

INFORMATION SHEET

PRESIDING: Commissioner Brown-Bland, presiding; Chairman Finley and Commissioners Dockham, Patterson, Gray, Clodfelter and Mitchell  
PLACE: Commission Hearing Room, Raleigh, NC  
DATE: September 18, 2018  
TIME: 3:55 p.m. – 5:30 p.m.  
DOCKET NO.: W-218, Sub 497  
COMPANY: Aqua North Carolina, Inc.  
DESCRIPTION: Application for Authority to Adjust and Increase Rates for Water and Sewer Utilities Service in All Service Areas in North Carolina  
VOLUME: 9

APPEARANCES

FOR AQUA NORTH CAROLINA, INC.:

Jo Anne Sanford, Esq.  
Robert H. Bennink, Jr., Esq.  
Dwight Allen, Esq.  
Britton Allen, Esq.  
Brady Allen, Esq.

FOR THE USING AND CONSUMING PUBLIC:

Elizabeth D. Culpepper, Esq.  
William E. Grantmyre, Esq.  
Megan Jost, Esq.  
Teresa Townsend, Esq.  
Margaret Force, Esq.

WITNESSES

Please see attached.

EXHIBITS

Please see attached.

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EMAIL COPIES ORDERED: E-mail: Sanford, Townsend, Force, Culpepper

PRINTED COPIES ORDERED:

REPORTED BY: Kim Mitchell

TRANSCRIBED BY: Kim Mitchell

DATE TRANSCRIBED: September 21, 2018

TRANSCRIPT PAGES: 84

PREFILED PAGES: 20

TOTAL PAGES: 104

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1 PLACE: Dobbs Building, Raleigh, North Carolina  
2 DATE: Tuesday, September 18, 2018  
3 TIME: 3:55 p.m. - 5:30 p.m.  
4 DOCKET NO: W-218, Sub 497  
5 BEFORE: Commissioner ToNola D. Brown-Bland, Presiding  
6 Chairman Edward S. Finley, Jr.  
7 Commissioner Jerry C. Dockham  
8 Commissioner James G. Patterson  
9 Commissioner Lyons Gray  
10 Commissioner Daniel G. Clodfelter  
11 Commissioner Charlotte A. Mitchell

12  
13 **IN THE MATTER OF:**

14 Application by Aqua North Carolina, Inc.,  
15 202 MacKenan Court, Cary, North Carolina 27511,  
16 for Authority to Adjust and Increase Rates  
17 for Water and Sewer Utility Service in  
18 All Service Areas in North Carolina.

19  
20 VOLUME: 9  
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1 A P P E A R A N C E S:  
2 FOR AQUA NORTH CAROLINA, INC.:  
3 Jo Anne Sanford, Esq.  
4 Sanford Law Office, PLLC  
5 Post Office Box 28085  
6 Raleigh, North Carolina 27611-8085  
7  
8 Robert H. Bennink, Jr., Esq.  
9 Bennink Law Office  
10 130 Murphy Drive  
11 Cary, North Carolina 27513  
12  
13 Dwight Allen, Esq.  
14 Britton Allen, Esq.  
15 Brady Allen, Esq.  
16 Allen Law Offices, PLLC  
17 1514 Glenwood Avenue, Suite 200  
18 Raleigh, North Carolina 27612  
19  
20  
21  
22  
23  
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1 A P P E A R A N C E S Cont'd.:

2 FOR THE USING AND CONSUMING PUBLIC:

3 Teresa Townsend, Esq.

4 Special Deputy Attorney General

5 Margaret Force, Esq.

6 Assistant Attorney General

7 North Carolina Department of Justice

8 Post Office Box 629

9 Raleigh, North Carolina 27602

10

11 Elizabeth D. Culpepper, Esq.

12 William E. Grantmyre, Esq.

13 Megan Jost, Esq.

14 Public Staff - North Carolina Utilities Commission

15 4326 Mail Service Center

16 Raleigh, North Carolina 27699-4300

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T A B L E O F C O N T E N T S

E X A M I N A T I O N S :

WINDLEY E. HENRY and MANASA L. COOPER, as a panel

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CHARLES JUNIS

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E X H I B I T S

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NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE 9-18-18  
DOCKET #: W 218 Sub 497  
NAME OF ATTORNEY Sanford (J. Anne)  
TITLE \_\_\_\_\_  
FIRM NAME Sanford Law Office, PLLC  
ADDRESS PO Box 28085  
CITY Raleigh NC 2  
ZIP 27611

**APPEARING FOR:** Agro

APPLICANT \_\_\_\_\_ COMPLAINANT \_\_\_\_\_ INTERVENOR \_\_\_\_\_  
PROTESTANT \_\_\_\_\_ RESPONDENT \_\_\_\_\_ DEFENDANT \_\_\_\_\_

PLEASE NOTE: Electronic Copies of the regular transcript can be obtained from the NCUC website at [HTTP://NCUC.commerce.state.nc.us/docksrch.html](http://NCUC.commerce.state.nc.us/docksrch.html) under the respective docket number.

\*There will be a charge of \$5.00 for each emailed copy of transcript.\*

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Email: Sanford@sanfordlawoffice.com  
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Signature: \_\_\_\_\_  
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NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE 9/11/18  
DOCKET #: 14-218 SUB 479  
NAME OF ATTORNEY ROBERT H. BENNINK, JR.  
TITLE ATTORNEY  
FIRM NAME BENNINK LAW OFFICE  
ADDRESS 130 MURPHY DRIVE  
CITY CARY, NC  
ZIP 27513

APPEARING FOR: AQUA NORTH CAROLINA, INC.

APPLICANT  COMPLAINANT \_\_\_\_\_ INTERVENOR \_\_\_\_\_  
PROTESTANT \_\_\_\_\_ RESPONDENT \_\_\_\_\_ DEFENDANT \_\_\_\_\_

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NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE 9-11-2018  
DOCKET #: W218 Sub 497  
NAME OF ATTORNEY Dwight Allen, Britton Allen, Brady Allen  
TITLE \_\_\_\_\_  
FIRM NAME ALLEN Law OFFICES, PLLC  
ADDRESS 1514 Glenwood Ave. Suite 200  
CITY Raleigh, NC  
ZIP 27612

APPEARING FOR: \_\_\_\_\_

APPLICANT  COMPLAINANT \_\_\_\_\_ INTERVENOR \_\_\_\_\_  
PROTESTANT \_\_\_\_\_ RESPONDENT \_\_\_\_\_ DEFENDANT \_\_\_\_\_

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NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE 9/11/18  
DOCKET #: W-218, Sub 497  
NAME OF ATTORNEY Teresa Townsend and Margaret Force  
TITLE Special Deputy Attorney General + Assistant Attorney General  
FIRM NAME NC Dept. of Justice  
ADDRESS P O Box 629  
CITY Raleigh  
ZIP 27602

APPEARING FOR: the Using and Consuming public

APPLICANT \_\_\_\_\_ COMPLAINANT \_\_\_\_\_ INTERVENOR   
PROTESTANT \_\_\_\_\_ RESPONDENT \_\_\_\_\_ DEFENDANT \_\_\_\_\_

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1 # of Copies (each)

Email: ttownsend@ncdoj.gov ; pforce@ncdoj.gov  
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Please check for the confidential portion of the transcript, only if a confidentiality agreement has been signed.

1 # of Copies (each)

Signature: Margaret Force  
(Required for distribution)

NORTH CAROLINA UTILITIES COMMISSION  
PUBLIC STAFF - APPEARANCE SLIP

DATE September 11, 2018 DOCKET #: W-218 Sub 497

PUBLIC STAFF MEMBER Elizabeth D. Culpepper, Megan Jost,  
and William E. Grantmyre

ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE  
PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS  
YOUR EMAIL ADDRESS BELOW:

ACCOUNTING \_\_\_\_\_

WATER \_\_\_\_\_

COMMUNICATIONS \_\_\_\_\_

ELECTRIC \_\_\_\_\_

GAS \_\_\_\_\_

TRANSPORTATION \_\_\_\_\_

ECONOMICS \_\_\_\_\_

LEGAL elizabeth.culpepper@psncuc.nc.gov

CONSUMER SERVICES \_\_\_\_\_

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\*\*\*PLEASE INDICATE BELOW WHO HAS SIGNED A  
CONFIDENTIALITY AGREEMENT. IF YOU DO NOT SIGN, YOU  
WILL NOT RECEIVE THE CONFIDENTIAL PORTIONS!!!!

ELIZABETH D. CULPEPPER, MEGAN JOST, WILLIAM E.  
GRANTMYRE

Elizabeth D. Culpepper Megan Jost William E. Grantmyre  
Signature of Public Staff Member

I/A  
wt.9

(1)

~~Duke Energy Progress LLC~~

~~Docket No. E-2, Sub 1142~~

Adjust O&M for executive compensation

For the test period ended ~~December 31, 2016~~

NC-2900  
Narrative

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

~~Detailed Narrative Explanation of Adjustment~~

~~This pro-forma adjusts operation and maintenance expense and income taxes for officers' compensation.~~

~~The impact to operation and maintenance expense is determined as follows:~~

~~Eliminate 50% of the compensation of the four Duke Energy executives with the highest level of compensation allocated to Duke Energy Progress in the test period.~~

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

2

Duke Energy Progress LLC  
Docket No. E-2, Sub 1142  
Adjust O&M for executive compensation  
For the test period ended December 31, 2016  
(Dollars in thousands)

NC-2901  
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>CEO and Other Group Execs (b)</u>
1		
2		
3	Compensation charged to Duke Energy Progress - 12 Months Ended December 31, 2016	\$ 4,976 [1]
4		
5	Compensation charged to A&G	\$ 4,976 [1]
6		
7		
8	NC Retail Allocation Factor - Wage and Salary Related Items	65.3245% [2]
9	NC retail compensation (L5 x L8)	3,250
10	Exclusion percentage	50.00% [3]
11	Impact to O&M (-L9 x L10)	\$ (1,625)
12		
13	Statutory tax rate	37.0599% [4]
14		
15	Impact to income taxes (-L11 x L13)	\$ 602
16		
17	Impact to operating income (-L11 - L15)	\$ 1,023

[1] Information provided by Duke Energy Corporate Accounting

[2] Allocation Factor - LAB

[3] The percentage of compensation to be excluded for DE Progress's four most highly compensated officers charged to DEP.

[4] NC-0104 - 2017 Tax Rate, Line 10

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1146  
Adjust O&M for executive compensation  
For the test period ended December 31, 2016

NC-0700  
Narrative

E-1 Item 10 Adjustments Requirement:

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment:

This pro forma adjusts operation and maintenance expense and income taxes for officers' compensation.

The impact to operation and maintenance expense is determined as follows:

Eliminate 50% of the compensation of the four Duke Energy executives with the highest level of compensation allocated to Duke Energy Carolinas in the test period.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

4

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1146  
Adjust O&M for executive compensation  
For the test period ended December 31, 2016  
(Dollars in thousands)

NC-0701  
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>CEO and Other Group Execs</u>
1		
2	Compensation charged to Duke Energy Carolinas - 12 Months Ended Dec. 31, 2016	\$ 7,854 [1]
3		
4	Compensation charged to A&G (L2)	\$ 7,854
5	Catawba reimbursement allocation rate	15.218% [2]
6	Non-ownership percentage in Catawba plant	80.754% [2]
7	Costs reimbursed by Catawba Joint Owners (L4 x L5 x L6)	\$ 965
8		
9	Compensation net of Joint Owners' share (L2 - L7)	\$ 6,889
10	NC Retail Allocation Factor - Wage and Salary Related Items	68.0211% [3]
11	NC Retail compensation (L9 x L10)	\$ 4,686
12	Exclusion percentage	50.00% [4]
13	Impact to O&M (-L11 x L12)	\$ (2,343)
14		
15	Statutory tax rate	37.1902% [5]
16	Impact to income taxes (-L13 x L15)	\$ 871
17		
18	Impact to operating income (-L13 - L16)	\$ 1,472

[1] Information provided by Duke Energy Corporate Accounting  
 [2] NC-2203 - Analysis of Total Labor \$ - Catawba Project (Gross, Allocated \$), 12 Months Ended Dec 31, 2016, Lines 20 and 24  
 [3] Allocation Factor - Labor [Wage and Salary Related Items] (Factor 59)  
 [4] The percentage of compensation for Duke Energy Carolina's four most highly compensated to be eliminated from the test year.  
 [5] NC-0104 - 2017 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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Test	Cary Region					Denver Region		
	Annual Tests	Annual Expense	Annual Samples	Cost Per Sample	Annual Expense	Annual Samples	Annual Samples	Annual Expense
Coliform Bacteria	8040.00	\$ 100,680	3,612.00	\$ 14.00	\$ 50,568	3,240.00	\$ 11.00	\$ 35,640
Specials	188.00	\$ 2,392	72.00	\$ 14.00	\$ 1,008	8.00	\$ 11.00	\$ 88
Trihalomethanes/HAA5	353.18	\$ 19,778	150.67	\$ 56.00	\$ 8,437	126.99	\$ 56.00	\$ 7,111
Specials	20.33	\$ 1,138	11.00	\$ 56.00	\$ 616	0.33	\$ 56.00	\$ 18
Lead/Copper	1646.66	\$ 29,640	753.33	\$ 18.00	\$ 13,560	635.00	\$ 18.00	\$ 11,430
Specials						3.33	\$ 18.00	\$ 60
Inorganics	405.33	\$ 56,747	209.33	\$ 140.00	\$ 29,306	133.67	\$ 140.00	\$ 18,714
Specials	1.33	\$ -	1.33	\$ 140.00				
Arsenic only	3.00	\$ 45	-	\$ 15.00	\$ -	1.00	\$ 15.00	\$ 15
Antimony only	0.00	\$ -	-	\$ 16.00	\$ -			\$ -
Fluoride only	3.67	\$ 99	-	\$ 27.00	\$ -	1.67	\$ 27.00	\$ 45
VOCs	538.30	\$ 37,681	307.33	\$ 70.00	\$ 21,513	153.33	\$ 70.00	\$ 10,733
Specials			3.00	\$ 70.00	\$ 210			
SOCs	429.33	\$ 204,790	242.33	\$ 477.00	\$ 115,593	125.33	\$ 477.00	\$ 59,782
Specials	0.33	\$ 159	0.33	\$ 477.00	\$ 159			
504	17.00	\$ 833	15.00	\$ 49.00	\$ 735	1.00	\$ 49.00	\$ - 49
Specials	5.00	\$ 245	5.00	\$ 49.00	\$ 245			
505	57.00	\$ 4,332	18.00	\$ 76.00	\$ 1,368	31.00	\$ 76.00	\$ 2,356
515	18.00	\$ 3,438	10.00	\$ 191.00	\$ 1,910	5.00	\$ 191.00	\$ 955
525	29.00	\$ 4,350	13.00	\$ 150.00	\$ 1,950	7.00	\$ 150.00	\$ 1,050
Nitrates	1250.25	\$ 15,973	684.00	\$ 15.00	\$ 10,260	375.25	\$ 10.00	\$ 3,753
Specials	32.00	\$ 275	5.00	\$ 15.00	\$ 75	20.00	\$ 10.00	\$ 200
Asbestos - Source	63.05	\$ 6,305	28.48	\$ 100.00	\$ 2,848	24.12	\$ 100.00	\$ 2,412
Asbestos - Distribution	4.91	\$ 491	2.33	\$ 100.00	\$ 233	1.92	\$ 100.00	\$ 192
Radiologicals - Full	0.00	\$ -	-	\$ 189.00	\$ -	-		\$ -
4000 - Gross Alpha & 4006 Combined Uranium	209.94	\$ 10,917	114.16	\$ 52.00	\$ 5,936	57.89	\$ 52.00	\$ 3,010
Specials	48.11	\$ 2,502	33.11	\$ 52.00	\$ 1,722	7.00	\$ 52.00	\$ 364
4010 - Combined Radium	242.56	\$ 39,195	137.00	\$ 132.00	\$ 18,084	59.50	\$ 200.00	\$ 11,900
Specials	48.11	\$ 7,575	30.11	\$ 132.00	\$ 3,975	5.00	\$ 200.00	\$ 1,000
WTP Backwash Annual Expense		\$ 15,288						
<b>Total Average Annual</b>		<b>\$ 564,866</b>			<b>\$ 290,311</b>			<b>\$ 170,878</b>



<u>Test</u>	<u>Kernersville Region</u>			<u>(Uniform Rates Only)</u> <u>Fayetteville Region</u>			<u>(Uniform Rates Only)</u> <u>Wilmington Region</u>		
	<u>Annual Samples</u>	<u>Annual Samples</u>	<u>Annual Expense</u>	<u>Annual Samples</u>	<u>Annual Samples</u>	<u>Annual Expense</u>	<u>Annual Samples</u>	<u>Annual Samples</u>	<u>Annual Expense</u>
Colliform Bacteria	1,080.00	\$ 12.00	\$ 12,960	48.00	\$ 14.00	\$ 672	60.00	\$ 14.00	\$ 840
Specials	108.00	\$ 12.00	\$ 1,296		\$ 14.50	\$ -	-	\$ 14.00	\$ -
Trihalomethanes/HAA5	63.85	\$ 56.00	\$ 3,578	8.67	\$ 56.00	\$ 485	3.00	\$ 56.00	\$ 168
Specials	8.00	\$ 56.00	\$ 448	1.00	\$ 56.00	\$ 56			\$ -
Lead/Copper	238.33	\$ 18.00	\$ 4,290	10.00	\$ 18.00	\$ 180	10.00	\$ 18.00	\$ 180
Specials									
Inorganics	59.00	\$ 140.00	\$ 8,260	1.00	\$ 140.00	\$ 140	2.33	\$ 140.00	\$ 327
Specials									
Arsenic only	2.00	\$ 15.00	\$ 30		\$ 15.00	\$ -	-	\$ 15.00	\$ -
Antimony only	-		\$ -	-		\$ -	-		\$ -
Fluoride only	2.00	\$ 27.00	\$ 54		\$ 27.00	\$ -	-	\$ 27.00	\$ -
VOCs	74.33	\$ 70.00	\$ 5,203	1.00	\$ 70.00	\$ 70	2.31	\$ 70.00	\$ 162
Specials	2.00	\$ 70.00	\$ 140						
SOCs	58.00	\$ 477.00	\$ 27,666	1.00	\$ 477.00	\$ 477	2.67	\$ 477.00	\$ 1,272
Specials									
504	1.00	\$ 49.00	\$ 49	-	\$ 49.00	\$ -	-		\$ -
Specials									
505	8.00	\$ 76.00	\$ 608		\$ 76.00	\$ -	-	\$ 76.00	\$ -
515	3.00	\$ 191.00	\$ 573	-	\$ 191.00	\$ -	-		\$ -
525	9.00	\$ 150.00	\$ 1,350	-	\$ 150.00	\$ -	-	\$ 150.00	\$ -
Nitrates	181.00	\$ 10.00	\$ 1,810	3.00	\$ 15.00	\$ 45	7.00	\$ 15.00	\$ 105
Specials	7.00	\$ 10.00							
Asbestos - Source	10.45	\$ 100.00	\$ 1,045	-	\$ 100.00	\$ -	-		\$ -
Asbestos - Distribution	0.55	\$ 100.00	\$ 55	0.11	\$ 100.00	\$ 11	-		\$ -
Radiologicals - Full		\$ 220.00	\$ -	-	\$ 220.00	\$ -	-		\$ -
4000 - Gross Alpha & 4006 Combined Uranium	36.61	\$ 52.00	\$ 1,904	0.44	\$ 52.00	\$ 23	0.83	\$ 52.00	\$ 43
Specials	8.00	\$ 52.00	\$ 416						
4010 - Combined Radium	44.50	\$ 200.00	\$ 8,900	0.67	\$ 200.00	\$ 133	0.89	\$ 200.00	\$ 178
Specials	13.00	\$ 200.00	\$ 2,600						
			\$ 83,233			\$ 2,293			\$ 3,274

<u>Test</u>	<u>Brookwood Region</u>			<u>Fairways Region</u>		
	<u>Annual Samples</u>	<u>Annual Samples</u>	<u>Annual Expense</u>	<u>Annual Samples</u>	<u>Annual Samples</u>	<u>Annual Expense</u>
Coliform Bacteria	504.00	\$ 14.00	\$ 7,056	132.00	\$ 14.00	\$ 1,848
Specials		\$ 14.50	\$ -	-	\$ 14.00	\$ -
Trihalomethanes/HAA5	20.33	\$ 117.00	\$ 2,379	12.00	\$ 117.00	\$ 1,404
Specials	-	\$ 117.00	\$ -		\$ 117.00	\$ -
Lead/Copper	43.33	\$ 17.00	\$ 737	8.33	\$ 17.00	\$ 142
Specials						
Inorganics	19.70	\$ 140.00	\$ 2,758	3.67	\$ 148.00	\$ 543
Specials						
Arsenic only		\$ 16.00	\$ -	-	\$ 16.00	\$ -
Anitmony only	-	\$ 16.00	\$ -	-	\$ 16.00	\$ -
Fluoride only		\$ 27.00	\$ -	-	\$ 27.00	\$ -
VOCs	31.00	\$ 70.00	\$ 2,170	7.30	\$ 70.00	\$ 511
Specials						
SOCs	35.66	\$ 477.00	\$ 17,010	10.00	\$ 502.00	\$ 5,020
Specials						
504	-	\$ 51.00	\$ -	-	\$ 51.00	\$ -
Specials						
505	10.00	\$ 76.00	\$ 760	-	\$ 80.00	\$ -
515	-	\$ 191.00	\$ -	1.00	\$ 191.00	\$ 191
525	-	\$ 286.00	\$ -	-	\$ 286.00	\$ -
Nitrates	90.00	\$ 15.00	\$ 1,350	11.00	\$ 18.00	\$ 198
Specials						
Asbestos - Source	-	\$ 100.00	\$ -	-	\$ 100.00	\$ -
Asbestos - Distribution	1.00	\$ 100.00	\$ 100	-	\$ 100.00	\$ -
Radiologicals - Full	-	\$ 220.00	\$ -	-	\$ 220.00	\$ -
4000 - Gross Alpha & 4006 Combined Uranium	12.22	\$ 75.00	\$ 917	1.22	\$ 75.00	\$ 92
Specials	1.00					
4010 - Combined Radium	42.00	\$ 170.00	\$ 7,140	1.28	\$ 170.00	\$ 217
Specials	5.00					
WTP Backwash Annual Expense			\$ 42,376			\$ 10,165

Aqua North Carolina, Inc.  
 Docket No. W-218, Sub 497  
 Wastewater Lab Testing Expenses

Public Staff  
 Darden Exhibit 2  
 Page 1 of 3

I/A  
 vol. 9

Region:	Central Area - ANC		
Name of Facility	Lab Testing \$/Month	Sludge Analysis	Lab Testing \$/Year
Avocet	\$302.37	\$339.00	\$3,628.40
Barclay Downs	\$308.20	\$339.00	\$3,698.40
Beachwood	\$409.70	\$339.00	\$4,916.40
Briarwood Farms	\$350.70	\$339.00	\$4,208.40
Carolina Meadows	\$567.07	\$339.00	\$6,804.80
Chapel Ridge	\$740.77	\$339.00	\$8,889.20
Cole Park Plaza	\$652.90	\$339.00	\$7,834.80
Colvard Farms	\$147.18	\$339.00	\$1,766.10
Crooked Creek	\$381.70	\$339.00	\$4,580.40
Cross Creek MHP	\$520.00	\$339.00	\$6,240.00
Governors Club	\$340.68	\$339.00	\$4,088.16
Hassentree	\$347.67	\$339.00	\$4,172.02
Hawthorne	\$417.03	\$339.00	\$5,004.40
Lake Ridge Aero	\$342.70	\$339.00	\$4,112.40
Mallard Crossing	\$559.11	\$339.00	\$6,709.32
Neuse Colony	\$1,087.47	\$339.00	\$13,049.60
Neuse River Village	\$342.70	\$339.00	\$4,112.40
Tradewinds	\$383.37	\$339.00	\$4,600.40
The Legacy <sup>1</sup>	\$117.17	\$339.00	\$1,406.00
Preserve at Jordan	\$102.75	\$339.00	\$1,233.00
Westfall <sup>1</sup>	\$233.04	\$339.00	\$2,796.50
Wildwood Green	\$265.87	\$339.00	\$3,190.40
<b>Totals</b>	<b>\$8,920.13</b>	<b>\$7,458.00</b>	<b>\$114,499.50</b>

1. Legacy and Westfall added post-test year, flows have been added to the test year costs

Region:	Coastal - ANC	
Name of Facility	Lab Testing \$/Month	Lab Testing \$/Year
Avendale	\$359.77	\$4,317.24
Castlebay	\$410.60	\$4,927.19
Cannonsgate	\$857.15	\$10,285.79
Emerald Plantation	\$731.55	\$8,778.56
Grand Villas	\$179.08	\$2,149.00
Sterling Farms	\$477.66	\$5,731.87
% Solids Sludge Testing <sup>2</sup>		\$240.00
<b>Totals</b>	<b>\$3,015.81</b>	<b>\$36,429.66</b>

<b>Region:</b>	<b>Denver - ANC</b>		
<b>Name of Facility</b>	<b>Lab Testing \$/Month</b>	<b>Sludge Analysis</b>	<b>Lab Testing \$/Year</b>
Alexander Island	\$189.61	\$339.00	\$2,275.26
Bridgeport	\$203.41	\$339.00	\$2,440.86
Brights Creek	\$180.00	\$339.00	\$2,160.00
Country Valley	\$169.19	\$339.00	\$2,030.22
Country Woods East	\$707.93	\$339.00	\$8,495.20
Diamond Head	\$408.55	\$339.00	\$4,902.58
Harbor Estates	\$350.52	\$339.00	\$4,206.18
Killians	\$285.41	\$339.00	\$3,424.86
Mallard Head	\$182.81	\$339.00	\$2,193.66
Pine Valley	\$181.60	\$339.00	\$2,179.20
River Park (Hwy 150)	\$355.43	\$339.00	\$4,265.20
Spinnaker Bay	\$159.19	\$339.00	\$1,910.22
Willowbrook	\$169.15	\$339.00	\$2,029.82
Windemere	\$181.60	\$339.00	\$2,179.20
Pickup Fee (monthly)	\$260.00		\$3,120.00
<b>Totals</b>	<b>\$3,984.37</b>	<b>\$4,746.00</b>	<b>\$52,558.46</b>

<b>Region:</b>	<b>Kernersville - ANC</b>		
<b>Name of Facility</b>	<b>Lab Testing \$/Month</b>	<b>Sludge Analysis</b>	<b>Lab Testing \$/Year</b>
Briarwood	\$240.44	\$339.00	\$2,885.22
Forest Ridge	\$193.11	\$339.00	\$2,317.26
Frye Bridge	\$193.11	\$339.00	\$2,317.26
Greystone	\$234.77	\$339.00	\$2,817.26
Melbille Heights	\$193.11	\$339.00	\$2,317.26
Mikkola Hts	\$193.11	\$339.00	\$2,317.26
Olde Beau	\$374.46	\$339.00	\$4,493.46
Penman Heights	\$159.19	\$339.00	\$1,910.22
Salem Glen	\$169.19	\$339.00	\$2,030.22
Salem Quarters	\$193.11	\$339.00	\$2,317.26
Spring Creek	\$193.11	\$339.00	\$2,317.26
Willow Creek	\$193.11	\$339.00	\$2,317.26
Wellesley Place	\$192.81	\$339.00	\$2,313.66
Pickup fee (monthly)	\$325.00		\$3,900.00
<b>Totals</b>	<b>\$3,047.57</b>	<b>\$4,407.00</b>	<b>\$40,977.86</b>

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 Wastewater Lab Testing Expenses

Region:	<u>Fayetteville - ANC</u>	
	Lab Testing	Lab Testing
<u>Name of Facility</u>	<u>\$/Month</u>	<u>\$/Year</u>
Woodlake	\$487.14	\$5,845.70
Sludge Analysis		\$1,000.00
<b>Totals</b>	<b>\$487.14</b>	<b>\$6,845.70</b>

Region:	<u>Fairways</u>	
	Lab Testing	Lab Testing
<u>Name of Facility</u>	<u>\$/Month</u>	<u>\$/Year</u>
Beau Rivage	\$591.75	\$7,101.00
Dolphin Bay	Retired	Retired
The Cape	\$557.25	\$6,687.00
% Solids Sludge Testing <sup>2</sup>		\$240.00
<b>Totals</b>	<b>\$1,149.00</b>	<b>\$14,028.00</b>

2. % Solids Sludge Testing split between Coastal - ANC & Fairways

<u>Grand Total:</u>	<u>Annual Amount</u>
ANC Sewer	\$251,311
Fairways Sewer	\$14,028



Line	System	Invoice Mth Jan-18		Invoice Mth Feb-18		Invoice Mth Mar-18		Invoice Mth Apr-18		Invoice Mth May-18		Invoice Mth Jun-18		TOTAL PER SYS
		Fe \$	Mn \$	Fe \$	Mn \$	Fe \$	Mn \$	Fe \$	Mn \$	Fe \$	Mn \$	Fe \$	Mn \$	
39	High Meadows	\$ 120	\$ 120	\$ 60	\$ 60	\$ 60	\$ 60			\$ 60	\$ 60	\$ 54	\$ 54	
40		\$ 160	\$ 160	\$ 80	\$ 80	\$ 80	\$ 80			\$ 80	\$ 80	\$ 60	\$ 60	
41												\$ 72	\$ 72	
42												\$ 80	\$ 80	\$ 1,932
43	Jones Dairy Farm									\$ 45	\$ 45	\$ 41	\$ 41	
44										\$ 60	\$ 60	\$ 54	\$ 54	\$ 399
45	Kendall Hill Master									\$ 45	\$ 45	\$ 41	\$ 41	
46										\$ 60	\$ 60	\$ 54	\$ 54	\$ 399
47	Kennebec Farms					\$ 15	\$ 15			\$ 27	\$ 27	\$ 27	\$ 27	
48						\$ 20	\$ 20			\$ 36	\$ 36	\$ 36	\$ 36	\$ 322
49	Lake Springs									\$ 54	\$ 54	\$ 54	\$ 54	
50										\$ 72	\$ 72	\$ 72	\$ 72	\$ 504
51	Middle Creek Acres	\$ 90	\$ 90			\$ 45	\$ 45	\$ 90	\$ 90	\$ 45	\$ 45	\$ 41	\$ 41	
52		\$ 120	\$ 120			\$ 60	\$ 60	\$ 120	\$ 120	\$ 60	\$ 60	\$ 54	\$ 54	\$ 1,449
53	Myatt Mill Farm/Bloomfield									\$ 45	\$ 45	\$ 41	\$ 41	
54										\$ 60	\$ 60	\$ 54	\$ 54	\$ 399
55	Northgate	\$ 90	\$ 90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 41	\$ 41	
56		\$ 120	\$ 120	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 54	\$ 54	\$ 1,449
57	Northwood	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 90	\$ 90	\$ 45	\$ 45			
58		\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 120	\$ 120	\$ 60	\$ 60			\$ 1,260
59	Olde South Trace	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 41	\$ 41	
60		\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 54	\$ 54	\$ 1,239
61	Ridgebrook Bluffs/Westbury	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 41	\$ 41	
62		\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 54	\$ 54	\$ 1,239
63	River Oaks			\$ 90	\$ 90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 41	\$ 41	
64				\$ 120	\$ 120	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 54	\$ 54	\$ 1,239
65	Robinswood											\$ 41	\$ 41	
66												\$ 54	\$ 54	\$ 189
67	Saddleridge/Sheldon/Roseington	\$ 90	\$ 90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 41	\$ 41	
68		\$ 120	\$ 120	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 54	\$ 54	\$ 1,449
69	Saddlerun/Stanstead/Sunset							\$ 90	\$ 90	\$ 45	\$ 45	\$ 41	\$ 41	
70								\$ 120	\$ 120	\$ 60	\$ 60	\$ 54	\$ 54	\$ 819
71	Sawyers Mill									\$ 45	\$ 45	\$ 41	\$ 41	
72										\$ 60	\$ 60	\$ 54	\$ 54	\$ 399
73	Southwood/Cary Oaks/Surry Pt	\$ 135	\$ 135	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90	\$ 60	\$ 60	\$ 54	\$ 54	
74		\$ 180	\$ 180	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 80	\$ 80	\$ 72	\$ 72	\$ 2,422

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 2018 Fe/Mn Testing by System for Aqua NC Central Region

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Line	System	Invoice Mth		Invoice Mth		Invoice Mth		Invoice Mth		Invoice Mth		TOTAL PER SYS
		Jan-18	Mn \$	Feb-18	Mn \$	Mar-18	Mn \$	Apr-18	Mn \$	May-18	Mn \$	
75	Swift Creek/Hallmark/Holyok	Fe \$		Fe \$		Fe \$		Fe \$		Fe \$		
76												
77	Trappers Creek	\$ 45	\$ 45	\$ 90	\$ 90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 399
78		\$ 60	\$ 60	\$ 120	\$ 120	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 1,260
79	Tyndrum	\$ 45	\$ 45	\$ 45	\$ 45	\$ 60	\$ 60	\$ 45	\$ 45	\$ 45	\$ 45	\$ 1,029
80		\$ 60	\$ 60	\$ 60	\$ 60	\$ 80	\$ 80	\$ 60	\$ 60	\$ 60	\$ 60	\$ 1,708
81												
82												
83	Unchurch Farms	\$ 60	\$ 60	\$ 60	\$ 60	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 1,652
84		\$ 80	\$ 80	\$ 80	\$ 80	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 399
85	Vintage Acres											
86												
87	Wakefield	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 1,029
88		\$ 60	\$ 60	\$ 90	\$ 90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 1,260
89	Willow Hill	\$ 45	\$ 45	\$ 90	\$ 90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 1,029
90		\$ 60	\$ 60	\$ 120	\$ 120	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 1,260
91		\$ 4,130	\$ 4,130	\$ 5,250	\$ 5,250	\$ 5,230	\$ 5,215	\$ 4,655	\$ 4,655	\$ 5,985	\$ 5,985	\$ 4,949
92	Fe/Mn Total		\$ 8,260		\$ 10,500		\$ 10,445		\$ 9,310		\$ 11,970	\$ 4,972
93	Apr/May Reduced by 10%[1]								\$ 8,379		\$ 10,773	\$ 9,921
94												
95												
96												

**\$58,278** 6-mth total (based on actual pricing)  
**\$19,426** Averaged over 3 years for recovery

[1] Unit price 10% decrease beginning in April 2018. June 2018 reflects updated price



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Duke Energy Rate Case Adjustments

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DEP Adjustment  
SGS

Duke Energy Progress Account Totals

Row Labels	Sum of 10.16	Sum of 11.16	Sum of 12.16	Sum of 01.17	Sum of 02.17	Sum of 03.17	Sum of 04.17	Sum of 05.17	Sum of 06.17	Sum of 07.17	Sum of 08.17	Sum of 09.17	Totals	5.10%
<b>AQUA NC Sewer</b>	<b>30874.52</b>	<b>31190.32</b>	<b>31251.51</b>	<b>33047.44</b>	<b>29474.69</b>	<b>29545.1</b>	<b>29241.16</b>	<b>29414.54</b>	<b>30352.07</b>	<b>31533.85</b>	<b>38822.38</b>	<b>30772.4</b>	<b>\$375,520</b>	<b>\$19,152</b>
Progress 901133i	8774.04	9097.31	8760.65	8541.86	7783.09	7911.85	7809.88	7973.32	8682.18	9240.41	7936.52	8177.6		
Progress 926926i	490.28	370.68	306.15	447.26	378.84	334.28	419.05	421.32	414.12	503.23	436.06	399.79		
Progress 954078i	3064.87	3507.58	3618.53	3469.18	3410.46	3106.94	3267.46	3721.3	3628.18	3556.64	3633.85	3630.58		
Progress 960774i	1599.4	1666.75	1601.62	1777.88	1485.28	1469.51	1686.94	1500.68	1551.28	1658.58	1512.79	1670.96		
Progress 965814i	9287.62	9318.61	9452.48	10519.83	9335.91	9311.81	8866.88	9578.12	9552.44	9333.48	18527.32	10012.7		
Progress 988872i	7658.31	7192.5	7476.38	7707.68	6692.54	6897.37	6736.78	5773.97	5690.92	6559.68	6094.33	6192.24		
Progress Individual		36.89	35.7	583.75	388.57	513.34	454.17	445.83	832.95	681.83	681.51	688.53		
<b>AQUA NC Water</b>	<b>87970.56</b>	<b>85039.11</b>	<b>86520.99</b>	<b>86677.31</b>	<b>75714.83</b>	<b>75401.75</b>	<b>74340.87</b>	<b>74358.31</b>	<b>78762.43</b>	<b>93020.13</b>	<b>118048.62</b>	<b>51116.5</b>	<b>\$986,971</b>	<b>\$50,336</b>
Progress 901133i	5951.25	6020.47	6612.69	6102.75	5158.51	5202.17	4998.19	5578.23	5828.28	7618.07	6294.62	7146.17		
Progress 926926i	6356.54	5679.01	6111.86	6849.76	6435.72	5804.98	5946.18	5510.72	5368.41	5845.77	6064.3	6167.75		
Progress 954078i	20581.38	17230.02	18058.46	15735.85	14550.95	13564.36	13507.51	13292.82	13293.49	16215.46	17641.03	16068.38		
Progress 960774i	4845.99	3865.33	4387.26	3826.85	3845.12	3452.49	3919.16	4411.18	5189.79	5727.49	5711.15	6329.86		
Progress 965814i	28376.41	31418.03	28385.33	28744.31	24068.88	26280.94	24225.36	25002.57	26644.11	34376.2	57509.63	-8942.87		
Progress 988872i	21725.06	20640.26	22758.1	25251.81	21495.54	20937.12	21536.84	20307.63	22212.87	23015.27	24234.31	24087.2		
Progress Individual	133.95	185.99	207.29	165.98	160.11	159.69	207.63	257.16	225.48	221.87	593.58	260.01		
<b>Brookwood Water</b>	<b>433.5</b>	<b>421.24</b>	<b>419.81</b>	<b>557.75</b>	<b>551.07</b>	<b>432.65</b>	<b>356.67</b>	<b>424.4</b>	<b>454.78</b>	<b>480.94</b>	<b>475</b>	<b>466.1</b>	<b>\$5,474</b>	<b>\$279</b>
Progress 954078i	27.23	27.12	27.92	31.8	32.96	32.52	31.88	31.77	31.23	31.45	31.66	31.55		
Progress 960774i	284.72	267.55	264.98	289.5	301.87	201.97	207.97	267.76	282.92	301.51	295.9	294.72		
Progress 988872i	121.55	126.57	126.91	236.45	216.24	198.16	116.82	124.87	140.63	147.98	147.44	139.83		
<b>FAIRWAYS Sewer</b>	<b>7737.57</b>	<b>7559.26</b>	<b>7709.13</b>	<b>8193.25</b>	<b>7770.59</b>	<b>7422.4</b>	<b>7422.93</b>	<b>7356.29</b>	<b>6139.44</b>	<b>7073.78</b>	<b>7456.2</b>	<b>7202.87</b>	<b>\$89,044</b>	<b>\$4,541</b>
Progress 901133i	57.64	57.76	63.46	65.28	63.88	60.28	59.86	61.02	63.04	62.94	57.84	73.54		
Progress 926926i	70.06	68.01	72.92	89.25	85.73	74.29	75.87	70.58	67.71	80.43	74.6	81.81		
Progress 960774i	7571.83	7396.48	7535.65	7997.31	7579.49	7246	7242.72	7191.59	5984.86	6899.39	7292.31	7016.5		
Progress Individual	38.04	37.01	37.1	41.41	41.49	41.83	44.48	33.1	23.83	31.02	31.45	31.02		
<b>FAIRWAYS Water</b>	<b>5494.91</b>	<b>4827.63</b>	<b>4342.16</b>	<b>3662.18</b>	<b>3356.57</b>	<b>3251.01</b>	<b>4033.96</b>	<b>5903.99</b>	<b>5960.28</b>	<b>6218.24</b>	<b>5908.2</b>	<b>5482.74</b>	<b>\$58,442</b>	<b>\$2,981</b>
Progress 926926i	516.88	398.72	280.59	247.13	260.88	240.39	362.78	627.97	559.97	539.58	553.18	566.78		
Progress 960774i	4978.03	4428.91	4061.57	3415.05	3095.69	3010.62	3671.18	5276.02	5400.31	5678.66	5355.02	4915.96		
<b>Grand Total</b>	<b>132511.06</b>	<b>129037.56</b>	<b>130243.6</b>	<b>132137.93</b>	<b>116867.75</b>	<b>116052.91</b>	<b>115395.59</b>	<b>117457.53</b>	<b>121669</b>	<b>138326.94</b>	<b>170710.4</b>	<b>95040.61</b>	<b>\$1,515,451</b>	<b>\$77,288</b>

DEC Adjustments  
SGS

Duke Energy Carolinas Account Totals

Row Labels	Sum of 10.16	Sum of 11.16	Sum of 12.16	Sum of 01.17	Sum of 02.17	Sum of 03.17	Sum of 04.17	Sum of 05.17	Sum of 06.17	Sum of 07.17	Sum of 08.17	Sum of 09.17	Totals	-3.20%
<b>AQUA NC Sewer</b>	<b>22798.98</b>	<b>25220.19</b>	<b>19912.74</b>	<b>14289.51</b>	<b>21166.21</b>	<b>18699.68</b>	<b>20219.75</b>	<b>20310.44</b>	<b>19483.77</b>	<b>22866.88</b>	<b>18796.21</b>	<b>25838.45</b>	<b>\$249,603</b>	<b>-\$7,987.29</b>
Duke DUKE														
Duke Draft	22798.98	25220.19	19912.74	14289.51	21166.21	18699.68	20219.75	20310.44	19483.77	22866.88	18796.21	25838.45		
<b>AQUA NC Water</b>	<b>64020.59</b>	<b>84116.89</b>	<b>65436.26</b>	<b>39290.16</b>	<b>75477.55</b>	<b>65185.97</b>	<b>64895.22</b>	<b>60407.49</b>	<b>54337.34</b>	<b>56401.47</b>	<b>59910.94</b>	<b>60001.82</b>	<b>\$749,282</b>	<b>-\$23,977.01</b>
Duke	131.06	159.21	187.41	274.56	240.33	224.83	235.14	180.03	160.8	155.71	150.62	186.82		
Duke DUKE														
Duke Draft	63889.53	83957.68	65248.85	39015.6	75237.22	64961.14	64460.08	60227.46	54176.54	56245.76	59760.32	59815		
<b>Grand Total</b>	<b>86819.57</b>	<b>109337.08</b>	<b>85349</b>	<b>53579.67</b>	<b>96643.76</b>	<b>83885.65</b>	<b>84914.97</b>	<b>80717.93</b>	<b>73821.11</b>	<b>79268.35</b>	<b>78707.15</b>	<b>85840.27</b>	<b>\$998,885</b>	<b>-\$31,964.30</b>

Aqua North Carolina, Inc.  
Docket No. W-218, Sub 497  
Duke Energy Rate Case Adjustments

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Darden Exhibit 4  
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**Adjustment Summary**

	Per Books <sup>1</sup>	Prof-Accruals <sup>1</sup>	Duke Adj	Grand Total
ANC Sewer	\$1,028,177	\$4,578	\$11,164	\$1,043,919
ANC Water	\$2,119,515	\$18,336	\$26,359	\$2,164,209
Brookwood Water	\$228,928	-\$14,211	\$279	\$214,996
Fairways Sewer	\$90,493	-\$6,944	\$4,541	\$88,090
Fairways Water	\$61,655	-\$5,183	\$2,981	\$59,453
	\$3,528,769	-\$3,425	\$45,324	\$3,570,668

1. No adjustments from application

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**Aqua North Carolina, Inc.**  
**Docket No. W-218, Sub 497**  
**Sludge Expense**

**Public Staff**  
**Darden Exhibit 5**  
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<u>July 2016 - Dec 2016</u>	Total Cost	Qty Hauled (gal)
CARY	\$ 120,989	1,423,400
WILM	\$ 15,593	148,500
FAY	\$ 8,866	104,300
DEN	\$ 48,695	450,880
KV	\$ 24,620	276,600
<b>TOTAL (ANC Only)</b>	<b>\$ 218,762</b>	<b>2,403,680</b>

<u>Jan 2017 - Dec 2017</u>	Total Cost	Qty Hauled (gal)
CARY	\$ 291,397	3,428,200
WILM	\$ 31,973	304,500
FAY	\$ 6,273	73,800
DEN	\$ 53,584	496,150
KV	\$ 38,200	382,000
<b>TOTAL (ANC Only)</b>	<b>\$ 421,427</b>	<b>4,684,650</b>

<u>2018 Jan - Jun Sludge Total</u>	Total Cost	Qty Hauled
CARY	\$ 213,113	2,504,855
WILM	\$ 16,013	152,500
FAY		
DEN	\$ 33,744	308,650
KV	\$ 18,800	188,000
<b>TOTAL (ANC Only)</b>	<b>\$ 281,669</b>	<b>3,154,005</b>

<u>Fairways</u>	Total Cost	Qty Hauled (gal)
July - Dec 2016	\$ 40,640	317,005
Jan - Dec 2017	\$ 89,068	812,500
Jan - Jun 2018	\$ 48,710	452,000

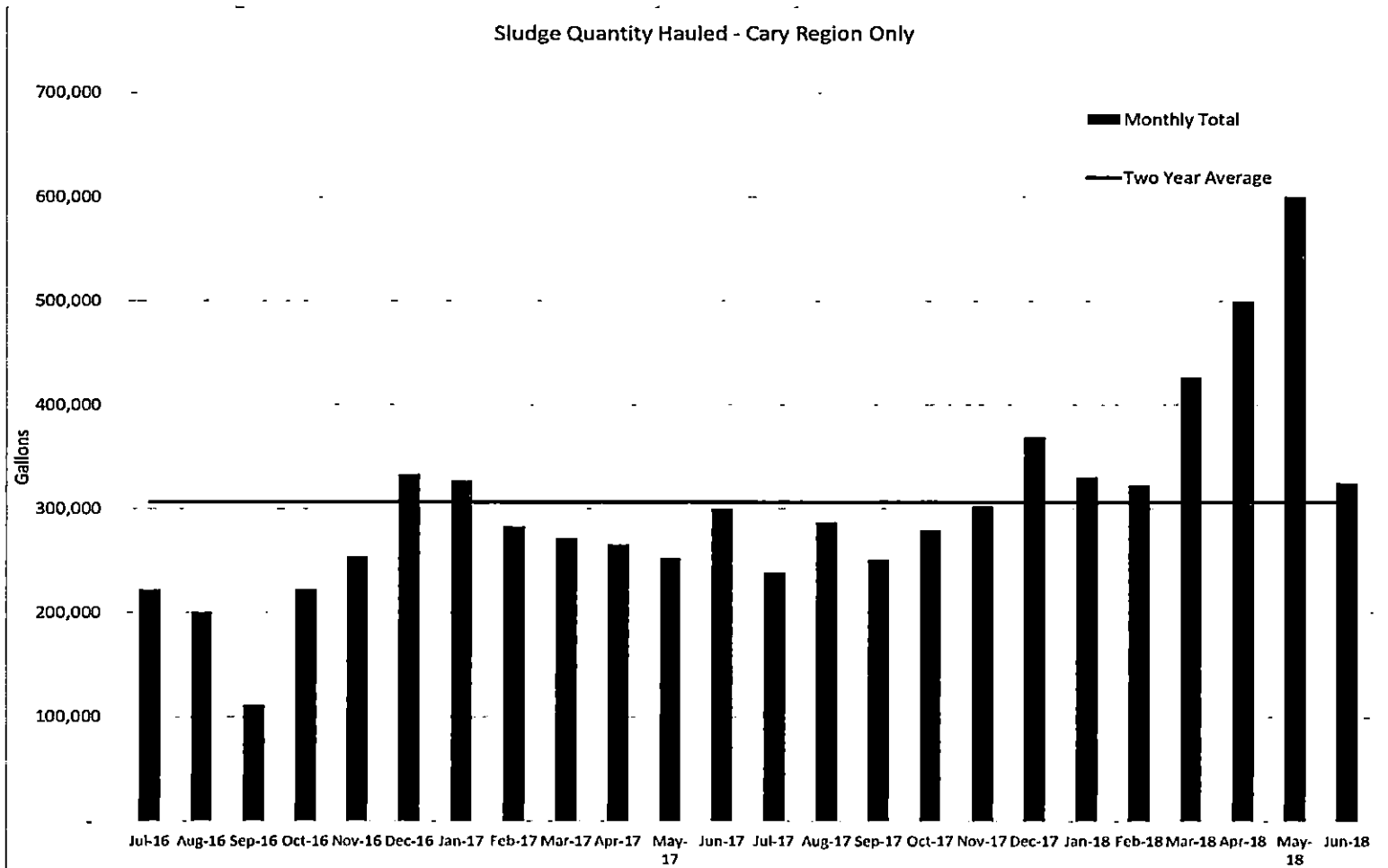
**Additional WWTP Estimated Annual Amounts:**

<u>The Legacy</u>		
2018 Quarter 2	\$ 1,947	22,900
<u>Westfall</u>		
2018 Quarter 1	\$ 1,135	13,350
2018 Quarter 2	\$ 2,270	26,700
Annualized:		
The Legacy	\$ 7,786	91,600
Westfall	\$ 6,809	80,100
Adjustment to Total:		
The Legacy	\$ 5,840	68,700
Westfall	\$ 3,404	53,400
<b>Total:</b>	<b>\$ 9,244</b>	<b>122,100</b>

(to add to CARY)

**TWO YEAR AVERAGE**

<u>July 2016 - June 2018</u>	Total Cost	Qty Hauled (gal)
CARY	\$ 312,749	3,678,228
WILM	\$ 31,789	302,750
FAY	\$ 7,569	89,050
DEN	\$ 68,011	627,840
KV	\$ 40,810	423,300
<b>TOTAL (ANC Only)</b>	<b>\$ 460,929</b>	<b>5,121,168</b>
Annualized New WWTPs	\$ 9,244	122,100
FAIRWAYS	\$ 89,209	790,753
<b>TOTAL:</b>	<b>\$ 559,382</b>	<b>6,034,020</b>



Henry Additional Direct Partial  
Settlement Agreement 1  
I/A

DOCKET NO. W-218, SUB 497

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, for )	PARTIAL SETTLEMENT
Authority to Adjust and Increase Rates for Water and )	AGREEMENT AND
Sewer Utility Service in All Service Areas in North )	STIPULATION
Carolina )	

OFFICIAL COPY

Sep 17 2018

Aqua North Carolina, Inc. (Aqua or the Company), and the Public Staff – North Carolina Utilities Commission (Public Staff) (collectively the Stipulating Parties), through counsel and pursuant to N.C. Gen. Stat. § 62-92 and Rule R1-24(c) of the Rules and Regulations of the North Carolina Utilities Commission (Commission), respectfully submit the following Partial Settlement Agreement and Stipulation (Stipulation) for consideration by the Commission in this proceeding. The Stipulating Parties hereby stipulate and agree as follows:

**I. BACKGROUND**

A. On February 5, 2018, Aqua gave notice of its intent to file a general rate case.

B. On March 7, 2018, Aqua filed an application in this proceeding seeking authority to increase its rates for water and sewer utility service in all of its service areas in North Carolina. Included with this filing was certain information and data required by NCUC Form W-1 (Form W-1).

C. On April 5, 2018, the Commission issued its Order Establishing General Rate Case, Suspending Rates, Scheduling Hearings, and Requiring Customer Notice. On April 6, 2018, the Commission issued an Errata Order regarding revisions to Appendix C of its April 5 order.

D. On June 8, 2018, Aqua filed the testimony and exhibits of Company witness John J. Spanos.

E. On July 27, 2018, Aqua filed the testimony and exhibits of Company witnesses Shannon V. Becker, Dean R. Gearhart, Robert A. Kopas, Dr. Christopher S. Crockett, and Dylan W. D'Ascendis.

F. On August 6, 2018, Aqua filed revised testimony of Company witness Kopas.

G. On August 21, 2018, the Public Staff filed the testimony and exhibits of Public Staff witnesses Windley E. Henry, Manasa L. Cooper, Charles Junis, Lindsay Darden, and John R. Hinton.

H. Subsequent to the filing of the Company's application in this docket, the Public Staff engaged in substantial discovery of Aqua regarding the matters addressed by the Company's application and further examined the relevant books and records of Aqua with respect to the Company's application. The Public Staff's discovery efforts spanned a period of months, entailed over 150 sets of multi-question data requests directed to the Company, and numerous informal follow-up questions, and involved on-site audit activities at the Company's North Carolina headquarters in Cary, North Carolina. The Public Staff also conducted field inspections of the water systems at Beau Rivage, Stoney Creek, and Shadow Lakes, and the sewer systems at Beau Rivage, The Cape, Dolphin Bay, Carolina Meadows, Governors Club, and Neuse Colony; followed up on written customer protests and concerns raised at the public hearings; and reviewed North Carolina Department of Environmental Quality (DEQ) records.

I. Following completion of the Public Staff's investigation of the Company's application and accompanying documents, review of the results of its examination of the Company's books and records, review of the Company's responses to the Public Staff's Data Requests, and after the Public Staff filed its direct testimony on August 21, 2018, the Stipulating Parties met and participated in meetings and conference calls to discuss possible settlement.

J. After settlement negotiations, in which concessions from their litigation positions were made by both parties, the Stipulating Parties were ultimately able to arrive at a partial settlement, the terms of which are reflected in the following sections of this Stipulation and the schedules and exhibits attached hereto. The Stipulating Parties agree and stipulate as follows:

## II. UNRESOLVED ISSUES BETWEEN THE STIPULATING PARTIES

The Stipulating Parties have not reached a compromise on the following issues (Unresolved Issues):

- a. Return on Equity
- b. Removal of 50% of four operator's salaries and related benefits
- c. Reduction of executive compensation and benefits by 50%
- d. Reduction of board of director fees by 50%
- e. Annualization and consumption adjustments
- f. Post-test year plant additions
- g. Removal of 30% of bonuses paid to Aqua North Carolina supervisory employees
- h. Adjustment for Neuse Colony sewer expansion

- i. Adjustment to costs related to AMR meters and the two meter installation projects
- j. Adjustment to excess capacity
- k. Adjustment to sludge removal
- l. Adjustment to testing
- m. Adjustment for water losses from purchased water systems
- n. Water quality issues, including reporting and customer complaints
- o. Consumption Adjustment Mechanism

### **III. REVENUE REQUIREMENT ISSUES RESOLVED BETWEEN THE STIPULATING PARTIES**

The Stipulating Parties have reached an agreement regarding the following revenue requirement issues. The actual amount of the agreed-upon adjustments may differ due to the effects of the Unresolved Issues and updated information to be provided by the Company. The revenue requirement effects of the agreed-upon issues are shown on Settlement Exhibit 1 and attached to her respective testimony supporting this Stipulation.<sup>1</sup> The revenue requirement effects of this Stipulation provide sufficient support for the annual revenue required on the issues agreed to in this Stipulation. No Stipulating Party waives any right to assert a position in any future proceeding or docket before the Commission or in any court, as the adjustments agreed to in this Stipulation are strictly for purposes of compromise and are intended to show a rational basis for reaching the agreed-upon revenue

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<sup>1</sup> The total increase in base rate revenues and the resulting average increase, if any, will not be determined until the Commission rules on the Unresolved Issues.



requirement adjustments without either party conceding any specific adjustment. The Stipulating Parties agree that settlement on these issues will not be used as a rationale for future arguments on contested issues brought before the Commission. The areas of agreement are as follows:

A. The test period for this rate case is the twelve months ending September 30, 2017, adjusted for certain changes in plant, revenues, and costs that were not known at the time the case was filed but are based upon circumstances occurring or becoming known through June 30, 2018.

B. The capital structure appropriate for use in this proceeding is a capital structure consisting of 50.00% common equity and 50.00% long-term debt at a cost of 4.63%.

C. The Company accepts the Public Staff's proposed adjustment to update salaries and wages through June 30, 2018.

D. The Stipulating Parties agree to an adjustment in the amount of (\$174,680) to remove five open positions as set forth in the supplemental testimony of Public Staff witness Henry.

E. The Stipulating Parties agree to an adjustment of (\$150,196) to remove benefits related to the five open positions discussed in Subparagraph D above.

F. The Company accepts the Public Staff's proposed adjustment to overtime pay as set forth in the supplemental testimony of Public Staff witness Henry.

G. The Public Staff agrees to withdraw its proposed adjustment related to Neuse Colony rate base as reflected on Line 7 of Settlement Exhibit 1.

H. The Company accepts the Public Staff's proposed adjustment to update pensions and benefits through June 30, 2018.

I. The Company accepts the Public Staff's proposed adjustment to remove allocated costs from corporate services, corporate sundries, and Aqua Customer Operations.

J. The Company accepts the Public Staff's proposed adjustment to remove duplicative Health Advocate costs.

K. The Company accepts the Public Staff's proposed adjustment to update insurance expenses as set forth in the supplemental testimony of Public Staff witness Cooper.

L. The Stipulating Parties agree to an adjustment of \$14,009 to allow partial recovery of the Company's costs associated with its communication initiative.

M. The Company accepts the Public Staff's proposed adjustment to updated service revenues from customer growth as set forth in the supplemental testimony of Public Staff witness Junis.

N. The Company accepts the Public Staff's proposed adjustment to reclassify miscellaneous service revenues from service revenues.

O. The Company accepts the Public Staff's proposed adjustment to advances for construction.

P. The Company accepts the Public Staff's proposed adjustment to plant related to future customers as set forth in the supplemental testimony of Public Staff witness Cooper.

Q. The Company accepts the Public Staff's proposed adjustment to remove pretest year legal invoices.

R. The Company accepts the Public Staff's proposed adjustment to re-allocate vehicles as set forth in the supplemental testimony of Public Staff witness Cooper.

S. The Company accepts the Public Staff's proposed adjustment to remove legal fees related to fines and penalties.

T. The Company has agreed to the Public Staff's proposed adjustments to accumulated deferred income taxes (ADIT) regarding unamortized rate case expense, unamortized repair tax credit, post-test year plant additions, and excess deferred income taxes (EDIT). The Stipulating Parties agree to revise ADIT for any updates made to regulatory commission expenses.

U. The Company accepts the Public Staff's proposed adjustment to acquisition incentive adjustments (AIA) as set forth in the supplemental testimony of Public Staff witness Cooper.

V. The Company accepts the Public Staff's proposed adjustment to Mid South growth PAA as set forth in the supplemental testimony of Public Staff witness Cooper.

W. The Stipulating Parties agree to an adjustment of (\$15,972) for working capital.

X. The Company accepts the Public Staff's proposed adjustment to Mountain Ridge AIA as set forth in the supplemental testimony of Public Staff witness Cooper.

Y. The Company accepts the Public Staff's proposed adjustment to late payment fees as set forth in the supplementary testimony of Public Staff witness Cooper.

Z. The Company accepts the Public Staff's proposed adjustment to uncollectibles as set forth in the supplementary testimony of Public Staff witness Cooper.

AA. The Company accepts the Public Staff's proposed adjustment to transportation fuel expense as set forth in the supplementary testimony of Public Staff witness Cooper.

BB. The Company agrees to the Public Staff's proposed adjustment for purchased power expense.

CC. The Company agrees to the Public Staff's proposed adjustment for chemical expense.

DD. The Company agrees to the Public Staff's proposed adjustment for removing pretest year invoices from contract services.

EE. The Company agrees to the Public Staff's proposed adjustment to contract services related to NC 811 locates.

FF. The Stipulating Parties have agreed to a methodology for calculating regulatory commission expense, also known as rate case expense, and will update the number in Settlement Exhibit 1, Line 33 for actual and estimated costs once

supporting documentation is provided by the Company. Aqua seeks a three-year amortization period; the Public Staff supports five.

GG. The Company agrees to the Public Staff's proposed adjustment removing legal fees related to legislation.

HH. The Stipulating Parties agree to an adjustment of \$8,271 for payroll taxes as set forth in the supplementary testimony of Public Staff witness Henry.

II. The Company agrees to accept the Public Staff's proposals for addressing the Federal Tax Cuts and Jobs Act (the Tax Act). The unprotected Federal EDIT created by enactment of the Tax Act will be returned to customers through a levelized rider that will expire at the end of a three-year period. The protected EDIT will be flowed back following the tax normalization rules utilizing the average rate assumption method (ARAM) required by IRC Section 203(e).

JJ. The State EDIT that the Company recorded pursuant to the Commission's May 13, 2014 order in Docket No. M-100, Sub 138 will be returned to customers through a levelized rider that will expire at the end of a three-year period.

KK. The Stipulating Parties agree to the Company's proposal to refund to the ratepayers the overcollection of federal taxes related to the decrease in federal tax rates for the period beginning January 1, 2018, and corresponding interest, as a surcharge credit for a one-year period beginning when the new base rates become effective in the current docket.

**IV. AGREEMENT TO SUPPORT SETTLEMENT; NON-WAIVER.**

A. The Stipulating Parties will act in good faith to support the

reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket. The Stipulating Parties further agree that this Stipulation is in the public interest because it reflects a give-and-take partial settlement of contested issues.

B. The provisions of this Stipulation do not reflect any position asserted by any of the Stipulating Parties, but reflect instead the compromise and settlement between the Stipulating Parties as to all of the issues covered hereby. No Stipulating Party waives any right to assert any position in any future proceeding or docket before this or any other Commission and in any court except insofar as the Commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation. This Stipulation shall not be cited as precedent by any of the Parties with regard to any issue in any other proceeding or docket before this Commission or in any court.

C. This Stipulation is a product of negotiation among the Stipulating Parties, and no provision of this Stipulation shall be strictly construed in favor of or against any Party.

**V. Introduction of Testimony and Waiver of Cross-Examination.**

A. Except for testimony and exhibits related to the Unresolved Issues, the pre-filed testimony and exhibits of the Stipulating Parties may be received in evidence without objection, and each Party waives all right to cross examine any witness with respect to such pre-filed testimony and exhibits. If, however, questions are asked by any Commissioner, or if questions are asked or positions are taken

by any person who is not a Party, then any Party may respond to such questions by presenting testimony or exhibits and cross-examining any witness with respect to such testimony and exhibits.

B. The Stipulating Parties will cooperate in providing pre-filed testimony to explain and support this Stipulation. The Stipulating Parties agree that Aqua's application and the testimony and exhibits of the Stipulating Parties will provide sufficient support for the annual revenue requirement amounts agreed to in this Stipulation, subject to the revenue requirement effect of the Commission's decisions on the Unresolved Issues.

#### **VI. STIPULATION BINDING ONLY IF ACCEPTED IN ITS ENTIRETY**

This Stipulation is the product of negotiation and compromise of a complex set of issues, and no portion of this Stipulation is or will be binding on any of the Parties unless the entire Partial Settlement Agreement and Stipulation is accepted by the Commission. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition, or if the Commission's approval of this Stipulation is rejected or conditioned by a reviewing court, the Stipulating Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, each Party retains the right to seek additional procedures before the Commission, including cross-examination

of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.


**VII. COUNTERPARTS**

This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. Execution by facsimile signature shall be deemed to be, and shall have the same effect as, execution by original signature.

The foregoing is agreed and stipulated to this the 17<sup>th</sup> day of September, 2018.


Aqua North Carolina, Inc.

By:

  
Anne Sanford  
Attorney for Aqua

Public Staff -- North Carolina Utilities  
Commission

By:

  
Christopher J. Ayers  
Executive Director



Alata North Carolina, Inc.  
 Order No. WY218, Sep 18/17  
**CALCULATION OF GROSS REVENUE**  
**IMPACT OF PUBLIC STAFF ADJUSTMENTS**  
 For The Test Year Ended September 30, 2017

Line No.	Item	Agua Water (b)	Agua Sewer (b)	Fairways Water (c)	Fairways Sewer (c)	Brookwood Water (e)	PSS Served Portion (f)	Agua Served Portion (g)
1.	Increase / (decrease) in total revenues per Company	32,773,109	3,028,704	390,748	5,971,750	3,771,145	\$4,035,516	\$4,035,516
2.	<b>Setoff Items:</b>							
	Based on Company amounts							
3.	Adjust on Company amounts	(80,931)	(21,282)	(1,817)	(4,989)	379	444	444
4.	Update labor cost rate to 6.5%	81,206	130,467	(48,103)	(18,118)	(110,123)	(88,951)	(88,951)
5.	Remove open positions	(126,085)	(45,971)	(45)	(20)	(183,778)	(40,285)	(40,285)
6.	Adjustment to reflect actual OT pay	(18,707)	(3,112)	(132)	(33)	3,411	(174,689)	(174,689)
7.	Adjustment to rate base-Norco Colony	(179)	0	(14,022)	(3,046)	0	0	0
8.	Update pensions & benefits through 6/30/18	(100,933)	37,968	(2,871)	(2,653)	(53,380)	(26,639)	(26,639)
9.	Remove benefits related to open positions	4,163	625	222	116	(9,494)	(150,186)	(150,186)
10.	Remove Profit ACO and Corp S&S 0/18	(6,356)	(2,156)	(181)	116	1,046	8,372	8,372
11.	Remove duplicate Health Advocate	(183,180)	(36,550)	(16,917)	(8,551)	(61,533)	(9,459)	(9,459)
12.	Adjustment to insurance expense	8,810	2,202	626	398	1,973	(313,031)	(313,031)
13.	Adjustment to communication activities	(718,599)	(548,365)	(100,180)	(90,666)	2,002	14,009	14,009
14.	Adjustment to service revenues	(11,520)	(60,720)	0	0	0	(72,240)	(72,240)
15.	Update advance for construction	(8,521)	(5,768)	1,159	(416)	0	(13,488)	(13,488)
16.	Remove costs related to labor cutbacks	672	0	0	0	0	672	672
17.	Adjustment to remove pre-tax year legal invoices	(8,151)	(2,037)	(670)	(368)	0	(12,969)	(12,969)
18.	Adjustment for allocated vehicles	(440,285)	241,201	67,080	63,343	60,469	(1)	(1)
19.	Adjustment for legal fees related to fines & penalties	(8,589)	(1,590)	(452)	(287)	(1,424)	(10,113)	(10,113)
20.	Adjustment for accumulated deferred income taxes	633,255	154,004	8,089	23,599	64,382	877,728	877,728
21.	Adjustment for acquisition incentive adjustments (AUI)	0	0	0	0	0	0	0
22.	Update Mid South growth PAA to 6/30/18	0	0	0	0	0	0	0
23.	Adjustment to working capital	6,085	(3,774)	133	(1,224)	(10,451)	5,045	5,045
24.	Adjustment for Mountain Ridge AUI	(6,085)	0	0	0	0	(15,072)	(15,072)
25.	Adjustment for late payment fees	8,550	0	(259)	0	56	8,350	8,350
26.	Adjustment to uncollectibles	(675)	(609)	0	(132)	0	(1,617)	(1,617)
27.	Adjustment to transportation fuel expense	4,741	3,461	544	691	577	10,014	10,014
28.	Adjustment to chemicals	0	0	0	0	0	0	0
29.	Adjustment to chemicals	(79,693)	(5,735)	(1,415)	(3,672)	423	(90,092)	(90,092)
30.	Adjustment to chemicals	25,240	47,630	1,533	2,164	0	118,333	118,333
31.	Adjustment contract services - other-AIC 8/11 locates	0	(1,386)	0	(1,629)	0	(1,386)	(1,386)
32.	Adjustment contract services - other-AIC 8/11 locates	56,132	(8,031)	(2,569)	(5,813)	(8,048)	(57,449)	(57,449)
33.	Adjustment regulatory compliance expense	(63,143)	(20,750)	(5,813)	(3,745)	(18,609)	(132,190)	(132,190)
34.	Remove legal fees related to legislation	(27,714)	(8,927)	(1,970)	(1,251)	(8,205)	(44,087)	(44,087)
35.	Adjustment to amortized EOT	431,767	172,702	7,730	16,891	47,194	878,078	878,078
36.	Adjustment to payroll taxes	(24,686)	(44,820)	17,459	7,023	50,597	8,271	8,271
37.	-Rounding difference	(39)	45	(6)	(3)	(27)	(80)	(80)
38.	Total Setoff Items	(772,745)	(41,985)	(92,043)	(28,519)	(85,749)	(1,022,018)	(1,022,018)
39.	<b>Unsettled Items:</b>							
	Adjusted return on equity to 9.2%	(1,228,856)	(429,412)	(32,669)	(100,912)	(204,111)	(1,999,826)	(1,999,826)
40.	Remove one-half of a operator's salaries	(34,869)	(14,326)	(185)	(73)	(8,759)	(68,132)	(68,132)
41.	Adjustment to remove 30% of bonuses for gross related to shareholders	(20,423)	(8,956)	(447)	(408)	(1,457)	(29,691)	(29,691)
42.	Adjustment to allocate associate compensation	(134,619)	(33,649)	(8,569)	(6,080)	(20,135)	(214,055)	(214,055)
43.	Adjustment for Bruce Colony sewer expansion	0	(18,021)	0	0	0	(19,021)	(19,021)
44.	Remove One-half of 4 operator's benefits	(10,589)	(3,586)	(201)	(278)	(958)	(15,769)	(15,769)
45.	Adjustment to allocate directors benefits	(50,814)	(12,727)	(3,810)	(2,299)	(11,399)	(60,949)	(60,949)
46.	Adjustment to board of directors fees	(47,269)	(10,564)	(3,003)	(1,909)	(8,462)	(67,204)	(67,204)
47.	Amalgamation and consumption adjustments	(4,469)	(45,018)	10,181	12,701	10,270	121,090	121,090
48.	Adjustment for post test year plant additions	(218,742)	479,917	13,287	0	8,722	340,534	340,534
49.	Adjustment for meters and meter installations	(318,745)	0	0	0	(154,635)	(473,371)	(473,371)

**Aqua North Carolina, Inc.**  
**Docket No. W-218, Sub 497**  
**CALCULATION OF GROSS REVENUE**  
**IMPACT OF PUBLIC STAFF ADJUSTMENTS**  
**For The Test Year Ended September 30, 2017**

Settlement Exhibit 1  
Page 2 of 2

Line  
No.

Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	PS Filed Position (f)	Aqua Filed Position
50. Adjustment for excess capacity	0	(32,940)	0	0	0	(32,940)	26,777
51. Adjustment to sludge removal	0	13,033	0	10,046	0	23,081	47,375
52. Adjustment to testing	(71,311)	29,364	(5,407)	(2,070)	(19,552)	(68,976)	79,024
53. Adjustment to purchased water	(73,822)	0	0	0	0	(73,822)	0
54. Total unsettled items	<u>(2,222,537)</u>	<u>3,901</u>	<u>(31,577)</u>	<u>26,400</u>	<u>(421,271)</u>	<u>(2,645,084)</u>	<u>572,818</u>
55. Revenue impact of Public Staff adjustments (L39 + L54)	<u>(2,995,282)</u>	<u>(38,064)</u>	<u>(123,623)</u>	<u>(3,114)</u>	<u>(507,019)</u>	<u>(3,667,102)</u>	<u>(449,199)</u>
56. Increase / (decrease) per Public Staff	<u>(3222,173)</u>	<u>\$590,700</u>	<u>(\$32,875)</u>	<u>\$668,638</u>	<u>\$264,126</u>	<u>\$1,268,414</u>	<u>\$4,486,317</u>
57. Increase / (decrease) per Public Staff	<u>(222,173)</u>	<u>590,700</u>	<u>(32,875)</u>	<u>668,638</u>	<u>264,126</u>	<u>1,268,414</u>	<u>4,486,317</u>
58. Unprotected Federal EDIT rider	(2,763,922)	(1,100,470)	(49,255)	(106,288)	(300,717)	(4,320,652)	(4,320,652)
59. State EDIT rider	(306,682)	(122,107)	(5,465)	(11,794)	(33,387)	(479,415)	(479,415)
60. Total EDIT rider	<u>(3,070,604)</u>	<u>(1,222,577)</u>	<u>(54,720)</u>	<u>(118,082)</u>	<u>(334,084)</u>	<u>(4,800,067)</u>	<u>(4,800,067)</u>
61. Public Staff recommended change in revenue requirement	<u>(3,292,777)</u>	<u>(563,877)</u>	<u>(387,595)</u>	<u>\$550,554</u>	<u>(369,958)</u>	<u>(3,531,653)</u>	<u>(533,750)</u>

[1] Calculated by the Public Staff.  
[2] Sum of Column (a) thru Column (e).

IIA  
vol. 9

AQUA NORTH CAROLINA, INC.  
DOCKET NO. W-218, SUB 497  
AQUA NORTH CAROLINA, INC.  
PUBLIC STAFF ENGINEERING DATA REQUEST NO. 3

Requested by: Lindsay Quant Email: lindsay.quant@psncuc.nc.gov  
Date requested: March 27, 2018 Phone: 919-715-2666  
Due date: April 11, 2018

Subject of Data Request: Contractual Services - Testing

For responses in Excel format, please include all working formulas.

Testing - Water

Question 1

- Q. Please provide spreadsheets showing the minimum water system testing (test types and frequencies) as currently required by NCDEQ, for all water systems:
- A. Data is tracked regionally, and the following spreadsheets are attached:
- o Cary System Frequencies
  - o Denver Compliance Schedule
  - o Fayetteville Compliance Frequencies
  - o Kernersville Compliance Frequencies
  - o Wilmington Compliance Frequencies

Prepared by:  
Amanda Owens, Manager  
Environmental Compliance  
919-653-6965

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