a)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(b)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(b)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(c)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(c)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(d)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(d)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(e)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3(e)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
Public Staff Recommended Revenue Requirements
For The Rate Year 1 - Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-(a)(1)-RY

Line No.	<u>Item</u>	<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
<u>Aqua Water</u>				
1	Service revenues	\$48,868,770 [1]	\$50,962,524 [1]	\$53,204,366 [1]
2	Late payment fees	81,020	84,491	88,208
	Miscellaneous revenues	782,109	782,109	782,109
3	Uncollectibles	(218,894)	(228,272)	(238,314)
4	Total operating revenues	<u>49,513,005</u>	<u>51,600,852</u>	<u>53,836,369</u>
<u>Aqua Sewer</u>				
6	Service revenues	\$21,957,790	\$23,055,680	\$24,208,463
7	Late payment fees	24,454	26,277	26,994
	Miscellaneous revenues	22,331	22,331	22,331
8	Uncollectibles	(73,023)	(78,467)	(80,606)
9	Total operating revenues	<u>21,931,552</u>	<u>23,025,820</u>	<u>24,177,182</u>
<u>Fairways Water</u>				
11	Service revenues	\$2,061,354	\$2,150,689	\$2,258,223
12	Late payment fees	3,418	3,566	3,822
	Miscellaneous revenues	99,955	99,955	99,955
13	Uncollectibles	(9,233)	(9,633)	(10,326)
14	Total operating revenues	<u>2,155,494</u>	<u>2,244,577</u>	<u>2,351,675</u>
<u>Fairways Sewer</u>				
16	Service revenues	\$3,124,758	\$3,138,088	\$3,294,992
17	Late payment fees	3,480	3,495	3,756
	Miscellaneous revenues	40	40	40
18	Uncollectibles	(10,392)	(10,436)	(11,215)
19	Total operating revenues	<u>3,117,886</u>	<u>3,131,187</u>	<u>3,287,573</u>
<u>Brookwood Water</u>				
21	Service revenues	\$8,971,882	\$9,420,476	\$9,891,500
22	Late payment fees	31,852	33,686	35,900
	Miscellaneous revenues	361,152	361,152	361,152
23	Uncollectibles	(167,865)	(177,533)	(189,196)
24	Total operating revenues	<u>9,197,021</u>	<u>9,637,781</u>	<u>10,099,356</u>

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-(a)(2)-RY

STATUTORY REVENUE CAP ADJUSTMENT

For The Rate Year 1 - Rate Year 3 Ended December 31, 2025

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
<u>Aqua Water</u>				
1	Annual Service Revenue Percentage Increase	9.92%	4.28%	4.40%
2	Statutory Cap	N/A	5.00%	5.00%
3	Public Staff Calculated Service Revenue	48,868,770	50,962,524	53,204,366
4	Service Revenue Allowed at Statutory Cap	<u>48,868,770</u>	<u>51,312,209</u>	<u>53,510,650</u>
5	Adjustment to Statutory Cap (L4 - L3)	<u>0</u>	<u>0</u>	<u>0</u>
<u>Aqua Sewer</u>				
6	Annual Service Revenue Percentage Increase	14.99%	7.46%	2.73%
7	Statutory Cap	N/A	5.00%	5.00%
8	Public Staff Calculated Service Revenue	21,957,790	23,594,756	24,238,124
9	Service Revenue Allowed at Statutory Cap	<u>21,957,790</u>	<u>23,055,680</u>	<u>24,208,463</u>
10	Adjustment to Statutory Cap (L9 - L8)	<u>0</u>	<u>(539,077)</u>	<u>(29,661)</u>
<u>Fairways Water</u>				
11	Annual Service Revenue Percentage Increase	24.15%	4.33%	7.19%
12	Statutory Cap	N/A	5.00%	5.00%
13	Public Staff Calculated Service Revenue	2,061,354	2,150,689	2,305,323
14	Service Revenue Allowed at Statutory Cap	<u>2,061,354</u>	<u>2,164,422</u>	<u>2,258,223</u>
15	Adjustment to Statutory Cap (L14 - L13)	<u>0</u>	<u>0</u>	<u>(47,100)</u>
<u>Fairways Sewer</u>				
16	Annual Service Revenue Percentage Increase	3.86%	0.43%	7.46%
17	Statutory Cap	N/A	5.00%	5.00%
18	Public Staff Calculated Service Revenue	3,124,758	3,138,088	3,372,314
19	Service Revenue Allowed at Statutory Cap	<u>3,124,758</u>	<u>3,280,996</u>	<u>3,294,992</u>
20	Adjustment to Statutory Cap (L19 - L18)	<u>0</u>	<u>0</u>	<u>(77,322)</u>
<u>Brookwood Water</u>				
21	Annual Service Revenue Percentage Increase	17.31%	5.76%	6.57%
22	Statutory Cap	N/A	5.00%	5.00%
23	Public Staff Calculated Service Revenue	8,971,882	9,488,611	10,111,974
24	Service Revenue Allowed at Statutory Cap	<u>8,971,882</u>	<u>9,420,476</u>	<u>9,891,500</u>
25	Adjustment to Statutory Cap (L24- L23)	<u>0</u>	<u>(68,135)</u>	<u>(220,474)</u>

[1] Rate Year 1 plus Rate Year 1 times 5%

0 (607,211) (374,556)

[2] Rate Year 2 plus Rate Year 2 times 5%

[3] Statutory limit at 5% Rate Year 2 cap.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-1-RY1

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 1</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$ 750,388	\$2,074	\$102,925	\$0	\$371,481
2	Adjustment from engineer		0	0	0	0
3	Adjustment from accounting	<u>30,985 [1]</u>	<u>20,257 [1]</u>	<u>(2,970) [1]</u>	<u>40 [1]</u>	<u>(10,329) [1]</u>
4	Amount per Public Staff (Sum of L1 thru L3)	<u><u>\$781,373</u></u>	<u><u>\$22,331</u></u>	<u><u>\$99,955</u></u>	<u><u>\$40</u></u>	<u><u>\$361,152</u></u>

[1] Recommended by Public Staff accounting

Aqua North Carolina, Inc.
 Contractual services - engineering
ADJUSTMENT TO MISCELLANEOUS REVENUES
 For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
 Schedule 3-1-RY2

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 2</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$ 790,875	(\$58,232)	\$106,005	\$0	\$382,192
2	Adjustment from engineer	0	0	0	0	0
3	Adjustment from accounting	<u>(9,502) [1]</u>	<u>80,563 [1]</u>	<u>(6,050) [1]</u>	<u>40 [1]</u>	<u>(21,040) [1]</u>
4	Amount per Public Staff (Sum of L1 thru L3)	<u>\$781,373</u>	<u>\$22,331</u>	<u>\$99,955</u>	<u>\$40</u>	<u>\$361,152</u>

[1] Recommended by Public Staff accounting

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ADJUSTMENT TO MISCELLANEOUS REVENUES

For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-1-RY3

Rate Year 3

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$ 811,328	(\$62,141)	\$109,199	\$0	\$393,300
2	Adjustment from engineer	0	0	0	0	0
3	Adjustment from accounting	<u>(29,955) [1]</u>	<u>84,472 [1]</u>	<u>(9,244) [1]</u>	<u>40 [1]</u>	<u>(32,148) [1]</u>
4	Amount per Public Staff (Sum of L1 thru L3)	<u>\$781,373</u>	<u>\$22,331</u>	<u>\$99,955</u>	<u>\$40</u>	<u>\$361,152</u>

[1] Recommended by Public Staff accounting

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

AQUA WATER OPERATIONS

Line No.	Item	Sch Ref.	Rate Year 1								
			Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjustment per Public Staff [6]		
			(a)	(b)	(c)	(d)	(e)	(f)	(g)		
			((c)-(a))/(a)			(d)*((1)+(e))			(f)-(c)		
O&M and G&A Expense											
1	Salaries and wages		\$ 8,261,575	3.00%	\$ 8,509,423	\$ 7,277,547	3.00%	\$ 7,495,874	\$ (1,013,549)		
2	Employee pensions and benefits		2,880,426	3.01%	2,967,136	2,182,956	3.00%	2,248,444	(718,692)		
3	Purchased water		2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)		
4	Purchased power		2,426,141	3.04%	2,499,897	2,435,480	3.04%	2,509,520	9,623		
5	Fuel for power production	per Public Staff engineer	1,754	3.02%	1,807	604		604	(1,203)		
6	Chemicals		489,754	3.04%	504,642	786,581	3.04%	810,492	305,850		
7	Materials and supplies		491,362	3.04%	506,299	476,863	3.04%	491,359	(14,940)		
8	Testing fees		714,295	3.04%	736,010	693,221	3.04%	714,295	(21,715)		
9	Transportation	per Public Staff engineer	1,455,375	0.82%	1,467,316	1,096,275		1,107,918	Thi: (359,398)		
10	Contractual services - engineering		417	3.12%	430	405	3.12%	418	(12)		
11	Contractual services - accounting		147,827	3.04%	152,321	118,299	3.04%	121,895	(30,426)		
12	Contractual services - legal		175,759	3.04%	181,102	163,875	3.04%	168,857	(12,245)		
13	Contractual services - management fees		0	0.00%	0	0	0.00%	0	0		
14	Contractual services - other		2,368,777	3.04%	2,440,786	2,298,893	3.04%	2,368,778	(72,008)		
15	Rent		263,096	3.04%	271,095	255,334	3.04%	263,097	(7,998)		
16	Insurance		964,057	3.04%	993,363	688,521	3.04%	709,451	(283,912)		
17	Advertising		0	5.00%	0	0	0	0	0		
18	Regulatory commission expense	Schedule 3-13-RY1 to RY3	381,034	0.00%	381,034	536,300		536,300	155,266		
19	Miscellaneous expense		1,035,753	3.04%	1,067,240	1,005,200	3.04%	1,035,758	(31,482)		
20	Interest on customer deposits		19,080	0.00%	19,080	19,080	0.00%	19,080	0		
21	Annualization & consumption adjustments		(73,159)	3.19%	(75,495)	0	0.00%	0	75,495		
22	Non-recurring COVID expenses		0	0.00%	0	(38,497)	0.00%	0	0		
23	Contra-OH Allocations		(1,633,450)	3.04%	(1,683,106)	(307,280)	3.04%	(316,621)	1,366,485		
24	Depreciation and amortization expense	Schedule 3-17-RY1 to RY3	8,480,202	12.23%	9,517,070	7,990,775		9,317,490	(199,580)		
25	Property taxes		586,039	6.72%	625,440	586,039	6.72%	625,440	0		
26	Payroll taxes		742,787	-17.73%	611,127	523,983	3.00%	539,702	(71,425)		
27	Other taxes		174,357	52.79%	266,407	174,357	0.00%	174,357	(92,050)		
28	Benefit costs - Pension		(17,445)	0.01%	(17,446)	(17,445)	3.00%	(17,968)	(522)		
29	Regulatory fee	operating revenue times 0.14%	54,246	23.21%	66,838	63,162		69,318	2,481		
30	Deferred income tax		0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)		
31	State income tax	Schedule 3-18-RY(a) to RY(e)	314,211	4.52%	328,399	258,455		304,445	(23,954)		
32	Federal income tax	Schedule 3-18-RY(a) to RY(e)	2,573,388	4.52%	2,689,589	2,116,743		2,493,408	(196,181)		
33	Total O&M and G&A Expense Adjustment		<u>35,956,845</u>		<u>37,706,992</u>	<u>33,822,423</u>		<u>36,228,409</u>	<u>(1,478,583)</u>		

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).
 [4] Growth Factor agree with Company, unless otherwise footnoted.
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.
 [6] Colume (f) minus Column (c), unless other wise footnoted.

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA WATER OPERATIONS

Line No.	Item	Rate Year 2								
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustmt per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		(c)-(a)/(a)				(d)*((1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 8,509,423	3.00%	\$ 8,764,705	\$ 7,495,874	3.00%	\$ 7,720,751	(1,043,954)		
2	Employee pensions and benefits	2,967,136	3.01%	3,056,450	2,248,444	3.00%	2,315,898	(740,552)		
3	Purchased water	2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)		
4	Purchased power	2,499,897	3.04%	2,575,894	2,509,520	3.04%	2,585,811	9,917		
5	Fuel for power production	1,807	3.04%	1,862	604		604	(1,258)		
6	Chemicals	504,642	3.04%	519,982	810,492	3.04%	835,130	315,148		
7	Materials and supplies	506,299	3.04%	521,690	491,359	3.04%	506,296	(15,394)		
8	Testing fees	736,010	3.04%	758,385	714,295	3.04%	736,010	(22,375)		
9	Transportation	1,467,316	0.84% [xx]	1,479,619	1,107,918		1,119,684	(359,935)		
10	Contractual services - engineering	430	3.02%	443	418	3.12%	431	(12)		
11	Contractual services - accounting	152,321	3.04%	156,952	121,895	3.04%	125,601	(31,351)		
12	Contractual services - legal	181,102	3.04%	186,607	168,857	3.04%	173,990	(12,617)		
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	0		
14	Contractual services - other	2,440,786	3.04%	2,514,985	2,368,778	3.04%	2,440,787	(74,198)		
15	Rent	271,095	3.04%	279,337	263,097	3.04%	271,096	(8,241)		
16	Insurance	993,363	3.04%	1,023,561	709,451	3.04%	731,017	(292,544)		
17	Advertising	0	0.00%	0	0	0.00%	-	0		
18	Regulatory commission expense	381,034	0.00%	381,034	536,300		243,137	(137,897)		
19	Miscellaneous expense	1,067,240	3.04%	1,099,683	1,035,758	3.04%	1,067,245	(32,438)		
20	Interest on customer deposits	19,080	0.00%	19,080	19,080	0.00%	19,080	0		
21	Annualization & consumption adjustments	(75,495)	3.19%	(77,901)	0	0.00%	-	77,901		
22	Non-recurring COVID expenses	0		0	0	0.00%	-	0		
23	Contra-OH Allocations	(1,683,106)	3.04%	(1,734,273)	(316,621)	3.04%	(326,246)	1,408,027		
24	Depreciation and amortization expense	9,517,070	17.30%	11,163,917	9,317,490		10,075,755	(1,088,162)		
25	Property taxes	625,440	3.31%	646,123	625,440	3.31%	646,123	0		
26	Payroll taxes	611,127	3.00%	629,461	539,702	3.00%	555,894	(73,568)		
27	Other taxes	266,407	-8.52%	243,710	174,357	0.00%	174,357	(69,353)		
28	Benefit costs - Pension	(17,446)	0.00%	(17,446)	(17,968)	3.00%	(18,507)	(1,061)		
29	Regulatory fee	66,838	6.70%	71,318	69,318		72,241	923		
30	Deferred income tax	0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)		
31	State income tax	328,399	0.43%	329,826	304,445		323,681	(6,145)		
32	Federal income tax	2,689,589	0.43%	2,701,272	2,493,408		2,650,950	(50,322)		
33	Total O&M and G&A Expense Adjustment	<u>37,706,992</u>		<u>39,975,463</u>	<u>36,228,409</u>		<u>37,483,512</u>	<u>(2,491,951)</u>		

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Colum (f) minus Column (c), unless other v

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA WATER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per	Growth Factor Per	Rate Year 3 Amount per	Rate Year 2 Amount per	Growth Factor Per	Rate Year 3 Amount per	Rate year 3 Adjustment
		Company [1]	Company [2]	Company [1]	Public Staff [3]	Public Staff [4]	Public Staff [5]	per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)					(d)*((1+(e)))	(f)-(c)
O&M and G&A Expense								
1	Salaries and wages	\$ 8,764,705	3.00%	\$ 9,027,644	\$ 7,720,751	3.00%	\$ 7,952,375	(1,075,269)
2	Employee pensions and benefits	3,056,450	3.01%	3,148,456	2,315,898	3.00%	2,385,375	(763,081)
3	Purchased water	2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)
4	Purchased power	2,575,894	3.04%	2,654,201	2,585,811	3.04%	2,664,421	10,220
5	Fuel for power production	1,862	3.01%	1,918	604		604	(1,314)
6	Chemicals	519,982	3.04%	535,788	835,130	3.04%	860,517	324,729
7	Materials and supplies	521,690	3.04%	537,548	506,296	3.04%	521,687	(15,861)
8	Testing fees	758,385	3.04%	781,440	736,010	3.04%	758,386	(23,054)
9	Transportation	1,479,619	0.86%	1,492,296	1,119,684		1,131,576	(360,720)
10	Contractual services - engineering	443	2.93%	456	431	3.12%	444	(12)
11	Contractual services - accounting	156,952	3.04%	161,724	125,601	3.04%	129,419	(32,305)
12	Contractual services - legal	186,607	3.04%	192,279	173,990	3.04%	179,279	(13,000)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	2,514,985	3.04%	2,591,439	2,440,787	3.04%	2,514,985	(76,454)
15	Rent	279,337	3.04%	287,830	271,096	3.04%	279,338	(8,492)
16	Insurance	1,023,561	3.04%	1,054,677	731,017	3.04%	753,239	(301,438)
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	381,034	0.00%	381,034	243,137		243,137	(137,897)
19	Miscellaneous expense	1,099,683	3.04%	1,133,108	1,067,245	3.04%	1,099,690	(33,418)
20	Interest on customer deposits	19,080	0.00%	19,080	19,080	0.00%	19,080	0
21	Annualization & consumption adjustments	(77,901)	3.18%	(80,381)	0	0.00%	-	80,381
22	Non-recurring COVID expenses	0		0	0	0.00%	-	-
23	Contra-OH Allocations	(1,734,273)	3.04%	(1,786,995)	(326,246)	3.04%	(336,164)	1,450,831
24	Depreciation and amortization expense	11,163,917	7.05%	11,951,220	10,075,755		10,730,656	(1,220,564)
25	Property taxes	646,123	3.31%	667,490	646,123	3.31%	667,490	(0)
26	Payroll taxes	629,461	3.00%	648,345	555,894	3.00%	572,570	(75,774)
27	Other taxes	243,710	-8.41%	223,211	174,357	0.00%	174,357	(48,854)
28	Benefit costs - Pension	(17,446)	0.00%	(17,446)	(18,507)	3.00%	(19,063)	(1,617)
29	Regulatory fee	71,318	4.29%	74,381	72,241		75,371	990
30	Deferred income tax	0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)
31	State income tax	329,826	-2.75%	320,755	323,681		341,763	21,008
32	Federal income tax	2,701,272	8.33%	2,926,354	2,650,950		2,799,037	(127,317)
33	Total O&M and G&A Expense Adjustment	<u>39,975,463</u>		<u>41,607,038</u>	<u>37,483,512</u>		<u>38,936,266</u>	<u>(2,670,772)</u>

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Colum (f) minus Colum (c), unless other v

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjstment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)		(d)*(1+(e))		(f)-(c)		
O&M and G&A Expense								
1	Salaries and wages	\$ 2,640,569	3.00%	\$ 2,719,786	\$ 2,468,533	3.00%	\$ 2,542,589	\$ (177,197)
2	Employee pensions and benefits	848,387	3.01%	873,920	719,929	3.00%	741,527	(132,393)
3	Purchased sewer treatment	896,578	3.04%	923,834	802,465	3.04%	826,860	(96,974)
4	Sludge removal	667,903	3.04%	688,207	654,834	3.04%	674,741	(13,466)
5	Purchased power	1,115,877	3.04%	1,149,801	1,138,835	3.04%	1,173,457	23,656
6	Fuel for power production	40,855	3.04%	42,097	26,908		26,908	(15,189)
7	Chemicals	613,724	3.04%	632,381	941,990	3.04%	970,626	338,245
8	Materials and supplies	132,819	3.04%	136,857	128,900	3.04%	132,819	(4,038)
9	Testing fees	233,369	3.04%	240,464	226,483	3.04%	233,369	(7,095)
10	Transportation	424,078	0.77%	427,361	317,503		320,875	(106,486)
11	Contractual services - engineering	-	0.00%	0	0	0.00%	0	0
12	Contractual services - accounting	41,009	3.04%	42,256	32,732	3.04%	33,727	(8,529)
13	Contractual services - legal	121,434	3.04%	125,126	116,190	3.04%	119,723	(5,403)
14	Contractual services - management fees	-	0.00%	0	0	0.00%	0	0
15	Contractual services - other	1,822,192	3.04%	1,877,589	1,768,429	3.04%	1,822,192	(55,397)
16	Rent	58,848	3.04%	60,637	57,111	3.04%	58,847	(1,790)
17	Insurance	278,916	3.04%	287,395	202,892	3.04%	209,060	(78,335)
18	Advertising	-	5.00%	0	0	5.00%	0	0
19	Regulatory commission expense	100,611	0.00%	100,611	158,036	0.00%	158,036	57,425
20	Miscellaneous expense	341,787	3.04%	352,174	331,703	3.04%	341,784	(10,390)
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	0
22	Annualization & consumption adjustments	69,624	1.52%	70,679	0	1.52%	0	(70,679)
23	Non-recurring COVID expenses	-	0.00%	0	(8,870)	0.00%	0	0
24	Contra-OH Allocations	(283,235)	3.04%	(291,848)	(72,622)	3.04%	(74,831)	217,017
25	Depreciation and amortization expense	3,176,269	14.87%	3,648,676	2,948,473		3,689,090	40,414
26	Property taxes	15,405	6.72%	16,440	15,405	6.72%	16,440	0
27	Payroll taxes	220,186	3.00%	226,792	180,203	3.00%	185,609	(41,182)
28	Other taxes	48,289	-2.14%	47,253	48,289		48,289	1,036
29	Benefit costs - Pension	(4,819)	0.00%	(4,819)	(4,819)	3.00%	(4,964)	(145)
30	Regulatory fee	27,709	4.70%	29,012	26,706		30,704	1,692
31	Deferred income tax	-	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)
32	State income tax	145,994	2.89%	150,212	111,286		145,674	(4,538)
33	Federal income tax	1,195,693	2.89%	1,230,236	911,434		1,193,074	(37,162)
34	Total O&M and G&A Expense Adjustment	14,990,491		15,803,549	14,228,431		15,595,698	(207,851)

[1] Based on information provided by Company.

[2] Company proposed growth factor.

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).

[4] Growth Factor agree with Company, unless otherwise footnoted.

[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.

[6] Column (f) minus Column (c), unless other wise footnoted.

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 2								
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjstment per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 2,719,786	3.00%	\$ 2,801,380	\$ 2,542,589	3.00%	\$ 2,618,867	\$ (182,513)		
2	Employee pensions and benefits	873,920	3.01%	900,223	741,527	3.00%	763,773	(136,450)		
3	Purchased sewer treatment	923,834	3.04%	951,919	826,860	3.04%	851,997	(99,922)		
4	Sludge removal	688,207	3.04%	709,128	674,741	3.04%	695,253	(13,875)		
5	Purchased power	1,149,801	3.04%	1,184,755	1,173,457	3.04%	1,209,132	24,377		
6	Fuel for power production	42,097	3.04%	43,377	26,908		26,908	(16,469)		
7	Chemicals	632,381	3.04%	651,605	970,626	3.04%	1,000,132	348,527		
8	Materials and supplies	136,857	3.04%	141,017	132,819	3.04%	136,857	(4,160)		
9	Testing fees	240,464	3.04%	247,774	233,369	3.04%	240,464	(7,310)		
10	Transportation	427,361	0.79%	430,742	320,875		324,283	(106,459)		
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	0		
12	Contractual services - accounting	42,256	3.04%	43,541	33,727	3.04%	34,753	(8,788)		
13	Contractual services - legal	125,126	3.04%	128,930	119,723	3.04%	123,363	(5,567)		
14	Contractual services - management fees	0	0.00%	0	0	0.00%	-	0		
15	Contractual services - other	1,877,589	3.04%	1,934,668	1,822,192	3.04%	1,871,971	(62,697)		
16	Rent	60,637	3.04%	62,478	58,847	3.04%	60,636	(1,842)		
17	Insurance	287,395	3.04%	296,131	209,060	3.04%	215,415	(80,716)		
18	Advertising	0	0.00%	0	0	5.00%	-	0		
19	Regulatory commission expense	100,611	0.00%	100,611	158,036	0.00%	71,647	(28,964)		
20	Miscellaneous expense	352,174	3.04%	362,880	341,784	3.04%	352,170	(10,710)		
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	0		
22	Annualization & consumption adjustments	70,679	1.54%	71,767	0	1.52%	-	(71,767)		
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	0		
24	Contra-OH Allocations	(291,848)	3.04%	(300,720)	(74,831)	3.04%	(77,106)	223,614		
25	Depreciation and amortization expense	3,648,676	13.64%	4,146,264	3,689,090		4,141,250	(5,014)		
26	Property taxes	16,440	3.31%	16,984	16,440	3.31%	16,984	0		
27	Payroll taxes	226,792	3.00%	233,595	185,609	3.00%	191,177	(42,418)		
28	Other taxes	47,253	-1.15%	46,709	48,289		48,289	1,580		
29	Benefit costs - Pension	(4,819)	-0.02%	(4,818)	(4,964)	3.00%	(5,112)	(294)		
30	Regulatory fee	29,012	6.94%	31,026	30,704		32,991	1,965		
31	Deferred income tax	0	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)		
32	State income tax	150,212	2.29%	153,654	145,674		164,057	10,403		
33	Federal income tax	1,230,236	2.29%	1,258,427	1,193,074		1,343,625	85,198		
34	Total O&M and G&A Expense Adjustment	<u>15,803,549</u>		<u>16,644,467</u>	<u>15,595,698</u>		<u>16,433,248</u>	<u>(211,219)</u>		

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Column (f) minus Column (c), unless other v

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 3								
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjsutment per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)*(1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 2,801,380	3.00%	\$ 2,885,422	\$ 2,618,867	3.00%	\$ 2,697,433	(187,989)		
2	Employee pensions and benefits	900,223	3.01%	927,313	763,773	3.00%	786,686	(140,627)		
3	Purchased sewer treatment	951,919	3.04%	980,857	851,997	3.04%	877,897	(102,960)		
4	Sludge removal	709,128	3.04%	730,685	695,253	3.04%	716,389	(14,296)		
5	Purchased power	1,184,765	3.04%	1,220,771	1,209,132	3.04%	1,245,891	25,120		
6	Fuel for power production	43,377	3.04%	44,696	26,908		26,908	(17,788)		
7	Chemicals	651,605	3.04%	671,413	1,000,132	3.04%	1,030,536	359,123		
8	Materials and supplies	141,017	3.04%	145,303	136,857	3.04%	141,018	(4,285)		
9	Testing fees	247,774	3.04%	255,306	240,464	3.04%	247,774	(7,532)		
10	Transportation	430,742	0.81%	434,225	324,283		327,727	(106,498)		
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-		
12	Contractual services - accounting	43,541	3.04%	44,864	34,753	3.04%	35,809	(9,055)		
13	Contractual services - legal	128,930	3.04%	132,850	123,363	3.04%	127,113	(5,737)		
14	Contractual services - management fees	0	0.00%	(1)	0	0.00%	-	1		
15	Contractual services - other	1,934,668	3.04%	1,993,484	1,871,971	3.04%	1,794,071	(199,413)		
16	Rent	62,478	3.04%	64,378	60,636	3.04%	62,480	(1,898)		
17	Insurance	296,131	3.04%	305,132	215,415	3.04%	221,964	(83,168)		
18	Advertising	0	0.00%	0	0	5.00%	-	-		
19	Regulatory commission expense	100,611	0.00%	100,611	71,647	0.00%	71,647	(28,964)		
20	Miscellaneous expense	362,880	3.04%	373,917	352,170	3.04%	362,873	(11,044)		
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	-		
22	Annualization & consumption adjustments	71,767	1.56%	72,888	0	1.52%	-	(72,888)		
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-		
24	Contra-OH Allocations	(300,720)	3.04%	(309,861)	(77,106)	3.04%	(79,451)	230,410		
25	Depreciation and amortization expense	4,146,264	8.73%	4,508,315	4,141,250		4,383,520	(124,794)		
26	Property taxes	16,984	3.31%	17,546	16,984	3.31%	17,546	-		
27	Payroll taxes	233,595	3.00%	240,603	191,177	3.00%	196,913	(43,691)		
28	Other taxes	46,709	-1.20%	46,147	48,289	0.00%	48,289	2,142		
29	Benefit costs - Pension	(4,818)	0.00%	(4,818)	(5,112)	3.00%	(5,266)	(448)		
30	Regulatory fee	31,026	5.45%	32,718	32,991		33,890	1,172		
31	Deferred income tax	0	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)		
32	State income tax	153,654	-4.97%	146,024	164,057		168,218	22,194		
33	Federal income tax	1,258,427	5.86%	1,332,224	1,343,625		1,377,705	45,481		
34	Total O&M and G&A Expense Adjustment	<u>16,644,467</u>		<u>17,393,432</u>	<u>16,433,248</u>		<u>16,895,053</u>	<u>(498,379)</u>		

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Column (f) minus Column (c), unless other v

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-2(c)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Page 1 of 3

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 1								
		Base Year Amount Per Company	Growth Factor Per Company	Rate Year 1 Amount per Company	Base Year Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 1 Amount per Public Staff	Rate year 1 Adjustment per Public Staff		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)/(1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 344,194	3.00%	\$ 354,516	\$ 436,187	3.00%	\$ 449,268	\$ 94,752		
2	Employee pensions and benefits	109,950	3.02%	113,272	89,568	3.00%	92,255	(21,017)		
3	Purchased water	329	0.00%	329	0	0.00%	0	(329)		
4	Purchased power	92,920	3.04%	95,744	89,160	3.04%	91,870	(3,874)		
5	Fuel for power production	0	0.00%	0	951	0.00%	951	951		
6	Chemicals	29,896	3.04%	30,805	54,914	3.04%	56,583	25,778		
7	Materials and supplies	18,177	3.05%	18,731	17,640	3.04%	18,176	(555)		
8	Testing fees	21,985	3.04%	22,653	21,336	3.04%	21,984	(669)		
9	Transportation	46,879	0.84%	47,275	35,443		35,819	(11,456)		
10	Contractual services - engineering	0	0.00%	0	0	0.00%	0	0		
11	Contractual services - accounting	11,479	3.04%	11,828	9,168	3.04%	9,446	(2,382)		
12	Contractual services - legal	13,257	3.04%	13,660	10,903	3.04%	11,234	(2,426)		
13	Contractual services - management fees	0	0.00%	0	0	0.00%	0	0		
14	Contractual services - other	175,369	3.04%	180,701	170,197	3.04%	175,372	(5,329)		
15	Rent	18,925	3.04%	19,501	18,367	3.04%	18,926	(575)		
16	Insurance	50,511	3.04%	52,048	53,747	3.04%	55,382	3,334		
17	Advertising	0	5.00%	0	0	5.00%	0	0		
18	Regulatory commission expense	29,079	0.00%	29,079	41,865	0.00%	41,864	12,785		
19	Miscellaneous expense	52,737	3.04%	54,338	51,183	3.04%	52,737	(1,601)		
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	0		
21	Annualization & consumption adjustments	(2,736)	3.15%	(2,822)	0	3.15%	0	2,822		
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	0		
23	Contra-OH Allocations	(43,937)	3.04%	(45,271)	(8,194)	3.04%	(8,443)	36,828		
24	Depreciation and amortization expense	229,011	39.86%	320,284	183,630		275,920	(44,364)		
25	Property taxes	30,479	6.72%	32,528	30,479	6.72%	32,528	0		
26	Payroll taxes	28,302	-11.40%	25,074	31,130	3.00%	32,064	6,990		
27	Other taxes	13,519	7.89%	14,585	13,519		13,519	(1,066)		
28	Benefit costs - Pension	(1,351)	-0.07%	(1,350)	(1,351)	3.00%	(1,392)	(42)		
29	Regulatory fee	1,747	62.54%	2,839	2,458		3,018	178		
30	Deferred income tax	0	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)		
31	State income tax	14,795	16.08%	17,174	7,672		12,836	(4,338)		
32	Federal income tax	121,172	16.08%	140,655	62,835		105,127	(35,528)		
33	Total O&M and G&A Expense Adjustment	1,407,083		1,548,572	1,417,349		1,591,590	43,017		

[1] Based on information provided by Company.
[2] Company proposed growth factor.
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).
[4] Growth Factor agree with Company, unless otherwise footnoted.
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.
[6] Column (f) minus Column (c), unless other wise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-2(c)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

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FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 2								
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjstment per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)/(1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 354,516	3.00%	\$ 365,152	\$ 449,268	3.00%	\$ 462,747	\$ 97,595		
2	Employee pensions and benefits	113,272	3.02%	116,694	92,255	3.00%	95,023	(21,671)		
3	Purchased water	329	0.00%	329	0	0.00%	-	(329)		
4	Purchased power	95,744	3.04%	98,655	91,870	3.04%	94,663	(3,992)		
5	Fuel for power production	-	0.00%	0	951		951	951		
6	Chemicals	30,805	3.04%	31,741	56,583	3.04%	58,302	26,561		
7	Materials and supplies	18,731	3.04%	19,301	18,176	3.04%	18,729	(572)		
8	Testing fees	22,653	3.04%	23,342	21,984	3.04%	22,653	(689)		
9	Transportation	47,275	0.86%	47,683	35,819		36,199	(11,484)		
10	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0		
11	Contractual services - accounting	11,828	3.04%	12,187	9,446	3.04%	9,733	(2,454)		
12	Contractual services - legal	13,660	3.04%	14,075	11,234	3.04%	11,576	(2,499)		
13	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0		
14	Contractual services - other	180,701	3.04%	186,192	175,372	3.04%	180,701	(5,491)		
15	Rent	19,501	3.04%	20,094	18,926	3.04%	19,502	(592)		
16	Insurance	52,048	3.04%	53,631	55,382	3.04%	57,067	3,436		
17	Advertising	-	0.00%	0	0	0.00%	-	0		
18	Regulatory commission expense	29,079	0.00%	29,079	41,864	0.00%	18,980	(10,099)		
19	Miscellaneous expense	54,338	3.03%	55,985	52,737	3.03%	54,335	(1,650)		
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	0		
21	Annualization & consumption adjustments	(2,822)	3.14%	(2,911)	0	3.14%	-	2,911		
22	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0		
23	Contra-OH Allocations	(45,271)	3.04%	(46,646)	(8,443)	3.04%	(8,699)	37,947		
24	Depreciation and amortization expense	320,284	34.04%	429,316	275,920		313,019	(116,297)		
25	Property taxes	32,528	3.31%	33,604	32,528	3.31%	33,604	0		
26	Payroll taxes	25,074	3.00%	25,827	32,064	3.00%	33,026	7,199		
27	Other taxes	14,585	-7.86%	13,439	13,519		13,519	80		
28	Benefit costs - Pension	(1,350)	0.00%	(1,350)	(1,392)	3.00%	(1,433)	(83)		
29	Regulatory fee	2,839	12.86%	3,205	3,018		3,142	(62)		
30	Deferred income tax	-	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)		
31	State income tax	17,174	-8.07%	15,789	12,836		13,614	(2,175)		
32	Federal income tax	140,655	-8.07%	129,309	105,127		111,498	(17,811)		
33	Total O&M and G&A Expense Adjustment	1,548,572		1,674,116	1,591,590		1,646,993	(27,123)		

[1] Based on information provided by Company
[2] Company proposed growth factor.
[3] Public Staff Corrected WSIP Exhibit 1, Sche
[4] Growth Factor agree with Company, unless
[5] Public Staff Corrected WSIP Exhibit 1, Sche
[6] Colu (f) minus Colu (c), unless other v

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-2(c)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

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FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjstment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)			(d)*((1+(e)))	(f)-(c)	
	O&M and G&A Expense							
1	Salaries and wages	\$ 365,152	3.00%	\$ 376,107	\$ 462,747	3.00%	\$ 476,630	100,523
2	Employee pensions and benefits	116,694	3.02%	120,216	95,023	3.00%	97,873	(22,343)
3	Purchased water	329	0.00%	329	0	0.00%	-	(329)
4	Purchased power	98,655	3.04%	101,654	94,663	3.04%	97,541	(4,113)
5	Fuel for power production	0	0.00%	0	951	0.00%	951	951
6	Chemicals	31,741	3.04%	32,706	58,302	3.04%	60,075	27,369
7	Materials and supplies	19,301	3.04%	19,887	18,729	3.04%	19,298	(589)
8	Testing fees	23,342	3.04%	24,052	22,653	3.04%	23,342	(710)
9	Transportation	47,683	0.89%	48,105	36,199	0.00%	36,584	(11,521)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
11	Contractual services - accounting	12,187	3.04%	12,557	9,733	3.04%	10,028	(2,529)
12	Contractual services - legal	14,075	3.04%	14,503	11,576	3.04%	11,928	(2,575)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	186,192	3.04%	191,854	180,701	3.04%	186,196	(5,658)
15	Rent	20,094	3.04%	20,705	19,502	3.04%	20,095	(610)
16	Insurance	53,631	3.04%	55,261	57,067	3.04%	58,801	3,540
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	29,079	0.00%	29,079	18,980	0.00%	18,980	(10,099)
19	Miscellaneous expense	55,985	3.04%	57,685	54,335	3.04%	55,985	(1,700)
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	-
21	Annualization & consumption adjustments	(2,911)	3.14%	(3,002)	0	3.14%	-	3,002
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
23	Contra-OH Allocations	(46,646)	3.04%	(48,063)	(8,699)	3.04%	(8,964)	39,099
24	Depreciation and amortization expense	429,316	10.09%	472,652	313,019	0.00%	354,022	(118,629)
25	Property taxes	33,604	3.31%	34,715	33,604	3.31%	34,715	-
26	Payroll taxes	25,827	3.00%	26,601	33,026	3.00%	34,017	7,415
27	Other taxes	13,439	-6.96%	12,504	13,519	0.00%	13,519	1,015
28	Benefit costs - Pension	(1,350)	0.00%	(1,350)	(1,433)	3.00%	(1,476)	(126)
29	Regulatory fee	3,205	5.22%	3,372	3,142	5.22%	3,358	(14)
30	Deferred income tax	0	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)
31	State income tax	15,789	-5.79%	14,874	13,614	0.00%	15,101	227
32	Federal income tax	129,309	4.94%	135,703	111,498	0.00%	123,676	(12,027)
33	Total O&M and G&A Expense Adjustment	1,674,116		1,753,101	1,646,993		1,736,819	(16,282)

[1] Based on information provided by Company
[2] Company proposed growth factor.
[3] Public Staff Corrected WSIP Exhibit 1, Sche
[4] Growth Factor agree with Company, unless
[5] Public Staff Corrected WSIP Exhibit 1, Sche
[6] Colume (f) minus Column (c), unless other v

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-2(d)- RY

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For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 1								
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjstment per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)/(1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 239,315	3.00%	\$ 246,493	\$ 345,065	3.00%	\$ 355,415	\$ 108,922		
2	Employee pensions and benefits	80,725	3.02%	83,160	63,772	3.00%	65,685	\$ (17,475)		
3	Purchased sewer treatment	8,920	3.04%	9,191	7,678	3.04%	7,911	\$ (1,280)		
4	Sludge removal	172,329	0.00%	177,568	187,147	0.00%	187,147	\$ 9,579		
5	Purchased power	121,678	3.04%	125,378	123,402	3.04%	127,154	\$ 1,776		
6	Fuel for power production	-	0.00%	0	353	0.00%	353	\$ 353		
7	Chemicals	36,972	3.04%	38,096	57,109	3.04%	58,845	\$ 20,749		
8	Materials and supplies	16,823	3.04%	17,334	16,327	3.04%	16,823	\$ (511)		
9	Testing fees	13,165	0.00%	13,566	12,776	0.00%	12,776	\$ (790)		
10	Transportation	35,742	0.81%	36,031	26,889	0.00%	27,174	\$ (8,857)		
11	Contractual services - engineering	-	0.00%	0	0	0.00%	0	\$ -		
12	Contractual services - accounting	7,181	0.00%	7,399	5,732	0.00%	5,732	\$ (1,667)		
13	Contractual services - legal	8,601	3.03%	8,862	7,543	3.03%	7,772	\$ (1,090)		
14	Contractual services - management fees	-	0.00%	0	0	0.00%	0	\$ -		
15	Contractual services - other	161,338	3.04%	166,241	156,578	3.04%	161,336	\$ (4,905)		
16	Rent	11,842	0.00%	12,202	11,492	0.00%	11,492	\$ (710)		
17	Insurance	34,212	3.04%	35,253	33,379	3.04%	34,395	\$ (858)		
18	Advertising	-	5.00%	0	0	5.00%	0	\$ -		
19	Regulatory commission expense	18,527	0.00%	18,527	25,999	0.00%	25,999	\$ 7,472		
20	Miscellaneous expense	42,818	3.04%	44,119	41,557	3.04%	42,820	\$ (1,299)		
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	\$ -		
22	Annualization & consumption adjustments	7,582	1.45%	7,692	0	1.45%	0	\$ (7,692)		
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	\$ -		
24	Contra-OH Allocations	(36,850)	3.04%	(37,971)	(10,252)	3.04%	(10,563)	\$ 27,408		
25	Depreciation and amortization expense	639,423	17.08%	748,639	529,926	0.00%	573,737	\$ (174,902)		
26	Property taxes	2,634	6.74%	2,811	2,634	6.74%	2,811	\$ -		
27	Payroll taxes	21,216	3.00%	21,852	24,844	3.00%	25,589	\$ 3,737		
28	Other taxes	8,461	-2.10%	8,284	8,461	0.00%	8,461	\$ 177		
29	Benefit costs - Pension	(846)	0.00%	(846)	(846)	3.00%	(871)	\$ (25)		
30	Regulatory fee	4,758	3.52%	4,925	4,203	0.00%	4,365	\$ (560)		
31	Deferred income tax	-	0.00%	0	(3,659)	0.00%	(3,659)	\$ (3,659)		
32	State income tax	38,314	0.00%	38,083	25,154	0.00%	25,991	\$ (12,092)		
33	Federal income tax	313,791	-0.60%	311,900	206,009	0.00%	212,866	\$ (99,034)		
34	Total O&M and G&A Expense Adjustment	2,008,677		2,144,796	1,909,280		1,987,564	\$ (157,232)		

[1] Based on information provided by Company.

[2] Company proposed growth factor.

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).

[4] Growth Factor agree with Company, unless otherwise footnoted.

[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.

[6] Colome (f) minus Column (c), unless other wise footnoted.

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 2						
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	O&M and G&A Expense		((c)-(a))/(a)			(d)*((1+(e)))	(f)-(c)	
1	Salaries and wages	\$ 246,493	3.00%	\$ 253,887	\$ 355,415	3.00%	\$ 366,077	\$ 112,190
2	Employee pensions and benefits	83,160	3.01%	85,665	65,685	3.00%	67,656	(18,009)
3	Purchased sewer treatment	9,191	3.04%	9,470	7,911	3.04%	8,151	(1,319)
4	Sludge removal	177,568	3.04%	182,966	187,147	3.04%	192,836	9,870
5	Purchased power	125,378	3.04%	129,190	127,154	3.04%	131,020	1,830
6	Fuel for power production	-	0.00%	0	353	0.00%	353	353
7	Chemicals	38,096	3.04%	39,254	58,845	3.04%	60,634	21,380
8	Materials and supplies	17,334	3.04%	17,861	16,823	3.04%	17,334	(527)
9	Testing fees	13,566	3.04%	13,979	12,776	3.04%	13,165	(814)
10	Transportation	36,031	0.82%	36,328	27,174		27,463	(8,865)
11	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0
12	Contractual services - accounting	7,399	3.04%	7,624	5,732	3.04%	5,906	(1,718)
13	Contractual services - legal	8,862	3.05%	9,132	7,772	3.05%	8,009	(1,123)
14	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0
15	Contractual services - other	166,241	3.04%	171,294	161,336	3.04%	166,240	(5,054)
16	Rent	12,202	3.04%	12,573	11,492	3.04%	11,841	(732)
17	Insurance	35,253	3.04%	36,326	34,395	3.04%	35,442	(884)
18	Advertising	-	0.00%	0	0	0.00%	-	0
19	Regulatory commission expense	18,527	0.00%	18,527	25,999	0.00%	11,787	(6,740)
20	Miscellaneous expense	44,119	3.03%	45,456	42,820	3.03%	44,117	(1,339)
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	0
22	Annualization & consumption adjustments	7,692	1.48%	7,806	0	1.48%	-	(7,806)
23	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0
24	Contra-OH Allocations	(37,971)	3.04%	(39,125)	(10,563)	3.04%	(10,884)	28,241
25	Depreciation and amortization expense	748,639	5.16%	787,297	573,737		594,075	(193,222)
26	Property taxes	2,811	3.31%	2,904	2,811	3.31%	2,904	0
27	Payroll taxes	21,852	3.00%	22,507	25,589	3.00%	26,357	3,849
28	Other taxes	8,284	-1.12%	8,191	8,461		8,461	270
29	Benefit costs - Pension	(846)	-0.12%	(845)	(871)	3.00%	(898)	(53)
30	Regulatory fee	4,925	1.13%	4,981	4,365		4,384	(597)
31	Deferred income tax	-	0.00%	0	(3,659)	0.00%	(3,659)	(3,659)
32	State income tax	38,083	-1.23%	37,615	25,991		25,481	(12,134)
33	Federal income tax	311,900	-1.23%	308,068	212,866		208,688	(99,380)
34	Total O&M and G&A Expense Adjustment	<u>2,144,796</u>		<u>2,208,939</u>	<u>1,987,564</u>		<u>2,022,949</u>	<u>(185,990)</u>

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Colome (f) minus Column (c), unless other v

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjustment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)			(d)*((1+(e))	(f)-(c)	
	O&M and G&A Expense							
1	Salaries and wages	\$ 253,887	3.00%	\$ 261,505	\$ 366,077	3.00%	\$ 377,061	115,556
2	Employee pensions and benefits	85,665	3.02%	88,251	67,656	3.00%	69,686	(18,565)
3	Purchased sewer treatment	9,470	3.04%	9,758	8,151	3.04%	8,399	(1,359)
4	Sludge removal	182,966	3.04%	188,528	192,836	3.04%	198,698	10,170
5	Purchased power	129,190	3.04%	133,118	131,020	3.04%	135,004	1,886
6	Fuel for power production	0	0.00%	0	353	0.00%	353	353
7	Chemicals	39,254	3.04%	40,448	60,634	3.04%	62,478	22,030
8	Materials and supplies	17,861	3.04%	18,404	17,334	3.04%	17,861	(543)
9	Testing fees	13,979	3.04%	14,404	13,165	3.04%	13,565	(839)
10	Transportation	36,328	0.84%	36,634	27,463		27,755	(8,879)
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
12	Contractual services - accounting	7,624	3.04%	7,856	5,906	3.04%	6,086	(1,770)
13	Contractual services - legal	9,132	3.04%	9,410	8,009	3.04%	8,252	(1,158)
14	Contractual services - management fees	0	0.00%	1	0	0.00%	-	(1)
15	Contractual services - other	171,294	3.04%	176,502	166,240	3.04%	171,295	(5,207)
16	Rent	12,573	3.04%	12,955	11,841	3.04%	12,201	(754)
17	Insurance	36,326	3.04%	37,431	35,442	3.04%	36,520	(911)
18	Advertising	0	0.00%	0	0	0.00%	-	-
19	Regulatory commission expense	18,527	0.00%	18,527	11,787	0.00%	11,787	(6,740)
20	Miscellaneous expense	45,456	3.02%	46,831	44,117	3.02%	45,452	(1,379)
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	-
22	Annualization & consumption adjustments	7,806	1.50%	7,923	0	1.50%	-	(7,923)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
24	Contra-OH Allocations	(39,125)	3.04%	(40,315)	(10,884)	3.04%	(11,215)	29,100
25	Depreciation and amortization expense	787,297	6.02%	834,716	594,075		663,379	(171,338)
26	Property taxes	2,904	3.31%	3,000	2,904	3.31%	3,000	-
27	Payroll taxes	22,507	3.00%	23,183	26,357	3.00%	27,148	3,965
28	Other taxes	8,191	-1.17%	8,095	8,461		8,461	366
29	Benefit costs - Pension	(845)	0.00%	(845)	(898)	3.00%	(924)	(79)
30	Regulatory fee	4,981	3.35%	5,148	4,384		4,711	(437)
31	Deferred income tax	0	0.00%	0	(3,659)	0.00%	(3,659)	(3,659)
32	State income tax	37,615	-7.76%	34,698	25,481		27,941	(6,757)
33	Federal income tax	308,068	2.76%	316,558	208,688		228,839	(87,719)
34	Total O&M and G&A Expense Adjustment	<u>2,208,939</u>		<u>2,292,730</u>	<u>2,022,949</u>		<u>2,150,141</u>	<u>(142,590)</u>

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Colume (f) minus Column (c), unless other v

OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjustmt per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)		(d)/(1+(e))		(f)-(c)		
O&M and G&A Expense								
1	Salaries and wages	\$ 904,084	3.00%	\$ 931,204	\$ 927,399	3.00%	\$ 955,219	\$ 24,015
2	Employee pensions and benefits	289,258	3.02%	298,004	238,085	3.00%	245,227	\$ (52,777)
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	\$ (1,005)
4	Purchased power	281,414	3.04%	289,969	271,555	3.04%	279,811	\$ (10,158)
5	Fuel for power production	1,348	3.04%	1,389	515	0.00%	515	\$ (874)
6	Chemicals	308,600	3.04%	317,982	469,046	3.04%	483,306	\$ 165,324
7	Materials and supplies	28,651	3.04%	29,521	24,664	3.04%	25,413	\$ (4,108)
8	Testing fees	70,146	3.04%	72,278	68,077	3.04%	70,146	\$ (2,132)
9	Transportation	128,620	1.04%	129,955	99,633		100,691	\$ (29,264)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	0	\$ -
11	Contractual services - accounting	32,608	3.04%	33,599	26,166	3.04%	26,962	\$ (6,637)
12	Contractual services - legal	37,934	3.04%	39,088	28,459	3.04%	29,325	\$ (9,763)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	0	\$ -
14	Contractual services - other	840,927	3.04%	866,489	816,115	3.04%	840,923	\$ (25,566)
15	Rent	30,744	3.04%	31,679	29,837	3.04%	30,744	\$ (935)
16	Insurance	137,873	3.04%	142,064	148,854	3.04%	153,379	\$ 11,315
17	Advertising	0	5.00%	0	0	5.00%	0	\$ -
18	Regulatory commission expense	84,231	0.00%	84,231	115,945	0.00%	115,945	\$ 31,714
19	Miscellaneous expense	158,425	3.04%	163,237	153,750	3.04%	158,420	\$ (4,817)
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	\$ -
21	Annualization & consumption adjustments	(6,053)	3.26%	(6,251)	0	3.26%	0	\$ 6,251
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	\$ -
23	Contra-OH Allocations	(108,414)	3.04%	(111,710)	(20,656)	3.04%	(21,284)	\$ 90,426
24	Depreciation and amortization expense	1,322,013	19.98%	1,586,158	1,232,884		1,570,300	\$ (15,858)
25	Property taxes	106,775	6.72%	113,954	106,775	6.72%	113,954	\$ -
26	Payroll taxes	74,191	-11.29%	65,815	65,335	3.00%	67,295	\$ 1,480
27	Other taxes	38,482	8.09%	41,596	38,482		38,482	\$ (3,114)
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(3,853)	3.00%	(3,969)	\$ (116)
29	Regulatory fee	10,845	8.39%	11,756	11,050		12,876	\$ 1,120
30	Deferred income tax	0	0.00%	0	(16,240)	0.00%	(16,240)	\$ (16,240)
31	State income tax	62,407	10.78%	69,135	52,001		68,217	\$ (918)
32	Federal income tax	511,116	10.78%	566,214	425,889		558,696	\$ (7,518)
33	Total O&M and G&A Expense Adjustment	5,660,039		6,081,169	5,626,428		6,221,012	139,843

[1] Based on information provided by Company.

[2] Company proposed growth factor.

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).

[4] Growth Factor agree with Company, unless otherwise footnoted.

[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.

[6] Column (f) minus Column (c), unless otherwise footnoted.

**OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 2							
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustment per Public Staff [6]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)	
O&M and G&A Expense									
1	Salaries and wages	\$ 931,204	3.00%	\$ 959,138	\$ 955,219	3.00%	\$ 983,873	\$ 24,735	
2	Employee pensions and benefits	298,004	3.02%	307,007	245,227	3.00%	252,584	(54,423)	
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	(1,005)	
4	Purchased power	289,969	3.04%	298,784	279,811	3.04%	288,317	(10,467)	
5	Fuel for power production	1,389	3.02%	1,431	515		515	(916)	
6	Chemicals	317,982	3.04%	327,649	483,306	3.04%	497,999	170,350	
7	Materials and supplies	29,521	3.04%	30,419	25,413	3.04%	26,186	(4,233)	
8	Testing fees	72,278	3.04%	74,475	70,146	3.04%	72,278	(2,197)	
9	Transportation	129,955	1.06%	131,332	100,691		101,761	(29,571)	
10	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0	
11	Contractual services - accounting	33,599	3.04%	34,621	26,962	3.04%	27,782	(6,839)	
12	Contractual services - legal	39,088	3.04%	40,276	29,325	3.04%	30,216	(10,060)	
13	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0	
14	Contractual services - other	866,489	3.04%	892,832	840,923	3.04%	866,489	(26,343)	
15	Rent	31,679	3.03%	32,640	30,744	3.03%	31,677	(963)	
16	Insurance	142,064	3.04%	146,383	153,379	3.04%	158,042	11,659	
17	Advertising	-	0.00%	0	0	0.00%	-	0	
18	Regulatory commission expense	84,231	0.00%	84,231	115,945	0.00%	52,565	(31,666)	
19	Miscellaneous expense	163,237	3.04%	168,199	158,420	3.04%	163,236	(4,963)	
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	0	
21	Annualization & consumption adjustments	(6,251)	3.26%	(6,455)	0	3.26%	-	6,455	
22	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0	
23	Contra-OH Allocations	(111,710)	3.04%	(115,105)	(21,284)	3.04%	(21,931)	93,174	
24	Depreciation and amortization expense	1,586,158	30.89%	2,076,136	1,570,300		1,721,266	(354,870)	
25	Property taxes	113,954	3.31%	117,722	113,954	3.31%	117,722	0	
26	Payroll taxes	65,815	3.00%	67,789	67,295	3.00%	69,314	1,524	
27	Other taxes	41,596	-9.06%	37,828	38,482		38,482	654	
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(3,969)	3.00%	(4,088)	(235)	
29	Regulatory fee	11,756	11.97%	13,163	12,876		13,588	425	
30	Deferred income tax	-	0.00%	0	(16,240)	0.00%	(16,240)	(16,240)	
31	State income tax	69,135	-23.72%	52,738	68,217		74,213	21,475	
32	Federal income tax	566,214	-23.72%	431,920	558,696		607,807	175,887	
33	Total O&M and G&A Expense Adjustment	<u>6,081,169</u>		<u>6,518,967</u>	<u>6,221,012</u>		<u>6,470,312</u>	<u>(48,654)</u>	

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Colume (f) minus Column (c), unless other v

OPERATING & MAINTENANCE
EXPENSE ADJUSTMENT SUMMARY

For The Rate Year 1 - Rate Year 3 Ended December 31,

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjustment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)			(d)*((1+(e))	(f)-(c)	
	O&M and G&A Expense							
1	Salaries and wages	\$ 959,138	3.00%	\$ 987,909	\$ 983,873	3.00%	\$ 1,013,386	25,477
2	Employee pensions and benefits	307,007	3.02%	316,285	252,584	3.00%	260,162	(56,123)
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	(1,005)
4	Purchased power	298,784	3.04%	307,867	288,317	3.04%	297,082	(10,785)
5	Fuel for power production	1,431	3.00%	1,474	515		515	(959)
6	Chemicals	327,649	3.04%	337,609	497,999	3.04%	513,138	175,529
7	Materials and supplies	30,419	3.04%	31,345	26,186	3.04%	26,983	(4,362)
8	Testing fees	74,475	3.04%	76,739	72,278	3.04%	74,476	(2,263)
9	Transportation	131,332	1.08%	132,750	101,761		102,842	(29,908)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
11	Contractual services - accounting	34,621	3.04%	35,674	27,782	3.04%	28,627	(7,047)
12	Contractual services - legal	40,276	3.04%	41,500	30,216	3.04%	31,134	(10,366)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	892,832	3.04%	919,974	866,489	3.04%	892,830	(27,144)
15	Rent	32,640	3.04%	33,631	31,677	3.04%	32,639	(992)
16	Insurance	146,383	3.04%	150,832	158,042	3.04%	162,845	12,013
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	84,231	0.00%	84,231	52,565	0.00%	52,565	(31,666)
19	Miscellaneous expense	168,199	3.04%	173,311	163,236	3.04%	168,197	(5,114)
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	-
21	Annualization & consumption adjustments	(6,455)	3.26%	(6,665)	0	3.26%	-	6,665
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
23	Contra-OH Allocations	(115,105)	3.04%	(118,605)	(21,931)	3.04%	(22,598)	96,007
24	Depreciation and amortization expense	2,076,136	10.17%	2,287,198	1,721,266		1,889,860	(397,338)
25	Property taxes	117,722	3.31%	121,615	117,722	3.31%	121,615	-
26	Payroll taxes	67,789	3.00%	69,823	69,314	3.00%	71,393	1,570
27	Other taxes	37,828	-10.29%	33,935	38,482		38,482	4,547
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(4,088)	3.00%	(4,210)	(357)
29	Regulatory fee	13,163	6.27%	13,989	13,588		14,448	459
30	Deferred income tax	0	0.00%	0	(16,240)	0.00%	(16,240)	(16,240)
31	State income tax	52,738	-7.45%	48,810	74,213		80,604	31,794
32	Federal income tax	431,920	3.10%	445,313	607,807		660,145	214,832
33	Total O&M and G&A Expense Adjustment	<u>6,518,967</u>		<u>6,840,357</u>	<u>6,470,312</u>		<u>6,807,578</u>	<u>(32,779)</u>

[1] Based on information provided by Company
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sche
 [4] Growth Factor agree with Company, unless
 [5] Public Staff Corrected WSIP Exhibit 1, Sche
 [6] Colume (f) minus Column (c), unless other v

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Rate Year 1 Ended December 31, 2023

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-13-RY1

Line No.	Item	<u>Rate Year 1</u>							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>\$175,989</u>	<u>\$1,592,460</u> [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>398,115</u>	\$243,137 [4]	\$71,647 [5]	\$18,980 [6]	\$11,787 [7]	\$52,565 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>796,230</u>	486,273 [4]	143,294 [5]	37,960 [6]	23,574 [7]	105,130 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>\$0</u>	985,454 [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>328,485</u>	200,612 [4]	59,116 [5]	15,660 [6]	9,725 [7]	43,371 [8]
8	Unamortized balance of Sub 526 rate case expense			-	0 [4]	0 00 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>\$0</u>	419,435					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>139,812</u>	\$85,386 [4]	\$25,161 [5]	\$6,665 [6]	\$4,139 [7]	\$18,460 [8]
12	Unamortized balance of Sub 497 rate case expense			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>\$0</u>	58,664					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>11,733</u>	\$7,165 [4]	\$2,111 [5]	\$559 [6]	\$347 [7]	\$1,549 [8]
16	Unamortized balance of depreciation study expense			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$536,300</u>	<u>\$158,036</u>	<u>\$41,864</u>	<u>\$25,999</u>	<u>\$115,945</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$486,273</u>	<u>\$143,294</u>	<u>\$37,960</u>	<u>\$23,574</u>	<u>\$105,130</u>

[1] Column (c) minus Column (a).
[2] Per examination of the company's response to accounting data requests
[3] Calculated base on amount approved in Sub 497 rate case.
[4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
[6] Column (c) multiplied by Fairways Water allocation factor.
[7] Column (c) multiplied by Fairways Sewer allocation factor.
[8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Rate Year 2 Ended December 31, 2024

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-13-RY2

Line No.	Item	Rate Year 2							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>\$175,989</u>	<u>\$1,592,460</u> [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>398,115</u>	<u>\$243,137</u> [4]	<u>\$71,647</u> [5]	<u>\$18,980</u> [6]	<u>\$11,787</u> [7]	<u>\$52,565</u> [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>398,115</u>	<u>243,137</u> [4]	<u>71,647</u> [5]	<u>18,980</u> [6]	<u>11,787</u> [7]	<u>52,565</u> [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	<u>-</u> [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>-</u>	<u>0</u> [4]	<u>0</u> [5]	<u>0</u> [6]	<u>0</u> [7]	<u>0</u> [8]
8	Unamortized balance of Sub 526 rate case expense			<u>-</u>	<u>0</u> [4]	<u>0.00</u> [5]	<u>0</u> [6]	<u>0</u> [7]	<u>0</u> [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	<u>-</u>					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>-</u>	<u>\$0</u> [4]	<u>\$0</u> [5]	<u>\$0</u> [6]	<u>\$0</u> [7]	<u>\$0</u> [8]
12	Unamortized balance of Sub 497 rate case expense			<u>-</u>	<u>\$0</u> [4]	<u>\$0</u> [5]	<u>\$0</u> [6]	<u>\$0</u> [7]	<u>\$0</u> [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	<u>-</u>					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>-</u>	<u>0.00</u> [4]	<u>0.00</u> [5]	<u>0.00</u> [6]	<u>\$0</u> [7]	<u>\$0</u> [8]
16	Unamortized balance of depreciation study expense			<u>-</u>	<u>\$0</u> [4]	<u>\$0</u> [5]	<u>\$0</u> [6]	<u>\$0</u> [7]	<u>\$0</u> [8]
17	Regulatory commission expense per Public Staff				<u>243,137</u>	<u>71,647</u>	<u>18,980</u>	<u>11,787</u>	<u>52,565</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$243,137</u>	<u>\$71,647</u>	<u>\$18,980</u>	<u>\$11,787</u>	<u>\$52,565</u>

[1] Column (c) minus Column (a).
[2] Per examination of the company's response to accounting data requests
[3] Calculated base on amount approved in Sub 497 rate case.
[4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
[6] Column (c) multiplied by Fairways Water allocation factor.
[7] Column (c) multiplied by Fairways Sewer allocation factor.
[8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Rate Year 3 Ended December 31, 2025

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-13-RY3

Line No.	Item	Rate Year 3							
		Amount Per Application	Public Staff Adjustment [1]	Amount Per Public Staff	Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>\$175,989</u>	<u>\$1,592,460</u> [2]					
2	Amortization period in years			4					
3	Annual rate case expense for the current period (L1 / L2)			398,115	\$243,137 [4]	\$71,647 [5]	\$18,980 [6]	\$11,787 [7]	\$52,565 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			0	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	-					
6	Amortization period in years			3					
7	Annual rate case expense for the current period			-	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
8	Unamortized balance of Sub 526 rate case expense			-	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	-					
10	Amortization period in years			3					
11	Annual rate case expense for the current period			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
12	Unamortized balance of Sub 497 rate case expense			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	-					
14	Amortization period in years			5					
15	Annual rate case expense for the current period			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
16	Unamortized balance of depreciation study expense			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$243,137</u>	<u>\$71,647</u>	<u>\$18,980</u>	<u>\$11,787</u>	<u>\$52,565</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

[1] Column (c) minus Column (a).
[2] Per examination of the company's response to accounting data requests
[3] Calculated base on amount approved in Sub 497 rate case.
[4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
[6] Column (c) multiplied by Fairways Water allocation factor.
[7] Column (c) multiplied by Fairways Sewer allocation factor.
[8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-17-RY1

For The Rate Year 1 Ended December 31, 2023

Line No.	Item	Rate Year 1				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<u>Depreciation and amortization expense</u>						
1	Depreciation and amortization expense per base year	\$7,990,775 [1]	\$2,948,473 [1]	\$183,630 [1]	\$529,926 [1]	\$1,232,884 [1]
2	Depreciation expense rate year 1 additions	1,326,715 [2]	740,617 [2]	92,290 [2]	43,811 [2]	337,416 [2]
3	Total rate year 1 depreciation and amortization expense per Public Staff (L1+L2)	<u>9,317,490</u>	<u>3,689,090</u>	<u>275,920</u>	<u>573,737</u>	<u>1,570,300</u>
<u>CIAC amortization expense</u>						
4	CIAC amortization expense per base year					
5	CIAC amortization expense rate year 1 additions	0	0	0	0	0
6	Total rate year 1 CIAC amortization expense per Public Staff (L4+L5)	0	0	0	0	0
<u>PAA AIA amortization expense</u>						
7	PAA AIA amortization expense per base year					
8	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
9	Total rate year 1 PAA amortization expense per Public Staff (L7+L8)	0	0	0	0	0

[1] Calculated Public Staff base year depreciation and amortization expenses.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY1, Line 9.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-17-RY2

For The Rate Year 2 Ended December 31, 2024

Rate Year 2

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<u>Depreciation and amortization expense</u>						
1	Depreciation and amortization expense per base year	\$7,990,775 [1]	\$2,948,473 [1]	\$183,630 [1]	\$529,926 [1]	\$1,232,884 [1]
2	Depreciation expense rate year 1 additions	1,326,715 [2]	740,617 [2]	92,290 [2]	43,811 [2]	337,416 [2]
3	Depreciation expense rate year 2 additions	758,265 [3]	452,160 [3]	37,099 [3]	20,338 [3]	150,966 [3]
4	Total rate year 2 depreciation and amortization expense per Public Staff (L1+L2+L3)	<u>10,075,755</u>	<u>4,141,250</u>	<u>313,019</u>	<u>594,075</u>	<u>1,721,266</u>
<u>CIAC amortization expense</u>						
5	CIAC amortization expense per base year	0	0	0	0	0
6	CIAC amortization expense rate year 1 additions	0	0	0	0	0
7	CIAC amortization expense rate year 2 additions	0	0	0	0	0
8	Total rate year 2 CIAC amortization expense per Public Staff (L5+L6+L7)	0	0	0	0	0
<u>PAA AIA amortization expense</u>						
9	PAA AIA amortization expense per base year	0	0	0	0	0
10	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
11	PAA AIA amortization expense rate year 2 additions	0	0	0	0	0
12	Total rate year 2 PAA amortization expense per Public Staff (L9+L10+L11)	0	0	0	0	0

[1] Calculated Public Staff base year depreciation and amortization expenses.

[2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY1, Line 9.

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY2, Line 9.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-17-RY3

For The Rate Year 3 Ended December 31, 2025

Rate Year 3

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
Depreciation expense						
1	Depreciation expense per base year	\$7,990,775 [1]	\$2,948,473 [1]	\$183,630 [1]	\$529,926 [1]	\$1,232,884 [1]
2	Depreciation expense rate year 1 additions	\$1,326,715 [2]	\$740,617 [2]	\$92,290 [2]	\$43,811 [2]	\$337,416 [2]
3	Depreciation expense rate year 2 additions	\$758,265 [3]	\$452,160 [3]	\$37,099 [3]	\$20,338 [3]	\$150,966 [3]
4	Depreciation expense rate year 3 additions	654,901 [4]	242,270 [4]	41,004 [4]	69,304 [4]	168,595 [4]
5	Total rate year 3 depreciation expense per Public Staff (L1+L2+L3+L4)	10,730,656	4,383,520	354,022	663,379	1,889,860
CIAC amortization expense						
6	CIAC amortization expense per base year	0	0	0	0	0
7	CIAC amortization expense rate year 1 additions	0	0	0	0	0
8	CIAC amortization expense rate year 2 additions	0	0	0	0	0
9	CIAC amortization expense rate year 3 additions	0	0	0	0	0
10	Total rate year 3 CIAC amortization expense per Public Staff (L6+L7+L8+L9)	0	0	0	0	0
PAA AIA amortization expense						
11	PAA AIA amortization expense per base year	0	0	0	0	0
12	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
13	PAA AIA amortization expense rate year 2 additions	0	0	0	0	0
14	PAA AIA amortization expense rate year 3 additions	0	0	0	0	0
15	Total rate year 3 PAA amortization expense per Public Staff (L9+L10+L11)	0	0	0	0	0

[1] Calculated Public Staff base year depreciation and amortization expenses.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY1, Line 9.
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY2, Line 9.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY3, Line 9.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-18-RY(a)

CALCULATION OF INCOME TAXES

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

AQUA WATER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$50,236,788	\$52,461,423	\$49,513,005	\$52,461,423	\$55,051,071	\$51,600,852	\$55,051,071	\$57,743,567	\$53,836,369
	Operating revenue deductions:									
2.	O&M and G&A expense	22,796,793	22,796,793	22,796,793	23,077,595	23,077,595	23,077,595	23,668,661	23,668,661	23,668,661
3.	Depreciation and amortization expense	9,317,490	9,317,490	9,317,490	10,075,755	10,075,755	10,075,755	10,730,656	10,730,656	10,730,656
4.	Property taxes	625,440	625,440	625,440	646,123	646,123	646,123	667,490	667,490	667,490
5.	Payroll taxes	539,702	539,702	539,702	555,894	555,894	555,894	572,570	572,570	572,570
6.	Other taxes	174,357	174,357	174,357	174,357	174,357	174,357	174,357	174,357	174,357
7.	Benefit costs - Pension	(17,968)	(17,968)	(17,968)	(18,507)	(18,507)	(18,507)	(19,063)	(19,063)	(19,063)
8.	Regulatory fee	70,332	73,446	69,318	73,446	77,072	72,241	77,072	80,841	75,371
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	3,830,056 [2]	3,830,056 [4]	3,830,056 [6]	4,070,142 [2]	4,070,142 [4]	4,070,142 [6]	4,295,819 [2]	4,295,819 [4]	4,295,819 [6]
11.	Total deductions (Sum of L2 thru L10)	37,336,201	37,339,315	37,335,187	38,654,804	38,658,430	38,653,599	40,167,562	40,171,331	40,165,861
12.	Taxable income (L1 - L11)	12,900,586	15,122,108	12,177,818	13,806,620	16,392,642	12,947,254	14,883,509	17,572,236	13,670,508
13.	State income tax (L12 x 2.50%)	322,515	378,053	304,445	345,165	409,816	323,681	372,088	439,306	341,763
14.	Federal taxable income (L12 - L13)	12,578,071	14,744,055	11,873,373	13,461,455	15,982,826	12,623,573	14,511,421	17,132,930	13,328,745
15.	Federal income tax (L14 x 21.00%)	2,641,395	3,096,252	2,493,408	2,826,905	3,356,393	2,650,950	3,047,398	3,597,915	2,799,037
16.	Excess deferred income tax amortization	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)
17.	Net amount (L12 - L13 - L15 - L16)	10,011,252	11,722,379	9,454,541	10,709,126	12,701,009	10,047,199	11,538,599	13,609,591	10,604,284
18.	Add: interest expense	3,830,056 [2]	3,830,056 [4]	3,830,056 [6]	4,070,142 [2]	4,070,142 [4]	4,070,142 [6]	4,295,819 [2]	4,295,819 [4]	4,295,819 [6]
19.	Net income for return (L17 + L18)	\$13,841,308	\$15,552,435	\$13,284,597	\$14,779,268	\$16,771,151	\$14,117,341	\$15,834,418	\$17,905,410	\$14,900,103

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (c), unless footnoted otherwise.
 [2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 1, Column (e).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (e), unless footnoted otherwise.
 [4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 4, Column (e).
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g), unless footnoted otherwise.
 [6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 7, Column (e).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

CALCULATION OF INCOME TAXES

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

AQUA SEWER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements
Schedule 3-18-RY(b)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]	Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]	Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.	Operating revenue	\$21,410,287	\$22,266,283	\$21,931,552	\$22,266,283	\$23,379,031	\$23,564,897	\$23,379,031	\$24,536,497	\$24,206,843
	Operating revenue deductions:									
2.	O&M and G&A expense	10,312,727	10,312,727	10,312,727	10,520,933	10,520,933	10,520,933	10,695,184	10,695,184	10,695,184
3.	Depreciation and amortization expense	3,689,090	3,689,090	3,689,090	4,141,250	4,141,250	4,141,250	4,383,520	4,383,520	4,383,520
4.	Property taxes	16,440	16,440	16,440	16,984	16,984	16,984	17,546	17,546	17,546
5.	Payroll taxes	185,609	185,609	185,609	191,177	191,177	191,177	196,913	196,913	196,913
6.	Other taxes	48,289	48,289	48,289	48,289	48,289	48,289	48,289	48,289	48,289
7.	Benefit costs - Pension	(4,964)	(4,964)	(4,964)	(5,112)	(5,112)	(5,112)	(5,266)	(5,266)	(5,266)
8.	Regulatory fee	29,974	31,173	30,704	31,173	32,731	32,991	32,731	34,351	33,890
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	1,826,678 [2]	1,826,678 [4]	1,826,678 [6]	2,056,112 [2]	2,056,112 [4]	2,056,112 [6]	2,108,048 [2]	2,108,048 [4]	2,108,048 [6]
11.	Total deductions (Sum of L2 thru L10)	16,103,843	16,105,042	16,104,573	17,000,807	17,002,365	17,002,625	17,476,965	17,478,585	17,478,124
12.	Taxable income (L1 - L11)	5,306,443	6,161,240	5,826,978	5,265,476	6,376,666	6,562,272	5,902,066	7,057,912	6,728,719
13.	State income tax (L12 x 2.50%)	132,661	154,031	145,674	131,637	159,417	164,057	147,552	176,448	168,218
14.	Federal taxable income (L12 - L13)	5,173,782	6,007,209	5,681,304	5,133,839	6,217,249	6,398,215	5,754,514	6,881,464	6,560,501
15.	Federal income tax (L14 x 21.00%)	1,086,494	1,261,514	1,193,074	1,078,106	1,305,622	1,343,625	1,208,448	1,445,107	1,377,705
16.	Excess deferred income tax amortization	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)
17.	Net amount (L12 - L13 - L15 - L16)	4,108,234	4,766,641	4,509,176	4,076,679	4,932,573	5,075,536	4,567,012	5,457,303	5,203,742
18.	Add: interest expense	1,826,678 [2]	1,826,678 [4]	1,826,678 [6]	2,056,112 [2]	2,056,112 [4]	2,056,112 [6]	2,108,048 [2]	2,108,048 [4]	2,108,048 [6]
19.	Net income for return (L17 + L18)	\$5,934,912	\$6,593,319	\$6,335,854	\$6,132,791	\$6,988,685	\$7,131,648	\$6,675,060	\$7,565,351	\$7,311,790

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (c), unless footnoted otherwise.
 [2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 1, Column (e).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (e), unless footnoted otherwise.
 [4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 4, Column (e).
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (g), unless footnoted otherwise.
 [6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 7, Column (e).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-18-RY(c)

CALCULATION OF INCOME TAXES

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$1,981,417	\$2,209,380	\$2,155,494	\$2,209,380	\$2,319,964	\$2,244,577	\$2,319,964	\$2,429,857	\$2,398,774
	Operating revenue deductions:									
2.	O&M and G&A expense	1,123,821	1,123,821	1,123,821	1,132,856	1,132,856	1,132,856	1,165,738	1,165,738	1,165,738
3.	Depreciation and amortization expense	275,920	275,920	275,920	313,019	313,019	313,019	354,022	354,022	354,022
4.	Property taxes	32,528	32,528	32,528	33,604	33,604	33,604	34,715	34,715	34,715
5.	Payroll taxes	32,064	32,064	32,064	33,026	33,026	33,026	34,017	34,017	34,017
6.	Other taxes	13,519	13,519	13,519	13,519	13,519	13,519	13,519	13,519	13,519
7.	Benefit costs - Pension	(1,392)	(1,392)	(1,392)	(1,433)	(1,433)	(1,433)	(1,476)	(1,476)	(1,476)
8.	Regulatory fee	2,774	3,093	3,018	3,093	3,248	3,142	3,248	3,402	3,358
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	162,578 [2]	162,578 [4]	162,578 [6]	172,288 [2]	172,288 [4]	172,288 [6]	190,847 [2]	190,847 [4]	190,847 [6]
11.	Total deductions (Sum of L2 thru L10)	1,641,812	1,642,131	1,642,056	1,699,971	1,700,126	1,700,020	1,794,630	1,794,784	1,794,740
12.	Taxable income (L1 - L11)	339,605	567,249	513,438	509,409	619,838	544,557	525,335	635,074	604,035
13.	State income tax (L12 x 2.50%)	8,490	14,181	12,836	12,735	15,496	13,614	13,133	15,877	15,101
14.	Federal taxable income (L12 - L13)	331,115	553,068	500,602	496,674	604,342	530,943	512,202	619,197	588,934
15.	Federal income tax (L14 x 21.00%)	69,534	116,144	105,127	104,302	126,912	111,498	107,562	130,031	123,676
16.	Excess deferred income tax amortization	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)
17.	Net amount (L12 - L13 - L15 - L16)	267,432	442,775	401,326	398,223	483,281	425,296	410,491	495,017	471,109
18.	Add: interest expense	162,578 [2]	162,578 [4]	162,578 [6]	172,288 [2]	172,288 [4]	172,288 [6]	190,847 [2]	190,847 [4]	190,847 [6]
19.	Net income for return (L17 + L18)	\$430,010	\$605,353	\$563,904	\$570,511	\$655,569	\$597,584	\$601,338	\$685,864	\$661,956

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (c), unless footnoted otherwise.

[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 1, Column (e).

[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (e), unless footnoted otherwise.

[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 4, Column (e).

[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (g), unless footnoted otherwise.

[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 7, Column (e).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-18-RY(d)

CALCULATION OF INCOME TAXES

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$3,608,933	\$3,757,741	\$3,117,886	\$3,757,741	\$3,802,109	\$3,131,187	\$3,802,109	(\$437,214)	\$3,364,895
	Operating revenue deductions:									
2.	O&M and G&A expense	1,138,274	1,138,274	1,138,274	1,157,155	1,157,155	1,157,155	1,191,246	1,191,246	1,191,246
3.	Depreciation and amortization expense	573,737	573,737	573,737	594,075	594,075	594,075	663,379	663,379	663,379
4.	Property taxes	2,811	2,811	2,811	2,904	2,904	2,904	3,000	3,000	3,000
5.	Payroll taxes	25,589	25,589	25,589	26,357	26,357	26,357	27,148	27,148	27,148
6.	Other taxes	8,461	8,461	8,461	8,461	8,461	8,461	8,461	8,461	8,461
7.	Benefit costs - Pension	(871)	(871)	(871)	(898)	(898)	(898)	(924)	(924)	(924)
8.	Regulatory fee	5,053	5,261	4,365	5,261	5,323	4,384	5,323	5,501	4,711
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	325,881 [2]	325,881 [4]	325,881 [6]	319,514 [2]	319,514 [4]	319,514 [6]	350,223 [2]	350,223 [4]	350,223 [6]
11.	Total deductions (Sum of L2 thru L10)	2,078,935	2,079,143	2,078,247	2,112,830	2,112,892	2,111,953	2,247,855	2,248,033	2,247,243
12.	Taxable income (L1 - L11)	1,529,998	1,678,598	1,039,639	1,644,911	1,689,217	1,019,234	1,554,254	(2,685,247)	1,117,652
13.	State income tax (L12 x 2.50%)	38,250	41,965	25,991	41,123	42,230	25,481	38,856	0	27,941
14.	Federal taxable income (L12 - L13)	1,491,748	1,636,633	1,013,648	1,603,788	1,646,987	993,753	1,515,398	(2,685,247)	1,089,711
15.	Federal income tax (L14 x 21.00%)	313,267	343,693	212,866	336,795	345,867	208,688	318,234	0	228,839
16.	Excess deferred income tax amortization	(3,659)	0	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)
17.	Net amount (L12 - L13 - L15 - L16)	1,182,140	1,292,940	804,441	1,270,652	1,304,779	788,724	1,200,823	(2,681,588)	864,531
18.	Add: interest expense	325,881 [2]	325,881 [4]	325,881 [6]	319,514 [2]	319,514 [4]	319,514 [6]	350,223 [2]	350,223 [4]	350,223 [6]
19.	Net income for return (L17 + L18)	\$1,508,021	\$1,618,821	\$1,130,322	\$1,590,166	\$1,624,293	\$1,108,238	\$1,551,046	(\$2,331,365)	\$1,214,754

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (c), unless footnoted otherwise.
 [2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 1, Column (e).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (e), unless footnoted otherwise.
 [4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 4, Column (e).
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (g), unless footnoted otherwise.
 [6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 7, Column (e).

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

CALCULATION OF INCOME TAXES

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

BROOKWOOD WATER OPERATIONS

W-218 Sub 573 Updated Revenue Requirements

Schedule 3-18-RY(e)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$8,448,951	\$9,122,602	\$9,197,021	\$9,122,602	\$9,561,818	\$9,705,916	\$9,561,818	\$10,025,479	\$10,319,830
	Operating revenue deductions:									
2.	O&M and G&A expense	3,811,402	3,811,402	3,811,402	3,848,249	3,848,249	3,848,249	3,951,482	3,951,482	3,951,482
3.	Depreciation and amortization expense	1,570,300	1,570,300	1,570,300	1,721,266	1,721,266	1,721,266	1,889,860	1,889,860	1,889,860
4.	Property taxes	113,954	113,954	113,954	117,722	117,722	117,722	121,615	121,615	121,615
5.	Payroll taxes	67,295	67,295	67,295	69,314	69,314	69,314	71,393	71,393	71,393
6.	Other taxes	38,482	38,482	38,482	38,482	38,482	38,482	38,482	38,482	38,482
7.	Benefit costs - Pension	(3,969)	(3,969)	(3,969)	(4,088)	(4,088)	(4,088)	(4,210)	(4,210)	(4,210)
8.	Regulatory fee	11,829	12,772	12,876	12,772	13,387	13,588	13,387	14,036	14,448
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	858,007 [2]	858,007 [4]	858,007 [6]	932,850 [2]	932,850 [4]	932,850 [6]	1,012,610 [2]	1,012,610 [4]	1,012,610 [6]
11.	Total deductions (Sum of L2 thru L10)	6,467,300	6,468,243	6,468,347	6,736,566	6,737,181	6,737,382	7,094,618	7,095,267	7,095,679
12.	Taxable income (L1 - L11)	1,981,651	2,654,359	2,728,674	2,386,036	2,824,637	2,968,534	2,467,200	2,930,212	3,224,151
13.	State income tax (L12 x 2.50%)	49,541	66,359	68,217	59,651	70,616	74,213	61,680	73,255	80,604
14.	Federal taxable income (L12 - L13)	1,932,110	2,588,000	2,660,457	2,326,385	2,754,021	2,894,321	2,405,520	2,856,957	3,143,547
15.	Federal income tax (L14 x 21.00%)	405,743	543,480	558,696	488,541	578,344	607,807	505,159	599,961	660,145
16.	Excess deferred income tax amortization	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)
17.	Net amount (L12 - L13 - L15 - L16)	1,542,607	2,060,760	2,118,001	1,854,084	2,191,917	2,302,754	1,916,601	2,273,236	2,499,642
18.	Add: interest expense	858,007 [2]	858,007 [4]	858,007 [6]	932,850 [2]	932,850 [4]	932,850 [6]	1,012,610 [2]	1,012,610 [4]	1,012,610 [6]
19.	Net income for return (L17 + L18)	\$2,400,614	\$2,918,767	\$2,976,008	\$2,786,934	\$3,124,767	\$3,235,604	\$2,929,211	\$3,285,846	\$3,512,252

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 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (g), unless footnoted otherwise.
 [6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule BY

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
1	Increase / (decrease) in total revenues per Company	<u>\$7,143,901</u>	<u>\$2,869,166</u>	<u>\$578,998</u>	<u>\$1,368,962</u>	<u>\$1,694,127</u>	<u>\$13,655,154</u>
	Settled Items:						
2	Difference in calculation of revenue requirement based on Company amounts	(186,110)	63,539	(72,563)	10,882	(141,225)	(325,477)
3	Debt	(36,756)	(17,528)	(1,542)	(4,581)	(7,474)	(67,881)
4	Regulatory fee rate-RB	1,611	768	68	201	328	2,976
5	Regulatory fee rate-NOI	3,310	1,366	127	166	509	5,478
6	Allocate vehicle purchased	(58,455)	28,509	7,963	4,980	17,003	0
7	Post test year additions to A/D	(172,622)	(148,245)	(19,393)	(47,694)	(39,352)	(427,306)
8	A/D for vehicle allocations	2,366	(1,154)	(322)	(202)	(688)	0
9	A/D for WSIC/SSIC in service date	(3,265)	(1,013)	0	0	(380)	(4,658)
10	Post test year additions to CIAC	(173,939)	(80,238)	(6,912)	(1,177)	(1,167)	(263,433)
11	Post test year additions to accumulated amortization - CIAC	(51,181)	(67,658)	(6,341)	(5,931)	(4,277)	(135,388)
12	Post test year additions PAA	1,956	0	0	0	0	1,956
13	Adjustment for Mid South growth related PAA to 03/31/20	0	0	0	0	0	0
13	Post test year additions accumulated amortization - PAA	8,075	(2,655)	0	0	6	5,426
14	Update advances for construction to 03/31/20	21,314	8,776	863	0	0	30,953
15	ADIT - post test year additions	0	0	0	0	0	0
16	ADIT - unamortized rate case expense	0	0	0	0	0	0
17	ADIT - unamortized repair tax credit	0	0	0	0	0	0
15	ADIT - protected EDIT	68,361	49,287	(1,348)	3,929	26,047	146,276
16	Materials and supplies-RB	(7,279) 0	(1,109) 0	(70) 0	(22) 0	(271)	(8,751)
17	Update customer deposits to 03/31/20	1,666 0	36 0	24 0	0 0	579	2,305
18	Remove excess capacity	0 0	0 0	0 0	0 0	0	0
18	Cash working capital	(6,907) 0	(615) 0	1,271 0	1,375 0	1,774	(3,102)
19	Tank painting	(21,931) 0	0 0	0 0	0 0	0	(21,931)
20	Remove unamortized rate case expense	(14,387) 0	(3,531) 0	(1,056) 0	(679) 0	(3,226)	(22,879)
21	Depreciation study	0 0	0 0	0 0	0 0	0	0
21	Repair tax credit	2 0	5 0	(1) 0	(4) 0	3	5
22	Remove JoCO unamortized transmission charge	0 0	0 0	0 0	0 0	0	0
23	Remove JoCO transmission revenue deficit	0 0	0 0	0 0	0 0	0	0
24	Remove deferred accounting on post test year additions	0 0	0 0	0 0	0 0	0	0
22	Average tax accruals	(76) 0	(15) 0	6 0	20 0	(31)	(96)
23	Unclaimed refunds	0 0	0 0	0 0	0 0	10,379	10,379
24	Service revenues	(638,038) 0	(131,140) 0	24,470 0	24,577 0	27,779	(682,352)
25	Miscellaneous revenues	(29,979) 0	0 0	0 0	0 0	0	(29,979)
26	Adjustment for late payment fees	(1,059) 0	(147) 0	41 0	27 0	98	(1,039)
27	Uncollectibles and abatements	(167,808) 0	505 0	(327) 0	(73) 0	(87)	(167,790)
28	Remove capitalized labor	(358,024) 0	(61,686) 0	(9,454) 0	(7,692) 0	(23,017)	(459,873)
29	Remove proposed increase	(38,923) 0	(10,207) 0	(2,900) 0	(1,775) 0	(8,724)	(62,529)
30	Update salaries and wages August 31, 2022	(424,501) 0	(58,113) 0	113,785 0	118,868 0	83,792	(166,169)
31	Remove leave without pay	0 0	0 0	0 0	0 0	0	0
31	Reflect actual standby and overtime salaries and wages	(29,597) 0	(4,531) 0	1,234 0	3,091 0	557	(29,246)
32	Remove bonuses related to EPS	0 0	0 0	0 0	0 0	0	0

Acqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended December 31, 2021

W-218 Sub 573 Updated Revenue Requirements
Schedule BY

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
32	Allocate executive compensation to shareholders	(134,361) 0	(37,739) 0	(10,542) 0	(6,593) 0	(29,259) 0	(218,494) 0
33	Reflect allocation from Corp Serv & ACO	0 0	0 0	0 0	0 0	0 0	0 0
33	Remove capitalize benefits	(647,923) 0	(112,908) 0	(17,780) 0	(15,218) 0	(43,955) 0	(837,784) 0
34	Update benefits	0 0	0 0	0 0	0 0	0 0	0 0
35	Reflect allocation from Corp Serv	0 0	0 0	0 0	0 0	0 0	0 0
34	Remove proposed inc for base yr	(21,699) 0	(5,841) 0	(1,648) 0	(1,014) 0	(4,829) 0	(35,031) 0
35	Remove open positions	(28,826) 0	(9,889) 0	(983) 0	(744) 0	(2,461) 0	(42,903) 0
36	Fuel for production	(1,152) 0	(13,967) 0	952 0	353 0	(834) 0	(14,648) 0
37	Sludge removal	0 0	(13,087) 0	0 0	14,839 0	0 0	1,752 0
38	Purchased power	9,352 0	22,991 0	(3,765) 0	1,726 0	(9,873) 0	20,431 0
39	Materials and supplies-NOI	(14,519) 0	(3,924) 0	(538) 0	(497) 0	(3,993) 0	(23,471) 0
40	Testing	(21,104) 0	(6,896) 0	(650) 0	(390) 0	(2,072) 0	(31,112) 0
41	Contractual services - legal	(11,901) 0	(5,251) 0	(2,357) 0	(1,059) 0	(9,488) 0	(30,056) 0
42	Insurance	(275,922) 0	(76,131) 0	3,241 0	(834) 0	10,996 0	(338,650) 0
43	Adjustment regulatory commission expense	155,484 0	57,505 0	12,804 0	7,483 0	31,758 0	265,034 0
44	Remove COVID expense	(38,551) 0	(8,883) 0	(2,104) 0	(1,312) 0	(7,273) 0	(58,123) 0
45	Remove unqualified misc exp. for Corporate Sundries	(30,596) 0	(10,098) 0	(1,556) 0	(1,263) 0	(4,682) 0	(48,195) 0
46	Annualization and consumption	73,262 0	(69,722) 0	2,740 0	(7,593) 0	6,061 0	4,748 0
47	Contra-OH allocations	1,328,029 0	210,908 0	35,793 0	26,636 0	87,881 0	1,689,247 0
48	Amortized EDIT	(96,956) 0	(27,232) 0	(7,607) 0	(4,757) 0	(21,114) 0	(157,666) 0
49	Payroll taxes	(219,110) 0	(40,039) 0	2,832 0	3,633 0	(8,869) 0	(261,553) 0
50	Purchased water & sewer	(168,149) 0	(94,245) 0	(329) 0	(1,244) 0	(1,006) 0	(264,973) 0
51	Contract services - other-proposed increase	(69,982) 0	(53,838) 0	(5,179) 0	(4,767) 0	(24,847) 0	(158,613) 0
52	Contract services - accounting	(29,570) 0	(8,289) 0	(2,315) 0	(1,451) 0	(6,451) 0	(48,076) 0
53	Chemicals	297,243 0	328,726 0	25,053 0	20,165 0	160,671 0	831,858 0
54	Rent	(7,773) 0	(1,739) 0	(559) 0	(350) 0	(908) 0	(11,329) 0
55	Transportation	(359,603) 0	(106,724) 0	(11,452) 0	(8,865) 0	(29,028) 0	(515,672) 0
56	Contract services - engineering	(12) 0	0 0	0 0	0 0	0 0	(12) 0
57	Rounding difference						
Unsettled Items							
58	Plant-without removing SAP SAP PFAS	(902,986)	(1,217,710)	(188,734)	(609,344)	(282,845)	(3,201,619)
59	SAP SIP revenue requirement impact	\$23,575	\$6,622	\$1,850	\$1,157	\$5,134	\$38,338
60	Wakefield revenue requirement impact	(\$23,856)	\$0	\$0	\$0	\$0	(\$23,856)
61	ROE	(715,817)	(341,331)	(30,031)	(89,218)	(145,555)	(1,321,952)
62	Total revenue requirement impact	\$2,898,303	\$793,641	\$403,756	\$786,727	\$1,296,221	\$6,178,649
63	Company original Base Year revenue requirement	\$43,027,863	\$18,509,669	\$1,415,467	\$2,255,107	\$6,773,522	\$71,981,628
64	Total Public Staff revenue requirement	45,116,019	19,075,572	1,755,608	3,002,049	7,893,171	\$76,842,419

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule RY1

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	PS Final Settlement Total (f)
1	Increase / (decrease) in total revenues per Company	<u>\$2 344 151</u>	<u>\$995 051</u>	<u>\$243 233</u>	<u>\$126 877</u>	<u>\$700 220</u>	<u>\$4 409 532</u>
	Settled Items						
2	Difference in calculation of revenue requirement based on Company amounts	450,879	297,661	51,704	3,630	198,410	1,002,284
3	Adjust capital structure to 50% debt and 50% equity	0	0	0	0	0	0
4	Debt	(39,891)	(18,567)	(2,110)	(4,538)	(9,030)	(74,136)
5	Regulatory fee rate-RB	1,749	814	93	199	396	3,251
6	Regulatory fee rate-NOI	3,472	1,443	139	179	545	5,778
7	Accumulated depreciation	(35,424)	(15,496)	(8,761)	(27,241)	(10,300)	(97,222)
8	Contributions in aid of construction	(114,526)	(62,668)	(4,551)	(919)	(768)	(183,432)
9	Accumulated amortization of CIAC	10,217	2,956	388	38	48	13,647
10	Acquisition adjustments (PAA)	1,956	0	0	0	0	1,956
11	Accum. amort. of acquisition adjustments	(230)	(29)	0	0	0	(259)
12	Advances for construction	21,314	8,776	863	0	4,368	35,321
13	Customer deposits	1,666	36	24	0	(3,070)	(1,344)
14	Unclaimed refunds and cost-free capital	0	0	0	0	9,661	9,661
15	Accumulated deferred income taxes	139,809	75,695	(1,364)	(2,220)	54,515	266,435
16	Materials and supplies inventory	(14,780)	(2,252)	(142)	(44)	(550)	(17,768)
17	Excess capacity adjustment	0	0	0	0	0	0
18	Working capital allowance	(57,003)	(14,227)	(2,566)	(1,036)	(55,795)	(130,627)
19	Service revenues	(721,714)	(142,323)	34,624	39,788	37,585	(752,040)
20	Late payment fees	(13,045)	(136)	88	47	464	(12,582)
21	Miscellaneous revenues	(31,722)	(20,257)	2,970	(40)	10,329	(38,719)
22	Uncollectibles and abatements	(135,426)	482	(451)	(128)	(1,889)	(137,413)

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule RY1

Line No.	Item	Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water	PS Final Settlement
		(a)	(b)	(c)	(d)	(e)	Total (f)
23	Salaries and wages	(1,014,969)	(177,445)	94,885	109,075	24,048	(964,406)
24	Employee pensions and benefits	(719,699)	(132,578)	(21,046)	(17,499)	(52,851)	(943,673)
25	Purchased water	(168,149)	(97,110)	(329)	(1,282)	(1,006)	(267,876)
26	Sludge hauling	0	(13,485)	0	9,592	0	(3,893)
27	Purchased power	9,636	23,690	(3,880)	1,779	(10,173)	21,052
28	Fuel for power production	(1,205)	(15,210)	952	353	(875)	(15,985)
29	Chemicals	306,279	338,719	25,814	20,778	165,556	857,146
30	Materials and supplies	(14,961)	(4,044)	(556)	(512)	(4,114)	(24,187)
31	Testing fees	(21,745)	(7,105)	(670)	(791)	(2,135)	(32,446)
32	Transportation	(359,902)	(106,635)	(11,472)	(8,869)	(29,305)	(516,183)
33	Contractual services - engineering	(12)	0	0	0	0	(12)
34	Contractual services - accounting	(30,469)	(8,541)	(2,385)	(1,669)	(6,647)	(49,711)
35	Contractual services - legal	(12,262)	(5,411)	(2,429)	(1,092)	(9,777)	(30,971)
36	Contractual services - management fees	0	0	0	0	0	0
37	Contractual services - other	(72,109)	(55,475)	(5,337)	(4,912)	(25,602)	(163,435)
38	Rent	(8,009)	(1,792)	(576)	(711)	(936)	(12,024)
39	Insurance	(284,310)	(78,445)	3,339	(860)	11,331	(348,945)
40	Advertising	0	0	0	0	0	0
41	Regulatory commission expense	155,484	57,505	12,803	7,482	31,758	265,032
42	Miscellaneous expense	(31,526)	(10,405)	(1,603)	(1,301)	(4,824)	(49,659)
43	Interest on customer deposits	0	0	0	0	0	0
44	Annualization & consumption adjustments	75,600	(70,778)	2,826	(7,703)	6,259	6,204
45	Non-recurring COV D expenses	0	0	0	0	0	0
46	Contra-OH Allocations	1,368,400	217,322	36,880	27,446	90,552	1,740,600
47	Depreciation and amortization expense	(199,860)	40,470	(44,427)	(175,148)	(15,881)	(394,846)
48	Property taxes	0	0	0	0	0	0
49	Payroll taxes	(71,525)	(41,240)	6,999	3,742	1,482	(100,542)
50	Other taxes	(92,179)	1,037	(1,068)	178	(3,118)	(95,150)
51	Benefit costs - Pension	(523)	(145)	(42)	(25)	(116)	(851)
52	EDIT	(96,956)	(27,232)	(7,607)	(4,757)	(21,114)	(157,666)
53	Rounding difference						0
Unsettled Items							
54	Plant-without removing SAP SAP PFAS	(161,798)	11,385	(162,995)	(479,862)	65,072	(728,198)
55	SAP S P revenue requirement impact	(\$221,566)	(\$62,232)	(\$17,383)	(\$10,872)	(\$48,249)	(\$360,302)
56	PFOS PFOA revenue requirement impact	(\$96,399)	\$0	\$0	\$0	(\$176,008)	(\$272,407)
57	ROE	(776,847)	(361,581)	(41,099)	(88,389)	(175,850)	(1,443,765)
58	Total revenue requirement impact	(\$730,129)	\$520,198	\$173,776	(\$491,237)	\$742,616	\$215,225
59	Company original Rate Year 1 revenue requirement	\$50,236,788	\$21,410,287	\$1,981,417	\$3,608,933	\$8,448,951	\$85,686,375
60	Total Public Staff revenue requirement before cap	\$49,513,005	\$21,931,552	\$2,155,494	\$3,117,886	\$9,197,021	\$85,914,958
61	Total Public Staff revenue requirement after cap	\$49,513,005	\$21,931,552	\$2,155,494	\$3,117,886	\$9,197,021	\$85,914,958

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule RY2

Line No.	Item	Aqua		Fairways		Brookwood		PS Final Settlement
		Water (a)	Sewer (b)	Water (c)	Sewer (d)	Water (e)	Total (f)	
1	Increase / (decrease) in total revenues per Company	<u>\$2 584 160</u>	<u>\$1 115 917</u>	<u>\$115 451</u>	<u>\$43 884</u>	<u>\$443 625</u>		<u>\$4 303 037</u>
	Settled Items							
2	Difference in calculation of revenue requirement based on Company amounts	1,125,142	1,012,432	110,552	(4,264)	648,254		2,892,116
3	Adjust capital structure to 50% debt and 50% equity	0	0	0	0	0		0
4	Debt	(42,186)	(20,902)	(2,193)	(4,464)	(9,728)		(79,473)
5	Regulatory fee rate-RB	1,849	916	96	196	426		3,483
6	Regulatory fee rate-NOI	3,697	1,524	153	186	604		6,164
7	Accumulated depreciation	49,341	(12,404)	1,842	(10,835)	15,373		43,317
8	Contributions in aid of construction	(114,526)	(62,668)	(4,551)	(919)	(768)		(183,432)
9	Accumulated amortization of CIAC	15,325	4,433	582	57	72		20,469
10	Acquisition adjustments (PAA)	1,956	0	0	0	0		1,956
11	Accum. amort. of acquisition adjustments	(374)	(43)	0	0	0		(417)
12	Advances for construction	21,314	8,776	863	0	4,368		35,321
13	Customer deposits	1,666	36	24	0	(3,070)		(1,344)
14	Unclaimed refunds and cost-free capital	0	0	0	0	9,661		9,661
15	Accumulated deferred income taxes	210,319	71,921	(3,092)	(13,085)	75,148		341,211
16	Materials and supplies inventory	(22,509)	(3,430)	(216)	(67)	(838)		(27,060)
17	Excess capacity adjustment	0	0	0	0	0		0
18	Working capital allowance	(36,759)	(8,360)	(907)	47	(4,533)		(50,512)
19	Service revenues	(621,723)	(3,028)	46,857	17,812	53,642		(506,441)
20	Late payment fees	(685)	60,409	114	25	520		60,383
21	Miscellaneous revenues	8,765	(80,563)	6,050	(40)	21,040		(44,747)
22	Uncollectibles and abatements	(168,749)	3	(519)	(61)	(2,144)		(171,470)
23	Salaries and wages	(1,045,417)	(182,769)	97,732	112,347	24,770		(993,337)
24	Employee pensions and benefits	(741,590)	(136,641)	(21,702)	(18,034)	(54,499)		(972,466)
25	Purchased water	(168,149)	(100,063)	(329)	(1,320)	(1,006)		(270,867)

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule RY2

Line No.	Item	Aqua		Fairways		Brookwood		PS Final Settlement
		Water [1]	Sewer [1]	Water [1]	Sewer [1]	Water [1]	Total [1]	
		(a)	(b)	(c)	(d)	(e)	(f)	
26	Sludge hauling	0	(13,894)	0	9,884	0	(4,010)	
27	Purchased power	9,930	24,411	(3,998)	1,833	(10,482)	21,694	
28	Fuel for power production	(1,260)	(16,492)	952	353	(917)	(17,364)	
29	Chemicals	315,590	349,016	26,599	21,410	170,589	883,204	
30	Materials and supplies	(15,415)	(4,166)	(572)	(527)	(4,239)	(24,919)	
31	Testing fees	(22,406)	(7,321)	(690)	(815)	(2,200)	(33,432)	
32	Transportation	(360,440)	(106,608)	(11,500)	(8,877)	(29,612)	(517,037)	
33	Contractual services - engineering	(12)	0	0	0	0	(12)	
34	Contractual services - accounting	(31,395)	(8,801)	(2,457)	(1,720)	(6,849)	(51,222)	
35	Contractual services - legal	(12,635)	(5,575)	(2,503)	(1,125)	(10,074)	(31,912)	
36	Contractual services - management fees	0	0	0	0	0	0	
37	Contractual services - other	(74,302)	(62,785)	(5,499)	(5,061)	(26,380)	(174,027)	
38	Rent	(8,253)	(1,844)	(593)	(733)	(964)	(12,387)	
39	Insurance	(292,954)	(80,829)	3,441	(886)	11,675	(359,553)	
40	Advertising	0	0	0	0	0	0	
41	Regulatory commission expense	(138,091)	(29,005)	(10,113)	(6,749)	(31,711)	(215,669)	
42	Miscellaneous expense	(32,483)	(10,725)	(1,652)	(1,341)	(4,970)	(51,171)	
43	Interest on customer deposits	0	0	0	0	0	0	
44	Annualization & consumption adjustments	78,011	(71,868)	2,915	(7,816)	6,464	7,706	
45	Non-recurring COV D expenses	0	0	0	0	0	0	
46	Contra-OH Allocations	1,410,001	223,927	38,000	28,280	93,304	1,793,512	
47	Depreciation and amortization expense	(1,089,687)	(5,021)	(116,460)	(193,493)	(355,368)	(1,760,029)	
48	Property taxes	0	0	0	0	0	0	
49	Payroll taxes	(73,671)	(42,477)	7,209	3,855	1,526	(103,558)	
50	Other taxes	(69,450)	1,582	80	271	655	(66,862)	
51	Benefit costs - Pension	(1,063)	(295)	(83)	(53)	(235)	(1,729)	
52	EDIT	(96,956)	(27,232)	(7,607)	(4,757)	(21,114)	(157,666)	
53	Rounding difference						0	
Unsettled Items								
54	Plant-without removing SAP SAP PFAS	(337,907)	(33,192)	(175,812)	(487,656)	(47,062)	(1,081,629)	
55	SAP S P revenue requirement impact	(\$110,143)	(\$30,936)	(\$8,641)	(\$5,405)	(\$23,985)	(\$179,110)	
56	PFOS PFOA revenue requirement impact	(\$149,953)	\$0	\$0	\$0	(\$160,664)	(\$310,617)	
57	ROE	(821,538)	(407,061)	(42,710)	(86,944)	(189,447)	(1,547,700)	
58	Total revenue requirement impact	(\$865,615)	\$1,298,305	\$35,114	(\$626,607)	\$578,857	\$420,054	
59	Company original Rate Year 2 revenue requirement	\$52,461,423	\$22,266,283	\$2,209,380	\$3,757,741	\$9,122,602	\$89,817,429	
60	Total Public Staff revenue requirement before cap	\$51,600,852	\$23,564,897	\$2,244,577	\$3,131,187	\$9,705,916	\$90,247,429	
61	Total Public Staff revenue requirement after cap	\$51,600,852	\$23,025,820	\$2,244,577	\$3,131,187	\$9,637,781	\$89,640,218	

Aqua North Carolina, Inc.
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CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule RY3

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	PS Final Settlement Total (f)
1	Increase / (decrease) in total revenues per Company	<u>\$2 692 883</u>	<u>\$1 167 844</u>	<u>\$115 634</u>	<u>\$127 208</u>	<u>\$475 785</u>	<u>\$4 579 354</u>
	Settled Items						
2	Difference in calculation of revenue requirement based on Company amounts	718,563	739,631	142,292	79,557	823,188	2,503,231
3	Adjust capital structure to 50% debt and 50% equity	0	0	0	0	0	0
4	Debt	(44,178)	(21,389)	(2,362)	(4,768)	(10,503)	(83,200)
5	Regulatory fee rate-RB	1,937	938	104	209	460	3,648
6	Regulatory fee rate-NOI	3,839	1,593	160	194	635	6,421
7	Accumulated depreciation	146,232	419	12,562	3,688	47,330	210,231
8	Contributions in aid of construction	(114,526)	(62,668)	(4,551)	(919)	(768)	(183,432)
9	Accumulated amortization of CIAC	20,434	5,911	776	77	96	27,294
10	Acquisition adjustments (PAA)	1,956	0	0	0	0	1,956
11	Accum. amort. of acquisition adjustments	(518)	(58)	0	0	0	(576)
12	Advances for construction	21,314	8,776	863	0	4,368	35,321
13	Customer deposits	1,666	36	24	0	(3,070)	(1,344)
14	Unclaimed refunds and cost-free capital	0	0	0	0	9,661	9,661
15	Accumulated deferred income taxes	298,764	79,021	(5,012)	(24,455)	94,562	442,880
16	Materials and supplies inventory	(30,472)	(4,644)	(292)	(90)	(1,135)	(36,633)
17	Excess capacity adjustment	0	0	0	0	0	0
18	Working capital allowance	(13,515)	(2,954)	990	1,283	632	(13,564)
19	Service revenues	(645,293)	1,014	49,007	17,325	56,526	(521,421)
20	Late payment fees	724	64,881	396	23	2,781	68,805
21	Miscellaneous revenues	29,218	(84,472)	9,244	(40)	32,148	(13,901)
22	Uncollectibles and abatements	(172,529)	(1,434)	(1,278)	(56)	(13,988)	(189,285)
23	Salaries and wages	(1,076,777)	(188,253)	100,664	115,718	25,513	(1,023,135)
24	Employee pensions and benefits	(764,151)	(140,824)	(22,374)	(18,591)	(56,202)	(1,002,142)
25	Purchased water	(168,149)	(103,104)	(329)	(1,361)	(1,006)	(273,949)
26	Sludge hauling	0	(14,317)	0	10,184	0	(4,133)
27	Purchased power	10,234	25,155	(4,119)	1,889	(10,801)	22,358
28	Fuel for power production	(1,316)	(17,813)	952	353	(960)	(18,784)
29	Chemicals	325,184	359,627	27,407	22,061	175,775	910,054
30	Materials and supplies	(15,883)	(4,291)	(590)	(543)	(4,368)	(25,675)
31	Testing fees	(23,087)	(7,542)	(711)	(840)	(2,267)	(34,447)
32	Transportation	(361,226)	(106,647)	(11,537)	(8,891)	(29,950)	(518,251)

Aqua North Carolina, Inc.
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CALCULATION OF GROSS REVENUE
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For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

W-218 Sub 573 Updated Revenue Requirements
Schedule RY3

Line No.	Item	Aqua	Aqua	Fairways	Fairways	Brookwood	PS Final Settlement
		Water [1]	Sewer [1]	Water [1]	Sewer [1]	Water [1]	
		(a)	(b)	(c)	(d)	(e)	(f)
33	Contractual services - engineering	(12)	0	0	0	0	(12)
34	Contractual services - accounting	(32,350)	(9,067)	(2,532)	(1,772)	(7,057)	(52,778)
35	Contractual services - legal	(13,018)	(5,745)	(2,579)	(1,159)	(10,380)	(32,881)
36	Contractual services - management fees	0	1	0	(1)	0	0
37	Contractual services - other	(76,562)	(199,693)	(5,666)	(5,215)	(27,182)	(314,318)
38	Rent	(8,504)	(1,901)	(611)	(755)	(994)	(12,765)
39	Insurance	(301,860)	(83,285)	3,545	(913)	12,030	(370,483)
40	Advertising	0	0	0	0	0	0
41	Regulatory commission expense	(138,091)	(29,005)	(10,113)	(6,749)	(31,711)	(215,669)
42	Miscellaneous expense	(33,465)	(11,059)	(1,702)	(1,381)	(5,121)	(52,728)
43	Interest on customer deposits	0	0	0	0	0	0
44	Annualization & consumption adjustments	80,494	(72,991)	3,006	(7,934)	6,674	9,249
45	Non-recurring COV D expenses	0	0	0	0	0	0
46	Contra-OH Allocations	1,452,865	230,733	39,154	29,140	96,141	1,848,033
47	Depreciation and amortization expense	(1,222,275)	(124,969)	(118,795)	(171,578)	(397,895)	(2,035,512)
48	Property taxes	0	0	0	0	0	0
49	Payroll taxes	(75,881)	(43,752)	7,426	3,970	1,572	(106,665)
50	Other taxes	(48,923)	2,145	1,017	367	4,553	(40,841)
51	Benefit costs - Pension	(1,619)	(448)	(126)	(80)	(358)	(2,631)
52	EDIT	(96,956)	(27,232)	(7,607)	(4,757)	(21,114)	(157,666)
53	Rounding difference						0
Unsettled Items							
54	Plant-without removing SAP SAP PFAS	(522,749)	(53,212)	(181,771)	(491,160)	(98,632)	(1,347,524)
55	SAP S P revenue requirement impact	(\$74,084)	(\$20,808)	(\$5,812)	(\$3,635)	(\$16,133)	(\$120,472)
56	PFOS PFOA revenue requirement impact	(\$85,688)	\$0	\$0	\$0	(\$160,664)	(\$246,352)
57	ROE	(860,328)	(416,540)	(46,000)	(92,854)	(204,537)	(1,620,260)
58	Total revenue requirement impact	(\$1,217,678)	\$827,609	\$78,754	(\$437,251)	\$753,635	\$5,068
59	Company original Rate Year 3 revenue requirement	\$55,051,071	\$23,379,031	\$2,319,964	\$3,802,109	\$9,561,818	\$94,113,993
60	Total Public Staff revenue requirement before cap	\$53,836,369	\$24,206,843	\$2,398,774	\$3,364,895	\$10,319,830	\$94,126,711
61	Total Public Staff revenue requirement after cap	\$53,836,369	\$24,177,182	\$2,351,675	\$3,287,573	\$10,099,356	\$93,752,155