

Adjustment# C-1
W-218 Sub 573

Depreciation Expense / Amortization of CIAC

AS ADJUSTED:

Depreciation Expense / CIAC Amortization has been adjusted to reflect the annualized expense that is expected to be realized by (a) Aqua North Carolina Water and Sewer (b) Brookwood Water and (c) Fairways Utilities Water and Sewer going forward.

The annual Depreciation Expense / CIAC amortization was calculated for all end of test year assets. In addition, all post-test year additions are added based on the projected in-service year.

For the post-test year additions, the assets are assumed to be added evenly throughout this multi-year rate (WSIP) process. To simulate that, a half-year of depreciation is calculated for the year an asset goes into service and then a full year of depreciation is calculated for the subsequent years.

The adjustments to reflect the current level of expense in this category are supported by the following schedules attached:

- Summary of Depreciation Expense (Aqua NC Water and Sewer Exhibit C-1-ANC). This schedule summarizes the Depreciation Expense/CIAC Amortization by category and ties to the Aqua Dw/Ds reports.
- Summary of Depreciation Expense (Brookwood Exhibit C-1-BW). This schedule summarizes the Depreciation Expense/CIAC Amortization by category and ties to the Brookwood Ds report.
- Summary of Depreciation Expense (Fairways Water & Sewer Exhibit C-1-FW). This schedule summarizes the Depreciation Expense/CIAC Amortization by category and ties to the Fairways Utilities Dw/Ds reports.

The adjustments detailed in the schedules above are necessary to reflect the appropriate amount of Depreciation Expense / CIAC Amortization expense the Company expects to incur during this multi-year/WSIP rate proceeding.

Aqua North Carolina
Aqua NC Water and Sewer
Docket No. W-218, Sub 573
Summary of Depreciation Expense
For the Test Year Ended December 31, 2021

Aqua NC Water and Sewer
Exhibit C-1-ANC

Line#	(a)	(b)	(c)	(d)	(e)	(f)
1	Aqua NC Water					
2	Depreciation Expense Related to:	Reference	Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
3	Utility Plant in Service	UPIS (Rate Base Ex. A-1), line 188	\$ 8,389,104.56	\$ 8,389,104.56	\$ 8,389,104.56	\$ 8,389,104.56
4	Unrecovered Reserve (ends 12/23)	UPIS (Rate Base Ex. A-1), line 189	\$ (457,630.00)	\$ (457,630.00)	\$ -	\$ -
5	Less: VA Systems	UPIS (Rate Base Ex. A-1), line 190	\$ (3,429.54)	\$ (3,429.54)	\$ (3,429.54)	\$ (3,429.54)
6	Allocation of Cary Office Assets	Common Assets (Rate Base Ex. A-1), line 43	\$ 479,820.49	\$ 479,820.49	\$ 479,820.49	\$ 479,820.49
7	Unrecovered Reserve (ends 12/23)	Common Assets (Rate Base Ex. A-1), line 44	\$ (14,055.53)	\$ (14,055.53)	\$ -	\$ -
8	Allocation of IT Assets	IT Assets (Rate Base Ex. A-1), line 10	\$ 1,222,258.70	\$ 1,222,258.70	\$ 1,222,258.70	\$ 1,222,258.70
9	Unrecovered Reserve (ends 12/23)	IT Assets (Rate Base Ex. A-1), line 11	\$ (272,140.24)	\$ (272,140.24)	\$ -	\$ -
10	Post-Test Year Additions	Ex. A-1 (Accum Reserve) Water line 55	\$ 562,848.50	\$ 1,599,716.50	\$ 2,502,737.50	\$ 3,290,041.00
11		DEPR EXP BY YEAR	\$ 9,906,776.94	\$ 10,943,644.94	\$ 12,590,491.70	\$ 13,377,795.20
12			\$ (2,018,589.00)	\$ (2,018,589.00)	\$ (2,018,589.00)	\$ (2,018,589.00)
13	Amortization of CIAC	Ex. A-1, Schedule 5 & 6				
14						
15						
16	Aqua NC Sewer					
17	Depreciation Expense Related to:	Reference	Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
18	Utility Plant in Service	UPIS (Rate Base Ex. A-2), line 170	\$ 5,062,665.42	\$ 5,062,665.42	\$ 5,062,665.42	\$ 5,062,665.42
19	Unrecovered Reserve (ends 12/23)	UPIS (Rate Base Ex. A-2), line 171	\$ (27,664.20)	\$ (27,664.20)	\$ -	\$ -
20	Allocation of Cary Office Assets	Common Assets (Rate Base Ex. A-2), line 43	\$ 134,902.59	\$ 134,902.59	\$ 134,902.59	\$ 134,902.59
21	Unrecovered Reserve (ends 12/23)	Common Assets (Rate Base Ex. A-2), line 44	\$ (4,097.27)	\$ (4,097.27)	\$ -	\$ -
22	Allocation of IT Assets	IT Assets (Rate Base Ex. A-2), line 10	\$ 343,337.80	\$ 343,337.80	\$ 343,337.80	\$ 343,337.80
23	Unrecovered Reserve (ends 12/23)	IT Assets (Rate Base Ex. A-2), line 11	\$ (76,445.38)	\$ (76,445.38)	\$ -	\$ -
24	Post-Test Year Additions	Ex. A-2 (Accum Reserve) Sewer line 53	\$ 318,591.00	\$ 790,998.50	\$ 1,180,380.50	\$ 1,542,431.00
25		DEPR EXP BY YEAR	\$ 5,751,289.96	\$ 6,223,697.46	\$ 6,721,286.31	\$ 7,083,336.81
26			\$ (2,481,611.94)	\$ (2,481,611.94)	\$ (2,481,611.94)	\$ (2,481,611.94)
27	Amortization of CIAC	Ex. A-2, Schedule 5 & 6				

AQUA NORTH CAROLINA WATER
DOCKET NO W-218, SUB 573
UTILITY PLANT IN SERVICE, RESERVE AND DEPRECIATION
DECEMBER 31, 2021

Line No.	AU	Description	Adj for Over Depreciation	Retirements	Cost of Removal	Salvage Credits	Transfers	Gain Loss	Reserve Balance at 12/31/21	403 Depreciation Expense
			(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
166	1000	307200- Wells & Springs							7,025	133
167	1000	309200-Supply Mains							290	234
168	1000	311200-Pumping Equip-SoS&Pumping							3,714	200
169	1000	320300-Water Treatment Equipment							2,155	92
170	1000	330400-Dist Reservoirs & Standpipes							996	620
171	1000	331400-T&D Mains							4,213	206
172	1000	333400-Services							4,099	463
173	1000	334400-Meters & Meter Installations							1,643	163
174	1000	348500-Other Tangible Plant	(8)						193	(0)
175	1000	303200-Land & Land Rights-SoS&Pump							1,056	-
176	1000	304200-Structures & Imp-SoS&Pump							734	411
177	1000	309200-Supply Mains							12	1
178	1000	311200-Pumping Equip-SoS&Pumping							1,212	327
179	1000	320300-Water Treatment Equipment							215	16
180	1000	330400-Dist Reservoirs & Standpipes							684	106
181	1000	331400-T&D Mains							142	23
182	1000	333400-Services							535	119
183	1000	334400-Meters & Meter Installations							140	67
184		Total Virginia Systems	(8)						34,018	3,430
185		Total Aqua NC Water	(5,654)	(6,501,723)	(154,080)	11,582	(100,310)	428,972	87,951,701	7,928,045
186										
187										
188										
189										
190										
191										

403 Depreciation Expense

Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIS	8,389,105	8,389,105	8,389,105
Unrecovered Reserve (ends 12/2023)	(457,630)	(457,630)	-
VA Systems	(3,430)	(3,430)	(3,430)
	7,928,045	7,928,045	8,385,675

AQUA NORTH CAROLINA WATER
AQUA NORTH CAROLINA COMMON ASSETS
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12.31.21	Original Reserve Adj. (e)	Adjusted Reserve Balance at 12.31.20 (f)	Annual Provision (g)	Adj for Over Depreciation (h)	Retirements (i)	Salvage Credits (j)	Reserve Balance at 12.31.21 (k)	403 Depreciation Expense (l)
27	6816	341500-Transportation Equipment	7.86%	189,092			189,092		41,686	18,588				60,274	14,863
28	7400	341500-Transportation Equipment	7.86%	716,084	176,634	(61,216)	781,502		237,623	70,568		(61,216)	6,279	253,203	61,476
29	8000	341500-Transportation Equipment	7.86%	3,626,092	736,021	(274,575)	4,087,538		1,227,228	391,966		(274,575)	94,037	1,438,655	321,280
30	8010	341500-Transportation Equipment	7.86%	2,491,381	289,357	(301,798)	2,478,939		339,074	247,975		(301,798)	40,929	326,180	194,845
31	1010	391700-Transportation Equipment	13.22%	21,413			21,413		23,841	3,540	(2,831)			24,550	(0)
32	1015	391700-Transportation Equipment	13.22%		5,887		5,887			162				162	778
33	6401	391700-Transportation Equipment	13.22%		5,887		5,887			162				162	778
34	8800	391700-Transportation Equipment	13.22%	302,851			302,851		(65,863)	50,061			(15,801)	40,037	40,037
35	8810	391700-Transportation Equipment	13.22%	81,660			81,660		26,733	13,498				40,231	10,795
36		Total Transportation Equipment to be allocated		8,464,511	1,210,599	(672,213)	9,002,958		1,938,672	899,942	(3,486)	(672,213)	161,113	2,324,029	726,535
37		Aqua NC Water %					61.48%							61.48%	61.48%
38		Total allocated to Aqua NC Water					5,335,019							1,428,813	446,674
39		Total Common to be Allocated:		11,563,621	1,221,777	(803,205)	11,982,193		3,622,194	979,805	(3,486)	(803,205)	161,113	3,906,421	753,480
40		Total Allocated to Aqua NC Water					7,496,559							2,458,666	465,765

- [1] Appendix 3, Line 2
[2] Appendix 3, Line 4
[3] Appendix 3, Line 6
[4] Appendix 3, Line 10

403 Depreciation Expense

Base Year	Rate Yr. 1	Rate Yr. 2	Rate Yr. 3
UPIS	479,820	479,820	479,820
Unrecovered Reserve (ends 12.2023)	(14,056)	(14,056)	-
	465,765	479,820	479,820

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retirements	UPIIS Balance at 12.31.21	Original Unrecovered Reserve Adj	Reserve Balance at 12.31.20	Adjs to Reserve Balance	Reserve Balance at 12.31.20	Annual Provision	Retirements	Reserve Balance at 12.31.21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)	(k)
<u>UPIIS IT ASSETS</u>															
1	35-9001	340500-Office Furniture & Equipment	20.00%	11,932	-	(11,932)	-	(1,352,660)	(2,662,162)	(1,309,501)	(2,662,162)	573	(11,932)	(2,673,520)	-
2	35-9001	340550-Office Furniture & Equipment	20.00%	7,989,504	750,161	(2,046,227)	6,693,438	3,992,322	3,992,322	0	3,992,322	1,547,882	(2,046,227)	3,493,977	1,338,688
3-a	35-9001	340560-Office Furniture & Equipment	10.00%	1,552,847	1,758,004	-	3,310,851	151,929	151,929	0	151,929	182,180	-	334,088	331,085
3-b	35-9001	340560-SIP/SAP	6.67%	-	4,774,295	-	4,774,295	0	-	0	-	39,786	-	39,786	318,286
<u>Unrecovered Reserve Adjustment for 5 year Amortization</u>															
4	35-9001	340550-NCWA-NC Corp	20.00%	-	-	-	-	(2,213,242)	1,309,501	1,309,501	(442,648)	-	-	866,853	(442,648)
5	Total IT UPIIS to be allocated			9,554,283	7,282,460	(2,058,159)	14,778,584	2,791,591	2,791,591	-	2,791,591	1,327,752	(2,058,159)	2,061,184	1,545,411
6	Aqua NC Water %														
7	Total UPIIS IT allocated to Aqua NC Water														
[1]		Appendix 3, Line 2													
8															
9															
10															
11															
12															

403 Depreciation Expense

Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIIS	1,222,259	1,222,259	1,222,259
Unrecovered Reserve (ends 12.2023)	(272,140)	(272,140)	-
	950,118	950,118	1,222,259

61.48% [1]

950,118

Aqua North Carolina, Inc.

Exhibit A1

Docket W-218 Sub 573

AQUA North Carolina Water and Sewer

Calculation of Annual Accumulated Reserve and Expense for Post Test Year Additions

Test Year Ending December 31, 2021

Line No.	(a) Description	(b) Base Year \$	(c) Rate Year 1 \$	(d) Rate Year 2 \$	(e) Rate Year 3 \$
WATER					
1	Accum Depr Reserve for the Test Year:				
2	Plant In Service	(8,389,105)	(8,389,105)	(8,389,105)	(8,389,105)
3	Unrecovered Reserve (Ends 12/2023)	457,630	457,630	-	-
4	VA Systems	3,430	3,430	3,430	3,430
5	Subtotal	(7,928,045)	(7,928,045)	(8,385,675)	(8,385,675)
6					
7	Common Assets (Reserve ends 12/2023)	(479,820)	(479,820)	(479,820)	(479,820)
8	Unrecovered Reserve (Ends 12/2023)	14,056	14,056	-	-
9	Subtotal	(465,764)	(465,764)	(479,820)	(479,820)
10					
11	IT Common Assets (Reserve ends 12/2023)	(1,222,259)	(1,222,259)	(1,222,259)	(1,222,259)
12	Unrecovered Reserve (Ends 12/2023)	272,140	272,140	-	-
13	Subtotal	(950,119)	(950,119)	(1,222,259)	(1,222,259)
14					
15	Plant In Service	(10,091,184)	(10,091,184)	(10,091,184)	(10,091,184)
16	Unrecovered Reserve	743,826	743,826	-	-
17	VA Systems	3,430	3,430	3,430	3,430
18	Grand Total	(9,343,928)	(9,343,928)	(10,087,754)	(10,087,754)
19					
20	Accum Depr Reserve on Post Test Year Additions				
21	Plant In Service				
22	2022	(362,435)	(724,870)	(724,870)	(724,870)
23	2023		(342,551)	(685,101)	(685,101)
24	2024			(320,493)	(640,985)
25	2025				(273,647)
26	Total	(362,435)	(1,067,421)	(1,730,464)	(2,324,603)
27					
28	Common - Acct. 341550				
29	2022	(14,668)	(29,335)	(29,335)	(29,335)
30	2023		(15,221)	(30,442)	(30,442)
31	2024			(15,567)	(31,134)
32	2025				(15,567)
33	Total	(14,668)	(44,556)	(75,344)	(106,478)
34					
35	Common - Acct. 340100 & 346550				
36	2022	(130,610)	(261,219)	(261,219)	(261,219)
37	2023		(82,057)	(164,113)	(164,113)
38	2024			(92,084)	(184,167)
39	2025				(68,908)
40	Total	(130,610)	(343,276)	(517,416)	(678,407)
41					
42	Common - Acct. 34051P - Service Improvement Project				
43	2021	-	-	-	-
44	2022	(55,137)	(110,273)	(110,273)	(110,273)
45	2023		(34,192)	(68,383)	(68,383)
46	2024			(859)	(1,717)
47	2025				(181)
48	Total	(55,137)	(144,465)	(179,515)	(180,554)
49					
50	Total Accumulated Reserve on Post Test Year Additions				
51	2022	(562,849)	(1,125,697)	(1,125,697)	(1,125,697)
52	2023	-	(474,020)	(948,039)	(948,039)
53	2024	-	-	(429,002)	(858,003)
54	2025	-	-	-	(358,302)
55	Grand Total	(562,849)	(1,599,717)	(2,502,738)	(3,290,041)
56					
57	Depreciation Expense on Post Test Year Additions	562,849	1,036,868	903,021	787,304
58	End of Unrecovered Reserve	-	-	743,826	-
59	Total Depreciation Expense Adjustments to Exhibit Dw Line 57	562,849	1,036,868	1,646,847	787,304

Note: Amounts are calculated using a mid-year convention which assumes that the associated assets are placed in service evenly throughout the year.

AQUA NORTH CAROLINA WATER
DOCKET NO. W-218, SUB 573
CONTRIBUTIONS IN AID OF CONSTRUCTION AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Donated Asset Description	Rate	271 Balance at 12.31.20	2021 Additions	2021 Retire/Transfer	271 Balance at 12.31.21	272 Balance at 12.31.20	Amortization (f)	Over Amortized (g)	Retirements (h)	Gain/Loss (i)	272 Balance at 12.31.21	Amortization Expense (k)
85	35-8010	309200-Supply Mains	4.240%	(395,718)	-	-	(395,718)	(231,232)	(15,235)	-	-	-	(246,467)	(16,778)
86	35-8010	334400-Meters & Meter Installations	1.590%	(453,374)	-	-	(453,374)	(230,621)	(7,571)	-	-	-	(238,193)	(7,209)
87	35-8010	304300-Structures & Imp-Treatment	0.960%	(308,535)	-	-	(308,535)	(216,837)	(2,808)	-	-	-	(219,645)	(2,962)
88	35-8010	320300-Water Treatment Equipment	2.800%	(297,109)	-	-	(297,109)	(152,677)	(7,576)	-	-	-	(160,253)	(8,319)
89	35-8010	339200-01th Pnt & Misc Eq-So&S&Pump	0.000%	(124,636)	-	-	(124,636)	(68,655)	(1,599)	-	-	-	(70,255)	(1,599)
90	35-8010	346500-Communication Equipment	2.160%	(74,040)	-	-	(74,040)	(55,525)	-	-	2,500	(2,257)	(55,283)	-
91	35-8010	303200-Land & Land Rights-So&S&Pump	0.000%	(612,644)	-	2,500	(610,144)	(32,486)	-	-	-	-	(32,486)	-
92	35-8010	341500-Transportation Equipment	0.000%	(32,486)	-	-	(32,486)	(16,112)	(411)	411	-	-	(16,112)	0
93	35-8010	340500-Office Furniture & Equipment	2.550%	(16,112)	-	-	(16,112)	(7,263)	-	-	-	-	(7,263)	-
94	35-8010	345500-Power Operated Equipment	0.000%	(7,263)	-	-	(7,263)	(5,193)	(219)	-	-	-	(5,412)	(219)
95	35-8010	343500-Tools, Shop & Garage Equip	3.750%	(5,836)	-	-	(5,836)	(3,252)	(268)	-	-	-	(3,520)	(268)
96	35-8010	347500-Miscellaneous Equipment	0.000%	(3,252)	-	-	(3,252)	(2,823)	-	-	-	-	(3,091)	(281)
97	35-8010	304500-Structures & Imp-General	2.180%	(12,908)	-	-	(12,908)	(1,070)	-	-	-	-	(1,070)	-
98	35-8010	301100-Organization	0.000%	(1,281)	-	-	(1,281)	(307)	(103)	-	-	-	(410)	(118)
99	35-8010	335400-Hydrants	2.250%	(5,266)	-	-	(5,266)	(350)	(85)	85	-	-	(350)	0
100	35-8010	344500-Laboratory Equipment	24.270%	(350)	-	-	(350)	-	-	-	-	-	-	-
101	35-8010	303300-Land & Land Rights-Treatment	0.000%	(26,005)	-	-	(26,005)	(38,689,702)	(1,779,950)	76,199	321,548	(213,772)	(40,285,676)	(2,019,027)
102				(100,042,266)	(2,850,030)	321,548	(102,570,748)							
103	35-1000	309200-Supply Mains	4.240%	(17)	-	-	(17)	(7)	(1)	-	-	-	(8)	(1)
104	35-1000	311000-Pumping Equipment	1.300%	(5,760)	-	-	(5,760)	(4,111)	(75)	-	-	-	(4,186)	(75)
105	35-1000	320300-Water Treatment Equipment	2.800%	(1,125)	-	-	(1,125)	(714)	(32)	-	-	-	(746)	(32)
106	35-1000	330400-Dist Reservoirs & Standpipes	2.030%	(9,296)	-	-	(9,296)	(4,758)	(189)	-	-	-	(4,946)	(189)
107	35-1000	331400-T&D Mains	1.660%	(12,041)	-	-	(12,041)	(4,488)	(200)	-	-	-	(4,688)	(200)
108	35-1000	333400-Services	4.330%	(9,625)	(140)	-	(9,765)	(4,817)	(423)	-	-	-	(5,240)	(423)
109	35-1000	334400-Meters & Meter Installations	1.590%	(1,246)	-	-	(1,246)	(943)	(20)	-	-	-	(963)	(20)
110	35-1000	303000-Land & Land Rights	0.000%	(2,000)	-	-	(2,000)	(908)	0	-	-	-	(908)	0
111	Total Virginia Systems			(41,110)	(140)	0	(41,250)	(20,746)	(938)	0	0	0	(21,685)	(938)
112	Total Aqua NC Water			(100,001,156)	(2,849,890)	321,548	(102,529,498)	(38,668,956)	(1,779,012)	76,199	321,548	(213,772)	(40,263,991)	(2,018,089)

Less Virginia Systems:

Brandywine Estates

103 35-1000 309200-Supply Mains (17) (17) (8) (1)
104 35-1000 311000-Pumping Equipment (5,760) (5,760) (4,186) (75)
105 35-1000 320300-Water Treatment Equipment (1,125) (1,125) (746) (32)
106 35-1000 330400-Dist Reservoirs & Standpipes (9,296) (9,296) (4,946) (189)
107 35-1000 331400-T&D Mains (12,041) (12,041) (4,688) (200)
108 35-1000 333400-Services (9,625) (9,625) (5,240) (423)
109 35-1000 334400-Meters & Meter Installations (1,246) (1,246) (963) (20)
Pinebrook
110 35-1000 303000-Land & Land Rights (2,000) (2,000) (908) 0
111 Total Virginia Systems (41,110) (140) 0 (41,250) (21,685) (938)

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12.31.21	Original Unrecovered Reserve Adj. (e)	Reserve Balance at 12.31.20 (f)	Annual Provision (g)	Retirements (h)	Reserve Balance at 12.31.21 (i)	403 Depreciation Expense (j)
<u>CIAC IT Assets</u>													
1	35-9001	340500-Office Furniture & Equipment	0.0255	(31,884)			(31,884)		(10,239)	(813)	-	(11,052)	(813)
2		Total IT CIAC to be allocated		<u>(31,884)</u>	-	-	<u>(31,884)</u>		<u>(10,239)</u>	<u>(813)</u>	-	<u>(11,052)</u>	<u>(813)</u>
3		Aqua NC Water %					61.48% [1]					61.48% [1]	61.48% [1]
4		Total CIAC IT allocated to Aqua NC Water					<u>(19,602)</u>					<u>(6,795)</u>	<u>(500)</u>

[1] Appendix 3, Line 2

AQUA NORTH CAROLINA SEWER
DOCKET NO W-218, SUB 573
UTILITY PLANT IN SERVICE, RESERVE AND DEPRECIATION EXPENSE
DECEMBER 31, 2021

Line No.	AU	Description	Total Rate	UPS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retires	UPS Balance at 12.31.21	Original Uncovered Reserve Adj	Adjusted Reserve Balance at 12.31.20	Annual Provision	Adj for Over Depreciation	Retirements	Cost of Removal	Salvage Credits	Transfers	Reserve Balance at 12.31.21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
136	8830	361200-Collection Sewers-Gravity	1.85%	502,271	25,926	(4,589)	523,607	(5,342)	8,322	(309)	(4,589)	(1,918)	(309)	-	-	(1,918)	9,687
137	8830	362200-Special Collecting Struct	1.72%	1,376	-	-	1,376	594	23	-	-	616	-	-	-	616	24
138	8830	363200-Services to Customers	2.45%	309,971	13,990	(33)	323,929	119,152	5,964	(33)	(4)	7,936	(4)	-	-	125,080	7,936
139	8830	364200-Flow Measuring Devices	1.23%	-	-	-	4,643	4,643	57	(57)	-	-	-	-	-	4,643	0
140	8830	370300-Receiving Wells	1.42%	38,526	-	-	38,526	38,526	547	(547)	-	-	-	-	-	38,526	(0)
141	8830	371300-Pumping Equip-Pumping	7.41%	280,522	66,341	(15,923)	330,940	90,677	21,085	(15,923)	(2,306)	-	(2,306)	-	-	93,533	24,523
142	8830	371500-Pumping Equip-RW Treat	7.04%	104,354	-	-	104,354	53,162	6,992	-	-	-	-	-	-	60,154	7,347
143	8830	371600-Pumping Equip-RW Distr	9.66%	2,872	-	-	2,872	242	264	-	-	-	-	-	-	506	277
144	8830	380400-Treat & Disp Equip T&D Plant	2.77%	2,528,218	13,223	(1,162)	2,540,278	1,289,107	63,878	(1,162)	(188)	-	(188)	-	-	1,351,635	70,366
145	8830	381400-Plant Sewers-T&D Plant	1.95%	289	-	-	289	151	5	-	-	-	-	-	-	156	6
146	8830	393700-Tools, Shop & Garage Equip	5.00%	4,627	-	-	4,627	674	231	-	-	-	-	-	-	906	231
147	8830	394700-Laboratory Equipment	5.00%	10,129	3,171	(473)	12,827	(1,034)	584	(473)	-	-	-	-	-	(903)	641
148	8830	396700-Communication Equipment	6.67%	13,450	8,066	-	21,516	5,403	1,069	-	-	-	-	-	-	6,472	1,435
149				168,527,680	13,564,539	(1,637,615)	180,454,605	45,137,810	4,485,895	(6,197)	(1,637,615)	(33,071)	-	-	1,589	47,948,410	5,062,665
Uncovered Reserve Adjustment for 5 year Amortization																	
150	1010	390700-NCWW-ANC Kernersville	20.00%	-	-	-	-	(457)	270	(91)	-	-	-	-	-	179	(91)
151	1010	393700-NCWW-ANC Kernersville	20.00%	-	-	-	-	(14,984)	8,866	(2,997)	-	-	-	-	-	5,869	(2,997)
152	1010	394700-NCWW-ANC Kernersville	20.00%	-	-	-	-	(14,103)	8,344	(2,821)	-	-	-	-	-	5,524	(2,821)
153	1010	396700-NCWW-ANC Kernersville	20.00%	-	-	-	-	(1,446)	856	(289)	-	-	-	-	-	566	(289)
154	1010	398700-NCWW-ANC Kernersville	20.00%	-	-	-	-	6	(4)	1	(1)	-	-	-	-	(4)	(0)
155	8800	390700-NCWW-ANC East Central	20.00%	-	-	-	-	(595)	352	(119)	-	-	-	-	-	233	(119)
156	8800	393700-NCWW-ANC East Central	20.00%	-	-	-	-	(12,216)	7,228	(2,443)	-	-	-	-	-	4,785	(2,443)
157	8800	396700-NCWW-ANC East Central	20.00%	-	-	-	-	(11,040)	6,532	(2,208)	-	-	-	-	-	4,324	(2,208)
158	8800	397700-NCWW-ANC East Central	20.00%	-	-	-	-	(76,421)	45,216	(15,284)	-	-	-	-	-	29,932	(15,284)
159	8800	398700-NCWW-ANC East Central	20.00%	-	-	-	-	(1,337)	791	(267)	-	-	-	-	-	524	(267)
160	8800	399700-NCWW-ANC East Central	20.00%	-	-	-	-	304	(180)	61	(61)	-	-	-	-	(180)	0
161	8810	393700-NCWW-ANC West	20.00%	-	-	-	-	(30)	18	(6)	-	-	-	-	-	12	(6)
162	8810	396700-NCWW-ANC West	20.00%	-	-	-	-	(3,008)	1,780	(602)	-	-	-	-	-	1,178	(602)
163	8810	398700-NCWW-ANC West	20.00%	-	-	-	-	117	(69)	23	(23)	-	-	-	-	(69)	0
164	8830	394700-NCWW-ANC Fayetteville	20.00%	-	-	-	-	(2,684)	1,588	(537)	-	-	-	-	-	1,051	(537)
165		Total Uncovered Reserve		168,527,680	13,564,539	(1,637,615)	180,454,605	45,219,397	4,458,316	(6,283)	(1,637,615)	(33,071)	-	-	1,589	48,002,333	(27,664)
166																53,923	
167																2,782,936	
168																	
169																	
170																	
171																	
172																	

403 Depreciation Expense				
Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3	
UPS	5,062,665	5,062,665	5,062,665	
Uncovered Reserve (ends 12/2023)	(27,664)	(27,664)	-	
	5,035,001	5,035,001	5,062,665	5,062,665

AQUA NORTH CAROLINA SEWER
AQUA NORTH CAROLINA COMMON ASSETS
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj (e)	Adjusted Reserve Balance at 12/31/20 (f)	Annual Provision (g)	Adj for Over Depreciation (h)	Retirements (i)	Salvage Credits (j)	Reserve Balance at 12/31/21 (k)	403 Depreciation Expense (l)
33	35-6401 391700-Transportation Equipment	13.22%		5,887		5,887			162				162	778
34	35-8800 391700-Transportation Equipment	13.22%	302,851			302,851		(65,863)	50,061				(15,801)	40,037
35	35-8810 391700-Transportation Equipment	13.22%	81,660			81,660		26,733	13,498				40,231	10,795
36	Total Transportation Equipment to be allocated		8,464,571	1,210,599	(672,213)	9,002,958		1,938,672	899,942	(3,486)	(672,213)	161,113	2,324,029	776,535
37	Aqua NC Sewer %					17.27% (1)							17.27%	17,27%
38	Total allocated to ANC Sewer					1,554,811							401,360	125,473
39	Total Common to be Allocated		11,563,621	1,221,777	(803,205)	11,982,193		3,622,194	929,605	(3,486)	(803,205)	161,113	3,906,421	753,480
40	Total Allocated to ANC Sewer					2,106,588							691,507	130,805

403 Depreciation Expense

Base Year	Rate Yr. 1	Rate Yr. 2	Rate Yr. 3
UPIS	134,903	134,903	134,903
Unrecovered Reserve (ends 12/2023)	(4,097)	(4,097)	-
	130,805	130,805	134,903

- [1] Appendix 3, Line 2
[2] Appendix 3, Line 4
[3] Appendix 3, Line 6
[4] Appendix 3, Line 10

41
42
43
44
45

AQUA NORTH CAROLINA SEWER
AQUA NORTH CAROLINA IT ASSETS
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20 (a)	2021 Asset Additions (b)	2021 Asset Retirements (c)	UPIS Balance at 12/31/21 (d)	Original Unrecovered Reserve Adj (e)	Reserve Balance at 12/31/20 (f)	Annual Provision (g)	Retirements (h)	Reserve Balance at 12/31/21 (i)	403 Depreciation Expense (j)
UPIS IT Assets													
1	35-9001	340500-Office Furniture & Equipment	20.00%	11,932	-	(11,932)	-	-	(2,662,162)	573	(11,932)	(2,673,520)	-
2	35-9001	340550-Office Furniture & Equipment	20.00%	7,989,504	750,161	(2,046,227)	6,693,438	-	3,992,322	1,547,882	(2,046,227)	3,493,977	1,338,688
3-a	35-9001	340560-Office Furniture & Equipment	10.00%	1,552,847	1,758,004	-	3,310,851	-	151,929	182,160	-	334,088	331,085
3-b	35-9001	340560-SIP/SAP	6.67%	-	4,774,295	-	4,774,295	-	-	39,786	-	39,786	318,286
Unrecovered Reserve Adjustment for 5 year Amortization													
4	35-9001	340550-NCWA-NC Corp	20.00%	-	-	-	-	(2,213,242)	1,309,501	(442,648)	-	866,853	(442,648)
5		Total IT UPIS to be allocated		9,554,283	7,282,460	(2,058,159)	14,778,584	-	2,791,591	1,327,752	(2,058,159)	2,061,184	1,545,411
6		Aqua NC Sewer %											
7		Total UPIS IT allocated to Aqua NC Sewer											
	(1)	Appendix 3, Line 2											
8													
9													
10													
11													
12													

403 Depreciation Expense

Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIS	343,338	343,338	343,338
Unrecovered Reserve (ends 12/2023)	(76,445)	-	-
	266,892	266,892	343,338

Aqua North Carolina, Inc.

Exhibit A1

Docket W-218 Sub 573

AQUA North Carolina Water and Sewer

Calculation of Annual Accumulated Reserve and Expense for Post Test Year Additions

Test Year Ending December 31, 2021

Line No.	(a) Description	(b) Base Year \$	(c) Rate Year 1 \$	(d) Rate Year 2 \$	(e) Rate Year 3 \$
SEWER					
1	Accum Depr Reserve for the Test Year:				
2	Plant In Service	(5,062,665)	(5,062,665)	(5,062,665)	(5,062,665)
3	Unrecovered Reserve (Ends 12/2023)	27,664	27,664	-	-
4	Subtotal	(5,035,001)	(5,035,001)	(5,062,665)	(5,062,665)
5					
6	Common Assets (Reserve ends 12/2023)	(134,903)	(134,903)	(134,903)	(134,903)
7	Unrecovered Reserve (Ends 12/2023)	4097	4,097	-	-
8	Subtotal	(130,806)	(130,806)	(134,903)	(134,903)
9					
10	IT Common Assets (Reserve ends 12/2023)	(343,338)	(343,338)	(343,338)	(343,338)
11	Unrecovered Reserve (Ends 12/2023)	76,445	76,445	-	-
12	Subtotal	(266,893)	(266,893)	(343,338)	(343,338)
13					
14	Plant In Service	(5,540,906)	(5,540,906)	(5,540,906)	(5,540,906)
15	Unrecovered Reserve	108,206	108,206	-	-
16	Grand Total	(5,432,700)	(5,432,700)	(5,540,906)	(5,540,906)
17					
18	Accum Depr Reserve on Post Test Year Additions				
19	Plant in Service				
20	2022	(262,313)	(524,626)	(524,626)	(524,626)
21	2023	-	(116,900)	(233,799)	(233,799)
22	2024	-	-	(205,096)	(410,192)
23	2025	-	-	-	(102,714)
24	Total	(262,313)	(641,526)	(963,521)	(1,271,331)
25					
26	Common - Acct. 341550				
27	2022	(4,119)	(8,238)	(8,238)	(8,238)
28	2023	-	(4,274)	(8,548)	(8,548)
29	2024	-	-	(4,371)	(8,742)
30	2025	-	-	-	(4,371)
31	Total	(4,119)	(12,512)	(21,157)	(29,899)
32					
33	Common - Acct. 340100 & 346550				
34	2022	(36,676)	(73,352)	(73,352)	(73,352)
35	2023	-	(23,042)	(46,083)	(46,083)
36	2024	-	-	(25,858)	(51,715)
37	2025	-	-	-	(19,349)
38	Total	(36,676)	(96,394)	(145,293)	(190,499)
39					
40	Common - Acct. 340SIP - Service Improvement Project				
41	2021	-	-	-	-
42	2022	(15,483)	(30,966)	(30,966)	(30,966)
43	2023	-	(9,602)	(19,203)	(19,203)
44	2024	-	-	(241)	(482)
45	2025	-	-	-	(51)
46	Total	(15,483)	(40,568)	(50,410)	(50,702)
47					
48	Total Accumulated Reserve on Post Test Year Additions				
49	2022	(318,591)	(637,182)	(637,182)	(637,182)
50	2023	-	(153,817)	(307,633)	(307,633)
51	2024	-	-	(235,566)	(471,131)
52	2025	-	-	-	(126,485)
53	Grand Total	(318,591)	(790,999)	(1,180,381)	(1,542,431)
54					
55	Depreciation Expense on Post Test Year Additions	318,591	472,408	389,382	362,051
48	End of Unrecovered Reserve	-	-	108,206	-
49	Total Depreciation Expense Adjustments to Exhibit Ds Line 57	318,591	472,408	497,588	362,051

Note: Amounts are calculated using a mid-year convention which assumes that the associated assets are placed in service evenly throughout the year.

407321

Line No.	AU	Donated Asset Description	Rate	271 Balance at 12.31.20	2021 Additions	2021 Retire/ Transfer	271 Balance at 12.31.21	272 Balance at 12.31.20	Amortization	Over Amortized	272 Balance at 12.31.21	Amortization Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
67	35-8830	380400-Treat & Disp Equip-T&D Plant	2.770%	(226,215)	-	-	(226,215)	(182,156)	(5,701)	-	(187,857)	(6,266)
68	35-8830	360200-Collection Sewers-Force	1.530%	(109,596)	-	-	(109,596)	(49,972)	(1,458)	-	(51,430)	(1,677)
69	35-8830	371300-Pumping Equip-Pumping	6.330%	(61,714)	-	-	(61,714)	(45,074)	(3,721)	-	(48,795)	(3,907)
70	35-8830	363200-Services to Customers	2.340%	(101,356)	(1,600)	-	(102,956)	(46,312)	(1,840)	-	(48,152)	(2,409)
71	35-8830	354700-Structures & Imp-General	1.850%	(35,597)	-	-	(35,597)	(32,740)	(627)	-	(33,367)	(659)
72	35-8830	370300-Receiving Wells	1.570%	(9,481)	-	-	(9,481)	(9,481)	(149)	149	(9,481)	(0)
73	35-8830	354200-Structures & Imp-Collect	2.030%	(25,000)	-	-	(25,000)	(5,869)	(483)	-	(6,351)	(508)
74	35-8830	398700-Other Tangible Plant	4.450%	(1,937)	-	-	(1,937)	(1,937)	(86)	86	(1,937)	0
75	35-8830	364200-Flow Measuring Devices	0.130%	(1,167)	-	-	(1,167)	(1,069)	(2)	-	(1,070)	(2)
76	35-8830	396700-Communication Equipment	0.000%	(201)	-	-	(201)	(454)	-	-	(454)	-
77	35-8830	393700-Tools, Shop & Garage Equip	0.000%	(240)	-	-	(240)	(240)	-	-	(240)	-
78	35-8830	381400-Plant Sewers-T&D Plant	2.640%	(289)	-	-	(289)	(155)	(7)	-	(162)	(8)
79	35-8830	353200-Land & Land Rights-Collect	0.000%	(15,500)	-	-	(15,500)	-	-	-	-	-
80				(88,808,122)	(2,930,419)	-	(91,738,541)	(34,527,025)	(2,341,525)	85,044	(36,783,506)	(2,481,472)

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj	Reserve Balance at 12/31/20	Annual Provision	Retirements	Reserve Balance at 12/31/21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>CIAC IT Assets</u>													
1		35-9001 340500-Office Furniture & Equipment	0.0255	(31,884)			(31,884)		(10,239)	(813)	-	(11,052)	(813)
2		Total IT CIAC to be allocated		(31,884)	-	-	(31,884)		(10,239)	(813)	-	(11,052)	(813)
3		Aqua NC Sewer %					17.27% [1]					17.27% [1]	
4		Total CIAC IT allocated to Aqua NC Sewer					(5,506)					(1,909)	(140)

[1] Appendix 3, Line 2

**Brookwood Water
Exhibit C-1-BW**

Aqua North Carolina
Brookwood Water
Docket No. W-218, Sub 573
Summary of Depreciation Expense
For the Test Year Ended December 31, 2021

Line#	(a)	(b)	(c)	(d)	(e)	(f)
		Reference	Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
1	Brookwood Water		\$ 1,178,898.18	\$ 1,178,898.18	\$ 1,178,898.18	\$ 1,178,898.18
2	Depreciation Expense Related to:					
3	Utility Plant in Service	UPIS (Rate Base Ex. A-1), line 37				
4	Unrecovered Reserve (ends 12/23)	UPIS (Rate Base Ex. A-1), line 38	\$ (159,814.80)	\$ (159,814.80)	\$ -	\$ -
5	Allocation of Cary Office Assets	Common Assets (Rate Base Ex. A-1), line 43	\$ 107,973.58	\$ 107,973.58	\$ 107,973.58	\$ 107,973.58
6	Unrecovered Reserve (ends 12/23)	Common Assets (Rate Base Ex. A-1), line 44	\$ (9,363.15)	\$ (9,363.15)	\$ -	\$ -
7	Allocation of IT Assets	IT Assets (Rate Base Ex. A-1), line 10	\$ 266,201.11	\$ 266,201.11	\$ 266,201.11	\$ 266,201.11
8	Unrecovered Reserve (ends 12/23)	IT Assets (Rate Base Ex. A-1), line 11	\$ (59,270.62)	\$ (59,270.62)	\$ -	\$ -
9	Post-Test Year Additions	Ex. A-1 (Accum Reserve) Water line 55	\$ 116,923.00	\$ 381,068.00	\$ 642,597.00	\$ 853,659.00
10		DEPR EXP BY YEAR	\$ 1,441,547.29	\$ 1,705,692.29	\$ 2,195,669.86	\$ 2,406,731.86
11						
12	Amortization of CIAC	Ex. A-3, Schedule 5 & 6	\$ (154,479.00)	\$ (154,479.00)	\$ (154,479.00)	\$ (154,479.00)
13						
14						
15						

BROOKWOOD WATER
DOCKET NO W-218, SUB 573
UTILITY PLANT IN SERVICE, RESERVE AND DEPRECIATION EXPENSE
DECEMBER 31, 2021

Line No.	AU	Description	Total Rate	UPIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retires	UPIS Balance at 12.31.21	Original Unrecovered Reserve Adj	Adjusted Reserve Balance at 12.31.20	Annual Provision	Adj for Over Depreciation	Retirements	Cost of Removal	Salvage Credits	Reserve Balance at 12.31.21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	7400	301100-Organization	0.00%	3,610	-	-	3,610	-	175	-	-	-	-	-	175	-
2	7400	302100-Franchises	0.00%	1,306	-	-	1,306	-	643	-	-	-	-	-	643	-
3	7400	303200-Land & Land Rights-SoS&Pump	0.00%	199,165	-	-	199,165	-	-	-	-	-	-	-	-	-
4	7400	303300-Land & Land Rights-Treatment	0.00%	2,314	-	-	2,314	-	-	-	-	-	-	-	-	-
5	7400	304200-Structures & Imp-SoS&Pump	1.57%	3,865,400	549,788	-	4,415,188	-	658,227	62,302	-	-	-	-	720,529	69,318
6	7400	304300-Structures & Imp-Treatment	1.48%	36,939	-	-	36,939	-	10,974	521	-	-	-	-	11,495	547
7	7400	304500-Structures & Imp-General	1.04%	3,702	-	-	3,702	-	377	37	-	-	-	-	414	39
8	7400	304560-S&I-Office Building(CarryOps)	1.65%	-	1,683	-	1,683	-	-	2	-	-	-	-	2	28
9	7400	307200-Well & Springs	1.31%	1,460,198	18,642	(300)	1,478,541	-	994,954	17,472	-	(300)	-	-	1,012,126	19,369
10	7400	309200-Supply Mains	4.56%	776,308	162,205	(12,546)	925,967	-	39,228	34,918	-	(12,546)	(1,144)	-	60,456	42,224
11	7400	310200-Power Generation Equip-SoS&P	1.75%	129,055	-	-	129,055	-	10,070	2,194	-	-	-	-	12,214	2,310
12	7400	311200-Pumping Equip-SoS&Pumping	2.80%	1,431,531	168,074	(71,329)	1,528,276	-	586,449	39,171	-	(71,329)	(8,504)	-	545,787	42,792
13	7400	320300-Water Treatment Equipment	3.86%	3,228,773	324,419	(18,294)	3,534,898	-	1,002,678	119,850	-	(18,294)	(1,534)	-	1,102,698	136,447
14	7400	320300-Water Treatment Equipment	2.15%	1,846,255	4,159	-	1,852,414	-	1,267,292	33,117	-	(201)	-	-	1,300,207	39,827
15	7400	330400-Dist Reservoirs & Standpipes	1.71%	14,055,741	723,943	(422,441)	14,357,243	-	2,474,614	202,882	-	(422,441)	(34,188)	-	2,220,867	245,509
16	7400	331400-T&D Mains	4.81%	6,247,655	850,030	(251,169)	6,846,517	-	224,881	239,017	-	(251,169)	(18,405)	-	194,325	329,317
17	7400	333400-Services	3.30%	4,728,527	49,218	(38,880)	4,738,866	-	223,021	164,318	-	(38,880)	-	-	348,459	156,383
18	7400	334400-Meters & Meter Installations	2.39%	459,373	-	-	459,373	-	110,115	9,555	-	-	-	-	119,670	10,979
19	7400	335400-Hydrants	0.00%	140,386	-	-	140,386	-	144,457	-	-	-	-	-	144,457	-
20	7400	339100-0th Pint & Misc Eq-Intang	0.00%	8,520	-	-	8,520	-	8,587	341	-	(341)	-	-	8,587	(0)
21	7400	342500-Store Equipment	4.00%	138,873	-	-	138,873	-	9,455	6,992	-	-	-	-	16,446	7,017
22	7400	343500-Tools, Shop & Garage Equip	5.00%	13,986	-	(1,518)	12,468	-	13,987	662	-	(1,518)	-	-	12,507	0
23	7400	343520-Tools, Shop & GarageEq (7Yr)	5.00%	8,060	447	-	8,507	-	2,518	418	-	-	-	-	2,936	475
24	7400	344500-Laboratory Equipment	0.00%	253,148	-	-	253,148	-	218,770	-	-	-	-	-	218,770	-
25	7400	345500-Power Operated Equipment	10.00%	771,202	7,482	(16,228)	762,456	-	(531,884)	75,943	-	(16,228)	-	-	(472,168)	76,246
26	7400	346500-Communication Equipment	4.00%	3,789	-	(736)	3,053	-	(195,570)	142	-	(736)	-	-	(196,164)	122
27	7400	348500-Other Tangible Plant		39,815,814	2,861,560	(833,440)	41,843,933	-	7,273,966	1,009,853	(964)	(833,440)	(63,976)	-	7,385,438	1,178,898
Unrecovered Reserve Adjustment for 5 year Amortization																
28	7400	343500-NCWA-Brookwood/LaGrange	20.00%	-	-	-	-	(2,836)	1,678	(567)	-	-	-	-	1,111	(567)
29	7400	346500-NCWA-Brookwood/LaGrange	20.00%	-	-	-	-	(553,662)	327,583	(110,732)	-	-	-	-	216,851	(110,732)
30	7400	348500-NCWA-Brookwood/LaGrange	20.00%	-	-	-	-	(242,576)	143,524	(48,515)	-	-	-	-	95,009	(48,515)
31		Total Unrecovered Reserve		-	-	-	-	-	472,785	(159,815)	-	-	-	-	312,971	(159,815)
32				39,815,814	2,861,560	(833,440)	41,843,933	-	7,746,751	850,038	(964)	(833,440)	(63,976)	-	7,698,408.59	1,019,083
33																
34																
35																
36																
37																
38																
39																

403 Depreciation Expense

	Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIS	1,178,898	1,178,898	1,178,898	1,178,898
Unrecovered Reserve (ends 12 2023)	(159,815)	(159,815)	-	-
	1,019,083	1,019,083	1,178,898	1,178,898

BROOKWOOD WATER
AQUA NORTH CAROLINA COMMON ASSETS
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj. (e)	Adjusted Reserve Balance at 12/31/20 (f)	Annual Provision (g)	Adj for Over Depreciation (h)	Retirements (i)	Salvage Credits (j)	Reserve Balance at 12/31/21 (k)	403 Depreciation Expense (l)
31	35-1010	391700-Transportation Equipment	13.22%	21,413			21,413		23,841	3,540	(2,831)			24,550	(0)
32	35-1015	391700-Transportation Equipment	13.22%		5,887		5,887			162				162	778
33	35-6401	391700-Transportation Equipment	13.22%		5,887		5,887			162				162	778
34	35-8800	391700-Transportation Equipment	13.22%	302,851			302,851		(65,863)	50,061				(15,801)	40,037
35	35-8810	391700-Transportation Equipment	13.22%	81,660			81,660		26,733	13,498				40,231	10,795
36		Total Transportation Equipment to be allocated		8,464,571	1,210,599	(672,213)	9,002,958		1,938,672	899,942	(3,486)	(672,213)	161,113	2,324,029	726,535
37		Brookwood Water %													
38		Total allocated to Brookwood Water													13.39% (1)
															311,186
39		Total Common to be Allocated		11,563,621	1,221,777	(803,205)	11,982,193		3,622,194	929,805	(3,486)	(803,205)	161,113	3,906,421	753,480
40		Total Allocated to Brookwood Water													98,610
41	[1]	Appendix 3, Line 2													
42	[2]	Appendix 3, Line 4													
43	[3]	Appendix 3, Line 6													
44	[4]	Appendix 3, Line 10													
45															

403 Depreciation Expense

	Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIS	107,974	107,974	107,974	107,974
Unrecovered Reserve (ends 12/2023)	(9,363)	(9,363)	-	-
	98,610	98,610	107,974	107,974

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj	Reserve Balance at 12/31/20	Annual Provision	Retirements	Reserve Balance at 12/31/21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
UPIS IT Assets													
1	35-9001	340500-Office Furniture & Equipment	20.00%	11,932	-	(11,932)	-	-	(2,662,162)	573	(11,932)	(2,673,520)	-
2	35-9001	340550-Office Furniture & Equipment	20.00%	7,989,504	750,161	(2,046,227)	6,693,438	-	3,992,322	1,547,882	(2,046,227)	3,493,977	1,338,688
3-a	35-9001	340560-Office Furniture & Equipment	10.00%	1,552,847	1,758,004	-	3,310,851	-	151,929	182,160	-	334,088	331,085
3-b	35-9001	340560-SIP/SAP	6.67%	-	4,774,295	-	4,774,295	-	-	39,786	-	39,786	318,286
Unrecovered Reserve Adjustment for 5 year Amortization													
4	35-9001	340550-NCWA-NC Corp	20.00%	9,554,283	7,282,460	(2,058,159)	14,778,584	(2,213,242)	1,309,501	(442,648)	-	866,853	(442,648)
5		Total IT UPIS to be allocated							2,791,591	1,327,752	(2,058,159)	2,061,184	1,545,411
6		Brookwood Water %											
7		Total UPIS IT allocated to Brookwood Water											
[1]		Appendix 3, Line 2											
8													
9													
10													
11													
12													
403 Depreciation Expense													
				Base Year		Rate Yr 1		Rate Yr 2		Rate Yr 3			
				UPIS		266,201		266,201		266,201			
				Unrecovered Reserve (ends 12/2023)		(59,271)		(59,271)		-			
						206,930		206,930		266,201			

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Brookwood and LaGrange Water
Calculation of Annual Accumulated Reserve and Expense for Post Test Year Additions
Test Year Ending December 31, 2021

Exhibit A-1

Line No.	(a) Description	(b) Base Year \$	(c) Rate Year 1 \$	(d) Rate Year 2 \$	(e) Rate Year 3 \$
WATER					
1	Accum Depr Reserve for the Test Year:				
2	Plant In Service	(1,178,898)	(1,178,898)	(1,178,898)	(1,178,898)
3	Unrecovered Reserve (Ends 12/2023)	159,815	159,815	-	-
4	Subtotal	(1,019,083)	(1,019,083)	(1,178,898)	(1,178,898)
5					
6	Common Assets (Reserve ends 12/2023)	(107,974)	(107,974)	(107,974)	(107,974)
7	Unrecovered Reserve (Ends 12/2023)	9,363	9,363	-	-
8	Subtotal	(98,611)	(98,611)	(107,974)	(107,974)
9					
10	IT Common Assets (Reserve ends 12/2023)	(266,201)	(266,201)	(266,201)	(266,201)
11	Unrecovered Reserve (Ends 12/2023)	59,271	59,271	-	-
12	Subtotal	(206,930)	(206,930)	(266,201)	(266,201)
13					
14	Plant In Service	(1,553,073)	(1,553,073)	(1,553,073)	(1,553,073)
15	Unrecovered Reserve	228,449	228,449	-	-
16	Grand Total	(1,324,624)	(1,324,624)	(1,553,073)	(1,553,073)
17					
18	Accum Depr Reserve on Post Test Year Additions				
19	Plant in Service				
20	2022	(73,289)	(146,577)	(146,577)	(146,577)
21	2023		(118,598)	(237,195)	(237,195)
22	2024			(90,682)	(181,363)
23	2025				(78,323)
24	Total	(73,289)	(265,175)	(474,454)	(643,458)
25					
26	Common - Acct. 341550				
27	2022	(3,194)	(6,387)	(6,387)	(6,387)
28	2023		(3,315)	(6,629)	(6,629)
29	2024			(3,390)	(6,780)
30	2025				(3,390)
31	Total	(3,194)	(9,702)	(16,406)	(23,186)
32					
33	Common - Acct. 340100 & 346550				
34	2022	(28,437)	(56,873)	(56,873)	(56,873)
35	2023		(17,866)	(35,731)	(35,731)
36	2024			(20,049)	(40,097)
37	2025				(15,003)
38	Total	(28,437)	(74,739)	(112,653)	(147,704)
39					
40	Common - Acct. 3405IP - Service Improvement Project				
41	2021	-	-	-	-
42	2022	(12,005)	(24,009)	(24,009)	(24,009)
43	2023		(7,445)	(14,889)	(14,889)
44	2024			(187)	(374)
45	2025				(40)
46	Total	(12,005)	(31,454)	(39,085)	(39,312)
47					
48	Total Accumulated Reserve on Post Test Year Additions				
49	2022	(116,923)	(233,846)	(233,846)	(233,846)
50	2023	-	(147,222)	(294,444)	(294,444)
51	2024	-	-	(114,307)	(228,614)
52	2025	-	-	-	(96,755)
53	Grand Total	(116,923)	(381,068)	(642,597)	(853,659)
54					
55	Depreciation Expense on Post Test Year Additions	116,923	264,145	261,529	211,062
56	Uncovered Reserve	-	-	228,449	-
57	Total Depreciation Expense on Post Test Year Additions	116,923	264,145	489,978	211,062

Note: Amounts are calculated using a mid-year convention which assumes that the associated assets are placed in service evenly throughout the year.

BROOKWOOD WATER
DOCKET NO. W-218, SUB 573
CONTRIBUTIONS IN AID OF CONSTRUCTION AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Donated Asset Description	Rate	271 Balance at 12.31.20 (a)	2021 Additions (b)	2021 Retire/ Transfer (c)	271 Balance at 12.31.21 (d)	271 Balance at 12.31.20 (e)	Amortization (f)	Over Amortized (g)	272 Balance at 12.31.21 (h)	Amortization Expense (i)
1	35-7400	301100-Organization	0.000%	(2,545)	-	-	(2,545)	-	-	-	-	-
2	35-7400	303200-Land & Land Rights-SoS&Pump	0.000%	(47,363)	-	-	(47,363)	-	-	-	-	-
3	35-7400	304200-Structures & Imp-SoS&Pump	1.620%	(237,768)	-	-	(237,768)	(135,666)	(3,662)	3,661	(139,328)	(3,852)
4	35-7400	307200-Well & Springs	1.450%	(252,450)	-	-	(252,450)	(252,450)	(3,332)	-	(252,122)	(0)
5	35-7400	309200-Supply Mains	4.240%	(8,741)	-	-	(8,741)	(3,411)	(336)	-	(3,748)	(371)
6	35-7400	311200-Pumping Equip-SoS&Pumping	1.300%	(164,035)	-	-	(164,035)	(164,035)	(2,018)	2,132	(163,921)	(0)
7	35-7400	320300-Water Treatment Equipment	2.800%	(82,981)	-	-	(82,981)	(73,897)	(2,116)	-	(76,013)	(2,323)
8	35-7400	330400-Dist Reservoirs & Standpipes	2.030%	(212,909)	-	-	(212,909)	(212,909)	(3,598)	4,322	(212,185)	(0)
9	35-7400	331400-T&D Mains	1.660%	(4,268,765)	-	-	(4,268,765)	(2,762,900)	(59,336)	-	(2,822,236)	(70,861)
10	35-7400	333400-Services	4.330%	(1,483,347)	(1,840)	-	(1,485,187)	(910,530)	(49,437)	-	(959,967)	(64,309)
11	35-7400	334400-Meters & Meter Installations	1.590%	(753,375)	-	-	(753,375)	(697,941)	(12,581)	-	(710,523)	(11,979)
12	35-7400	335400-Hydrants	2.250%	(29,824)	-	-	(29,824)	(11,206)	(585)	-	(11,791)	(671)
13	35-7400	340500-Office Furniture & Equipment	2.550%	(18,332)	-	-	(18,332)	(18,644)	(468)	467	(18,644)	(0)
14	35-7400	341500-Transportation Equipment	0.000%	(19,614)	-	-	(19,614)	(21,383)	-	-	(21,383)	-
15	35-7400	343520-Tools, Shop & Garage Eq (7yr)	3.750%	(110)	-	-	(110)	(38)	(132)	-	(169)	(4)
16	35-7400	343500-Tools, Shop & Garage Equip	3.750%	(3,507)	-	-	(3,507)	(3,565)	(4)	132	(3,437)	0
17	35-7400	346500-Communication Equipment	2.160%	(55,501)	-	-	(55,501)	(55,501)	(1,199)	1,199	(55,501)	(0)
18	35-7400	348500-Other Tangible Plant	2.550%	(363,544)	-	-	(363,544)	(363,544)	(9,270)	9,270	(363,544)	(0)
19				(8,004,710)	(1,840)	-	(8,006,550)	(5,687,621)	(148,073)	21,183	(5,814,511)	(154,370)

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12.31.20 (a)	2021 Asset Additions (b)	2021 Asset Retirements (c)	UPIS Balance at 12.31.21 (d)	Original Unrecovered Reserve Adj (e)	Reserve Balance at 12.31.20 (f)	Annual Provision (g)	Retirements (h)	Reserve Balance at 12.31.21 (i)	403 Depreciation Expense (j)
		CIAIC IT Assets											
1	35-9001	340500-Office Furniture & Equipment	0.0255	(31,884)	-	-	(31,884)		(10,239)	(813)	-	(11,052)	(813)
2		Total IT CIAC to be allocated		(31,884)	-	-	(31,884)		(10,239)	(813)	-	(11,052)	(813)
3		Brookwood Water %					13.39% [1]					13.39% [1]	13.39% [1]
4		Total CIAC IT allocated to Brookwood Water					(4,269)					(1,480)	(109)

[1] Appendix 3, Line 2

Fairways Water and Sewer
Exhibit C-1-FW

Aqua North Carolina
Fairways Water and Sewer
Docket No. W-218, Sub 573
Summary of Depreciation Expense
For the Test Year Ended December 31, 2021

Line#	(a)	(b)	(c)	(d)	(e)	(f)
1	Fairways NC Water					
2	Depreciation Expense Related to:					
3	Utility Plant in Service	UPIS (Rate Base Ex. A-4), line 38	\$ 322,964.63	\$ 322,964.63	\$ 322,964.63	
4	Unrecovered Reserve (ends 12/23)	UPIS (Rate Base Ex. A-4), line 39	\$ (22,684.80)	\$ (22,684.80)	\$ -	\$ -
5	Allocation of Carry Office Assets	Common Assets (Rate Base Ex. A-4), line 43	\$ 36,828.82	\$ 36,828.82	\$ 36,828.82	\$ 36,828.82
6	Unrecovered Reserve (ends 12/23)	Common Assets (Rate Base Ex. A-4), line 44	\$ (1,077.87)	\$ (1,077.87)	\$ -	\$ -
7	Allocation of IT Assets	IT Assets (Rate Base Ex. A-4), line 10	\$ 95,824.45	\$ 95,824.45	\$ 95,824.45	\$ 95,824.45
8	Unrecovered Reserve (ends 12/23)	IT Assets (Rate Base Ex. A-4), line 11	\$ (21,335.65)	\$ (21,335.65)	\$ -	\$ -
9	Post-Test Year Additions	Ex. A-4 (Accum Reserve) Water line 52	\$ 48,609.00	\$ 139,882.00	\$ 203,815.00	\$ 247,150.50
10		Misc Adjustment	\$ 400.42	\$ 400.42	\$ 400.42	\$ 400.42
11		DEPR EXP BY YEAR	\$ 459,529.00	\$ 550,802.00	\$ 659,833.32	\$ 703,168.82
12			\$ (234,600.00)	\$ (234,600.00)	\$ (234,600.00)	\$ (234,600.00)
13	Amortization of CIAC	Ex. A-4, Schedule 5 & 6				
14						
15						
16	Fairways NC Sewer					
17	Depreciation Expense Related to:					
18	Utility Plant in Service	UPIS (Rate Base Ex. A-5), line 35	\$ 687,283.31	\$ 687,283.31	\$ 687,283.31	\$ 687,283.31
19	Unrecovered Reserve (ends 12/23)	UPIS (Rate Base Ex. A-5), line 36	\$ (203.40)	\$ (203.40)	\$ -	\$ -
20	Allocation of Carry Office Assets	Common Assets (Rate Base Ex. A-5), line 43	\$ 23,075.23	\$ 23,075.23	\$ 23,075.23	\$ 23,075.23
21	Unrecovered Reserve (ends 12/23)	Common Assets (Rate Base Ex. A-5), line 44	\$ (675.34)	\$ (675.34)	\$ -	\$ -
22	Allocation of IT Assets	IT Assets (Rate Base Ex. A-5), line 10	\$ 60,039.38	\$ 60,039.38	\$ 60,039.38	\$ 60,039.38
23	Unrecovered Reserve (ends 12/23)	IT Assets (Rate Base Ex. A-5), line 11	\$ (13,367.98)	\$ (13,367.98)	\$ -	\$ -
24	Post-Test Year Additions	Ex. A-5 (Accum Reserve) Sewer line 53	\$ 96,634.00	\$ 205,850.50	\$ 230,262.50	\$ 277,681.50
25		DEPR EXP BY YEAR	\$ 852,785.20	\$ 962,001.70	\$ 1,000,660.42	\$ 1,048,079.42
26			\$ (213,580.00)	\$ (213,580.00)	\$ (213,580.00)	\$ (213,580.00)
27	Amortization of CIAC	Ex. A-5, Schedule 5 & 6				

FAIRWAYS WATER
DOCKET NO W-218, SUB 573
UTILITY PLANT IN SERVICE, RESERVE AND DEPRECIATION EXPENSE
DECEMBER 31, 2021

Line No.	AU	Description	Total Rate	UPIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retires	UPIS Balance at 12.31.21	Original Reserve Adj	Adjusted Reserve Balance at 12.31.20	Annual Provision	Adj for Over Depreciation	Retirements	Cost of Removal	Salvage Credits	Reserve Balance at 12.31.21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	6816	302100-Franchises	0.00%	269	-	-	269	-	-	-	-	-	-	-	-	-
2	6816	303200-Land & Land Rights SoS&Pump	0.00%	50,664	-	-	50,664	-	-	-	-	-	-	-	-	-
3	6816	304200-Structures & Imp-SoS&Pump	1.57%	1,262,078	472,793	(1,499)	1,733,371	-	198,732	24,318	-	(1,499)	(107)	-	221,445	27,214
4	6816	304300-Structures & Imp-Treatment	1.48%	40,487	-	-	40,487	-	23,172	571	-	-	-	-	23,743	599
5	6816	304500-Structures & Imp-General	1.04%	14,905	-	-	14,905	-	(5,021)	148	-	-	-	-	(4,873)	155
6	6816	304500-S&I Office Building(CarryOps)	1.65%	-	1,679	-	-	-	-	2	-	-	-	-	2	28
7	6816	307200-Well & Springs	1.31%	1,874,171	162,918	-	2,037,089	-	944,814	23,854	-	-	-	-	968,667	26,686
8	6816	309200-Supply Mains	4.56%	330,211	51,932	(888)	381,255	-	154,333	15,172	-	(888)	(586)	-	168,032	17,385
9	6816	310200-Power Generation Equip-SoS&P	1.79%	214,672	1,764	-	216,436	-	174,448	3,672	-	-	-	-	178,120	3,874
10	6816	311200-Pumping Equip-SoS&Pumping	2.80%	334,326	95,814	(18,401)	411,739	-	111,121	9,616	-	(18,401)	(3,888)	-	98,449	11,529
11	6816	311300-Pumping Equip-T&D	4.92%	4,328	-	-	4,328	-	3,370	203	-	-	-	-	3,573	213
12	6816	311400-Pumping Equip-T&D	2.91%	20,650	-	-	20,650	-	14,884	574	-	-	-	-	15,458	601
13	6816	320300-Water Treatment Equipment	3.86%	134,603	351,565	(8,797)	477,372	-	99,108	14,210	-	(8,797)	(845)	-	103,676	18,427
14	6816	330400-Dist Reservoirs & Standpipes	2.15%	559,897	9,466	-	569,363	-	221,556	10,154	-	-	(59)	-	231,652	12,241
15	6816	331400-T&D Mains	1.71%	5,180,788	81,519	(28,943)	5,393,373	-	745,915	76,082	-	(28,943)	(2,704)	-	790,351	92,227
16	6816	333400-Services	4.81%	1,336,980	70,495	(23,012)	1,417,191	-	318,779	51,356	-	(1,308)	(217)	-	368,610	68,167
17	6816	334400-Meters & Meter Installations	3.30%	533,765	79,339	-	581,248	-	95,378	19,445	-	-	-	-	91,811	19,181
18	6816	335400-Hydrants	2.39%	167,863	-	-	197,201	-	28,675	3,924	-	-	-	-	32,599	4,713
19	6816	336400-Backflow Prevention Devices	2.76%	5,103	-	-	5,103	-	1,564	141	-	-	-	-	1,704	141
20	6816	339200-Oth Pnt & Misc Eq-SoS&Pump	0.79%	15,393	-	-	15,393	-	15,393	122	(122)	-	-	-	15,393	0
21	6816	339300-Oth Pnt & Misc Eq-Treatment	0.94%	373	-	-	373	-	384	3	(4)	-	-	-	384	(0)
22	6816	339400-Oth Pnt & Misc Eq-T&D	1.53%	7,122	-	-	7,122	-	5,666	109	-	-	-	-	5,775	109
23	6816	343500-Tools, Shop & Garage Equip	5.00%	73,730	10,272	(2,473)	81,528	-	26,556	3,978	-	(2,473)	-	-	28,061	4,076
24	6816	343520-Tools, Shop&GarageEq (7Yr)	5.00%	1,966	-	-	1,966	-	1,966	98	(98)	-	-	-	1,966	0
25	6816	344500-Laboratory Equipment	5.00%	4,535	-	-	4,535	-	(1,085)	227	-	-	-	-	(858)	227
26	6816	346500-Communication Equipment	10.00%	215,793	31,140	(100,422)	146,510	-	(11,112)	18,195	-	(100,422)	-	-	(93,339)	14,651
27	6816	347500-Miscellaneous Equipment	5.00%	4,751	-	-	4,751	-	3,169	238	-	-	-	-	3,407	238
28	6816	348500-Other Tangible Plant	4.00%	7,092	-	-	7,092	-	1,675	284	-	-	-	-	1,959	284
29		Unrecovered Reserve Adjustment for 5 year Amortization		12,396,463	1,612,272	(185,741)	13,822,993	(112,076)	66,312	(22,415)	-	-	-	-	43,897	(22,415)
30	6816	346500-NCWA-Fairways	20.00%	-	-	-	-	(1,348)	797	(270)	-	-	-	-	528	(270)
31	6816	347500-NCWA Fairways	20.00%	-	-	-	-	-	67,109	(22,685)	-	-	-	-	44,424	(22,685)
32		Total Unrecovered Reserve		12,396,463	1,612,272	(185,741)	13,822,993	-	3,240,549	254,010	(223)	(185,741)	(8,405)	-	3,300,190	300,280
33														59,641		
34																
35																
36																
37																
38																
39																
40																

403 Depreciation Expense				
Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3	
UPIS	322,965	322,965	322,965	322,965
Unrecovered Reserve (ends 12.2023)	(27,685)	(27,685)	-	-
	300,280	300,280	322,965	322,965

FAIRWAYS WATER
AQUA NORTH CAROLINA COMMON ASSETS
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20 (a)	2021 Asset Additions (b)	2021 Asset Retirements (c)	UPIS Balance at 12/31/21 (d)	Original Unrecovered Reserve Adj (e)	Adjusted Reserve Balance at 12/31/20 (f)	Annual Provision (g)	Adj for Over Depreciation (h)	Retirements (i)	Salvage Credits (j)	Reserve Balance at 12/31/21 (k)	403 Depreciation Expense (l)
38		Total allocated to Fairways Water					433,943							112,018	35,019
39		Total Common to be Allocated		11,563,621	1,221,777	(803,205)	11,982,193		3,622,194	979,805	(3,486)	(803,205)	161,113	3,906,421	753,480
40		Total Allocated to Fairways Water					502,842							148,366	35,751
41	[1]	Appendix 3, Line 2													
42	[2]	Appendix 3, Line 4													
43	[3]	Appendix 3, Line 6													
44	[4]	Appendix 3, Line 10													

403 Depreciation Expense

Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIS 36,829	36,829	36,829	36,829
UPIS (ends 12/2023) (1,078)	(1,078)	-	-
Unrecovered Reserve (ends 12/2023) 35,751	35,751	36,829	36,829

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj (e)	Reserve Balance at 12/31/20 (f)	Annual Provision (g)	Retirements (h)	Reserve Balance at 12/31/21 (i)	403 Depreciation Expense (j)
UPIS IT Assets													
1	35-9001	340500-Office Furniture & Equipment	20.00%	11,932	-	(11,932)	-		(2,662,162)	573	(11,932)	(2,673,520)	-
2	35-9001	340550-Office Furniture & Equipment	20.00%	7,989,504	750,161	(2,046,227)	6,693,438		3,992,322	1,547,882	(2,046,227)	3,493,977	1,338,688
3-a	35-9001	340560-Office Furniture & Equipment	10.00%	1,552,847	1,758,004	-	3,310,851		151,929	182,160	-	334,088	331,085
3-b	35-9001	340560-SIP/SAP	6.67%	-	4,774,295	-	4,774,295		-	39,786	-	39,786	318,286
Unrecovered Reserve Adjustment for 5 Year Amortization													
4	35-9001	340550-NCWA-NC Corp	20.00%					(2,213,242)	1,309,501	(442,648)		866,853	(442,648)
5		Total IT UPIS to be allocated		9,554,283	7,282,460	(2,058,159)	14,778,584		2,791,591	1,327,752	(2,058,159)	2,061,184	1,545,411
6		Fairways Water %											
7		Total UPIS IT allocated to Fairways Water											
[1] Appendix 3, Line 2													
8													
9													
10													
11													
12													

403 Depreciation Expense

Base Year	Rate Yr 1	Rate Yr 2	Rate Yr 3
UPIS	95,824	95,824	95,824
Unrecovered Reserve (ends 12/2023)	(21,336)	-	-
	74,489	95,824	95,824

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Fairways/Beau Rivage Water & Sewer
Calculation of Annual Accumulated Reserve and Expense for Post Test Year Additions
Test Year Ending December 31, 2021

Exhibit A-1

Line No.	(a) Description	(b) Base Year \$	(c) Rate Year 1 \$	(d) Rate Year 2 \$	(e) Rate Year 3 \$
WATER					
1	Accum Depr Reserve for the Test Year:				
2	Plant in Service	(322,965)	(322,965)	(322,965)	(322,965)
3	Unrecovered Reserve (Ends 12/2023)	22,685	22,685	-	-
4	Subtotal	(300,280)	(300,280)	(322,965)	(322,965)
5					
6	Common Assets (Reserve ends 12/2023)	(36,829)	(36,829)	(36,829)	(36,829)
7	Unrecovered Reserve (Ends 12/2023)	1,078	1,078	-	-
8	Subtotal	(35,751)	(35,751)	(36,829)	(36,829)
9					
10	IT Common Assets (Reserve ends 12/2023)	(95,824)	(95,824)	(95,824)	(95,824)
11	Unrecovered Reserve (Ends 12/2023)	21,336	21,336	-	-
12	Subtotal	(74,488)	(74,488)	(95,824)	(95,824)
13					
14	Plant in Service	(455,618)	(455,618)	(455,618)	(455,618)
15	Unrecovered Reserve	45,099	45,099	-	-
15	Grand Total	(410,519)	(410,519)	(455,618)	(455,618)
16					
17	Accum Depr Reserve on Post Test Year Additions				
18	Plant in Service				
19	2022	(32,902)	(65,803)	(65,803)	(65,803)
20	2023		(32,361)	(64,721)	(64,721)
21	2024			(12,765)	(25,529)
22	2025				(15,433)
23	Total	(32,902)	(98,164)	(143,289)	(171,486)
24					
25	Common - Acct. 341550				
26	2022	(1,150)	(2,299)	(2,299)	(2,299)
27	2023		(1,193)	(2,385)	(2,385)
28	2024			(1,220)	(2,439)
29	2025				(1,220)
30	Total	(1,150)	(3,492)	(5,904)	(8,343)
31					
32	Common - Acct. 340100 & 346550				
33	2022	(10,237)	(20,473)	(20,473)	(20,473)
34	2023		(6,432)	(12,863)	(12,863)
35	2024			(7,218)	(14,435)
36	2025				(5,401)
37	Total	(10,237)	(26,905)	(40,554)	(53,172)
38					
39	Common - Acct. 34051P - Service Improvement Project				
40	2021	-	-	-	-
41	2022	(4,322)	(8,643)	(8,643)	(8,643)
42	2023		(2,680)	(5,359)	(5,359)
43	2024			(68)	(135)
44	2025				(14)
45	Total	(4,322)	(11,323)	(14,070)	(14,151)
46					
47	Total Accumulated Reserve on Post Test Year Additions				
48	2022	(48,609)	(97,218)	(97,218)	(97,218)
49	2023	-	(42,664)	(85,328)	(85,328)
50	2024	-	-	(21,269)	(42,538)
51	2025	-	-	-	(22,067)
52	Grand Total	(48,609)	(139,882)	(203,815)	(247,151)
53					
54	Depreciation Expense on Post Test Year Additions	48,609	91,273	63,933	43,336
55	Unrecovered Reserve	-	-	45,099	-
56	Total Depreciation Expense Adjustments to Exhibit Dw Line 57	48,609	91,273	109,032	43,336

Note: Amounts are calculated using a mid-year convention which assumes that the associated assets are placed in service evenly throughout the year.

FAIRWAYS WATER
DOCKET NO. W-218, SUB 573
CONTRIBUTIONS IN AID OF CONSTRUCTION AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No	AU	Donated Asset Description	Rate	271 Balance at		2021 Additions	2021 Retire/ Transfer	271 Balance at 12.31.21	272 Balance at 12.31.20	Amortization	Over Amortized	272 Balance at 12.31.21	Amortization Expense
				(a)	(b)								
1	35-6816	303200-Land & Land Rights-SoS&Pump	0.000%	(500)	-	-	-	(500)					
2	35-6816	304200-Structures & Imp-SoS&Pump	1.620%	(561,849)	(20,000)	-	-	(581,849)	(95,458)	(8,878)		(104,336)	(9,426)
3	35-6816	307200-Wellis & Springs	1.450%	(128,860)	-	-	-	(128,860)	(23,627)	(1,701)		(25,328)	(1,868)
4	35-6816	309200-Supply Mains	4.240%	(44,529)	-	-	-	(44,529)	(18,827)	(1,714)		(20,541)	(1,888)
5	35-6816	311200 Pumping Equip-SoS&Pumping	1.300%	(23,222)	-	-	-	(23,222)	(8,183)	(286)		(8,469)	(302)
6	35-6816	330400-Dist Reservoirs & Standpipes	2.030%	(313,893)	-	-	-	(313,893)	(182,844)	(5,305)		(188,149)	(6,372)
7	35-6816	331400 T&D Mains	1.660%	(3,215,286)	(131,372)	-	-	(3,346,658)	(691,820)	(45,998)		(737,818)	(55,555)
8	35-6816	333400-Services	4.330%	(2,966,644)	(132,143)	-	-	(3,098,787)	(994,047)	(101,547)		(1,095,594)	(134,177)
9	35-6816	334400-Meters & Meter Installations	1.590%	(3,920)	-	-	-	(3,920)	150	(66)		84	(62)
10	35-6816	335400-Hydrants	2.250%	(102,761)	(27,500)	-	-	(130,261)	(12,325)	(2,394)		(14,720)	(2,931)
11	35-6816	339200-Oth Plnt & Misc Eq-SoS&Pump	0.000%	(120,225)	-	-	-	(120,225)	(120,225)			(120,225)	-
12	35-6816	343500-Tools, Shop & Garage Equip	3.750%	(110)	-	-	-	(110)	(38)	(4)		(42)	(4)
13	35-6816	346500-Communication Equipment	2.160%	(10,301)	-	-	-	(10,301)	(8,504)	(222)		(8,726)	(223)
14	35-6816	348500-Other Tangible Plant	2.550%	(853,054)	-	-	-	(853,054)	(426,697)	(21,753)		(448,450)	(21,753)
15				(8,345,153)	(311,015)	-	-	(8,656,168)	(2,582,445)	(189,869)	-	(2,772,314)	(234,561)

FAIRWAYS WATER
AQUA NORTH CAROLINA IT CIAC
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj (e)	Reserve Balance at 12/31/20 (f)	Transfers (g)	Remove Unrecovered Reserve Bal Transfers/ Adj col (g) (h)	Annual Provision (i)	Retirements (j)	Reserve Balance at 12/31/21 (k)	403 Depreciation Expense (l)
CIAC IT Assets															
1	35-9001	340500-Office Furniture & Equipment	0.0255	(31,884)			(31,884)		(10,239)			(813)		(11,052)	(813)
2		Total IT CIAC to be allocated		(31,884)			(31,884)		(10,239)			(813)		(11,052)	(813)
3		Fairways Water %					4.82% [1]							4.82% [1]	4.82% [1]
4		Total CIAC IT allocated to Fairways Water					(1,537)							(533)	(39)

[1] Appendix 3, Line 2

Line No.	AU	Description	Total Rate	UPS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retires	UPS Balance at 12.31.21	Original Reserve Adj	Adjusted Reserve Balance at 12.31.20	Annual Provision	Adj for Over Depreciation	Retirements	Cost of Removal	Salvage Credits	Reserve Balance at 12.31.21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	6401	352100-Franchises	0.00%	257	-	-	257	-	-	-	-	-	-	-	-	-
2	6401	353200-Land & Land Rights-Collect	0.00%	51,838	-	-	51,838	-	-	-	-	-	-	-	-	-
3	6401	353300-Land & Land Rights-Pumping	0.00%	61,007	-	-	61,007	-	-	-	-	-	-	-	-	-
4	6401	354200-Structures & Imp-Collect	2.08%	4,169,859	1,345,070	-	5,514,879	-	235,462	85,450	-	-	-	-	320,912	114,709
5	6401	354300-Structures & Imp-Pumping	2.32%	97,953	-	-	97,953	-	(8,913)	2,165	-	-	-	-	(6,749)	2,273
6	6401	354700-Structures & Imp-General	1.67%	288,146	-	-	288,146	-	16,882	4,381	-	-	-	-	21,464	4,812
7	6401	355200-Power Generation Eq-Collect	3.05%	313,137	-	-	313,137	-	63,863	9,081	-	-	-	-	72,944	9,551
8	6401	360200-Collection Sewers-Force	1.53%	2,746,278	80,494	(4,002)	2,322,770	-	373,920	30,643	(736)	(4,002)	(736)	-	399,825	35,538
9	6401	361200-Collection Sewers-Gravity	1.85%	2,992,450	138,092	(1,380)	3,129,162	-	441,062	49,586	(136)	(1,380)	(136)	-	489,133	57,889
10	6401	362200-Services to Customers	2.45%	1,035,377	67,802	(19,489)	1,083,690	-	9,534	20,060	(19,489)	(19,489)	(19,489)	-	8,829	26,550
11	6401	364200-Flow Measuring Devices	1.73%	1,293	-	-	1,293	-	666	16	-	-	-	-	682	16
12	6401	371300-Pumping Equip-Pumping	7.41%	867,230	364,604	(32,280)	1,199,554	-	191,378	64,577	(1,218)	(32,280)	(1,218)	-	222,458	88,887
13	6401	371500-Pumping Equip-RW Treat	7.04%	162,166	-	-	162,166	-	81,381	10,865	-	-	-	-	92,246	11,416
14	6401	371600-Pumping Equip-RW Distr	9.66%	8,388	-	-	8,388	-	5,308	772	-	-	-	-	6,079	810
15	6401	380400-Treat & Disp Equip-T&D Plant	2.77%	5,762,844	4,662,064	(6,459)	10,418,450	-	512,605	156,232	(2,633)	(6,459)	(2,633)	-	659,745	288,591
16	6401	380500-Treat & Disp Equip-RW Treat	2.77%	104,473	-	(24,408)	80,065	-	(54,454)	2,292	(24,408)	(24,408)	-	-	(76,571)	2,218
17	6401	381400-Plant Sewers-T&D Plant	1.95%	1,858	-	-	1,858	-	675	33	-	-	-	-	708	36
18	6401	381500-Plant Sewers-RW Treat	1.95%	244,910	-	-	244,910	-	119,193	4,335	-	-	-	-	123,528	4,776
19	6401	382400-Outfall Sewer Lines	2.46%	1,009,656	-	-	1,009,656	-	537,344	22,616	-	-	-	-	559,961	24,838
20	6401	389400-Oth Pnt & Misc Eq-T&D Plant	0.00%	2,593	-	-	2,593	-	2,593	-	-	-	-	-	2,593	-
21	6401	389500-Oth Pnt & Misc Eq-RW Treat	3.33%	4,243	-	-	4,243	-	3,786	141	-	-	-	-	3,928	141
22	6401	390700-Office Furniture & Equipment	5.00%	185	-	(185)	-	-	171	4	(185)	-	-	-	(10)	-
23	6401	393700-Tools, Shop & Garage Equip	5.00%	44,887	31,756	-	76,644	-	5,483	2,629	-	-	-	-	8,112	3,832
24	6401	394700-Laboratory Equipment	5.00%	19,138	1,613	-	20,751	-	(4,706)	1,004	-	-	-	-	(3,702)	1,038
25	6401	395700-Power Operated Equipment	0.85%	132,448	8,132	-	140,579	-	85,207	1,272	-	-	-	-	86,479	1,195
26	6401	396700-Communication Equipment	6.67%	77,570	44,610	-	122,180	-	11,242	5,908	-	-	-	-	17,149	8,149
27	6401	397700-Miscellaneous Equipment	5.00%	340	-	-	340	-	227	17	-	-	-	-	244	17
28		Unrecaptured Reserve Adjustment for 5 year Amortization		19,700,525	6,744,187	(88,704)	26,356,508	-	2,629,910	474,279	-	(88,204)	(5,997)	-	3,009,988	687,283
29	6401	390700-NCWW-Fairways	20.00%	-	-	-	-	(22)	13	(4)	-	-	-	-	9	(4)
30	6401	393700-NCWW-Fairways	20.00%	-	-	-	-	(995)	589	(199)	-	-	-	-	390	(199)
31		Total Unrecaptured Reserve		19,700,525	6,744,187	(88,704)	26,356,508	-	602	(203)	-	-	-	-	398	(203)
32									2,630,512	474,076	-	(88,204)	(5,997)	-	3,010,386	687,080
33																
34																
35																
36																
37																

FAIRWAYS SEWER
AQUA NORTH CAROLINA COMMON ASSETS
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12.31.21	Original Unrecovered Reserve Adj.	Adjusted Reserve Balance at 12.31.20	Annual Provision	Adj for Over Depreciation	Retirements	Salvage Credits	Reserve Balance at 12.31.21	403 Depreciation Expense
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
34	35-8800	391700-Transportation Equipment	13.22%	302,851			302,851		(65,863)	50,061				(15,801)	40,037
35	35-8810	391700-Transportation Equipment	13.22%	81,660			81,660		76,733	13,498				40,231	10,795
36		Total Transportation Equipment to be allocated		8,464,571	1,210,599	(672,213)	9,002,958		1,938,672	899,942	(3,486)	(672,213)	161,113	2,324,029	776,535
37		Fairways Sewer %					3.02%								3.02%
38		Total allocated to Fairways Sewer					271,889							70,186	21,943
39		Total Common to be Allocated		11,563,671	1,221,777	(603,205)	11,982,193		3,627,194	979,805	(3,486)	(603,205)	161,113	3,906,421	753,480
40		Total Allocated to Fairways Sewer					315,057							92,558	22,400
41	[1]	Appendix 3, Line 2													
42	[2]	Appendix 3, Line 4													
43	[3]	Appendix 3, Line 6													
44	[4]	Appendix 3, Line 10													
45															

403 Depreciation Expense

Base Year	Rate Yr. 1	Rate Yr. 2	Rate Yr. 3
UPIS	23.075	23.075	23.075
Unrecovered Reserve (ends 12/2023)	(675)	(675)	-
	22,400	22,400	23,075

DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12/31/20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12/31/21	Original Unrecovered Reserve Adj.	Reserve Balance at 12/31/20	Adjs to Reserve Balance	Reserve Balance at 12/31/20	Annual Provision	Retirements	Reserve Balance at 12/31/21	403 Depreciation Expense	
				(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)	(k)	(l)
UPIS IT Assets																
1	35-9001	340500-Office Furniture & Equipment	20.00%	11,932	-	(11,932)	-	(1,352,660)	(2,662,162)	(1,309,501)	573	(11,932)	(2,673,520)	-	-	-
2	35-9001	340550-Office Furniture & Equipment	20.00%	7,989,504	750,161	(2,046,227)	6,693,438	3,992,322	3,992,322	0	1,547,882	(2,046,227)	3,493,977	1,336,688	1,336,688	1,336,688
3-a	35-9001	340560-Office Furniture & Equipment	10.00%	1,552,847	1,758,004	-	3,310,851	151,929	151,929	0	182,160	-	334,088	331,085	331,085	331,085
3-b	35-9001	340560-SIP/SAP	6.67%	-	4,774,295	-	4,774,295	0	-	-	39,786	-	39,786	318,286	318,286	318,286
Unrecovered Reserve Adjustment for 5 year Amortization																
4	35-9001	340550-NCWA-NC Corp	20.00%	-	-	-	-	(2,211,242)	1,309,501	(442,648)	866,853	(442,648)	-	(442,648)	-	(442,648)
5		Total IT UPIS to be allocated		9,554,283	7,282,460	(2,058,159)	14,778,584	2,791,591	2,791,591	1,327,752	2,061,184	-	-	1,545,411	-	1,545,411
6		Fairways Sewer %														
7		Total UPIS IT allocated to Fairways Sewer														
403 Depreciation Expense																
Base Year																
Rate Yr 1																
Rate Yr 2																
Rate Yr 3																
UPIS																
Unrecovered Reserve (ends 12/2023)																
46,671																
3.02% [1]																
46,671																

8

9

10

11

12

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Fairways/Beau Rivage Water & Sewer
Calculation of Annual Accumulated Reserve and Expense for Post Test Year Additions
Test Year Ending December 31, 2021

Exhibit A-1

Line No.	(a) Description	(b) Base Year \$	(c) Rate Year 1 \$	(d) Rate Year 2 \$	(e) Rate Year 3 \$
SEWER					
1	Accum Depr Reserve for the Test Year:				
2	Plant In Service	(687,283)	(687,283)	(687,283)	(687,283)
3	Unrecovered Reserve (Ends 12/2023)	203	203	-	-
4	Subtotal	(687,080)	(687,080)	(687,283)	(687,283)
5					
6	Common Assets (Reserve ends 12/2023)	(23,075)	(23,075)	(23,075)	(23,075)
7	Unrecovered Reserve (Ends 12/2023)	675	675	-	-
8	Subtotal	(22,400)	(22,400)	(23,075)	(23,075)
9					
10	IT Common Assets (Reserve ends 12/2023)	(60,039)	(60,039)	(60,039)	(60,039)
11	Unrecovered Reserve (Ends 12/2023)	13,368	13,368	-	-
12	Subtotal	(46,671)	(46,671)	(60,039)	(60,039)
13					
14	Plant In Service	(770,397)	(770,397)	(770,397)	(770,397)
15	Unrecovered Reserve	14,246	14,246	-	-
7	Grand Total	(756,151)	(756,151)	(770,397)	(770,397)
8					
9	Accum Depr Reserve on Post Test Year Additions				
10	Plant In Service				
11	2022	(86,784)	(173,568)	(173,568)	(173,568)
12	2023		(6,125)	(12,249)	(12,249)
13	2024			(6,500)	(13,000)
14	2025				(31,430)
15	Total	(86,784)	(179,693)	(192,317)	(230,247)
16					
17	Common - Acct. 341550				
18	2022	(721)	(1,442)	(1,442)	(1,442)
19	2023		(748)	(1,496)	(1,496)
20	2024			(765)	(1,530)
21	2025				(765)
22	Total	(721)	(2,190)	(3,703)	(5,233)
23					
24	Common - Acct. 340100 & 346550				
25	2022	(6,422)	(12,843)	(12,843)	(12,843)
26	2023		(4,031)	(8,062)	(8,062)
27	2024			(4,523)	(9,045)
28	2025				(3,386)
29	Total	(6,422)	(16,874)	(25,428)	(33,336)
30					
31	Common - Acct. 34051P - Service Improvement Project				
32	2021	-	-	-	-
33	2022	(2,708)	(5,415)	(5,415)	(5,415)
34	2023		(1,679)	(3,358)	(3,358)
35	2024			(42)	(84)
36	2025				(9)
37	Total	(2,708)	(7,094)	(8,815)	(8,866)
38					
39	Total Accumulated Reserve on Post Test Year Additions				
40	2022	(96,634)	(193,268)	(193,268)	(193,268)
41	2023	-	(12,583)	(25,165)	(25,165)
42	2024	-	-	(11,830)	(23,659)
43	2025	-	-	-	(35,590)
44	Grand Total	(96,634)	(205,851)	(230,263)	(277,682)
45					
46	Depreciation Expense on Post Test Year Additions	96,634	109,217	24,412	47,419
47	Unrecovered Reserve	-	-	14,246	-
48	Total Depreciation Expense Adjustments to Exhibit Ds Line 55	96,634	109,217	38,658	47,419

Note: Amounts are calculated using a mid-year convention which assumes that the associated assets are placed in service evenly throughout the year.

FAIRWAYS SEWER
DOCKET NO. W-218, SUB 573
CONTRIBUTIONS IN AID OF CONSTRUCTION AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Donated Asset Description	Rate	2021 Balance at 12.31.20 (a)	2021 Additions (b)	2021 Retire/ Transfer (c)	2021 Balance at 12.31.21 (d)	2021 Balance at 12.31.20 (e)	Amortization (f)	Over Amortized (g)	2021 Balance at 12.31.21 (h)	Amortization Expense (i)
1	35-6401	353200-Land & Land Rights-Collect	0.000%	(51,500)	-	-	(51,500)	(1,536)	-	-	(1,536)	-
2	35-6401	353300-Land & Land Rights-Pumping	0.000%	(500)	-	-	(500)	-	-	-	-	-
3	35-6401	354200-Structures & Imp-Collect	2.070%	(876,835)	(10,000)	-	(886,835)	(129,155)	(17,405)	-	(146,560)	(18,357)
4	35-6401	354700-Structures & Imp-General	1.850%	(282,500)	-	-	(282,500)	(65,833)	(4,972)	-	(70,805)	(5,226)
5	35-6401	360200-Collection Sewers-Force	1.530%	(791,700)	-	-	(791,700)	(119,217)	(10,530)	-	(129,747)	(12,113)
6	35-6401	361200-Collection Sewers-Gravity	1.830%	(1,954,420)	(119,313)	-	(2,073,733)	(316,544)	(32,543)	-	(349,087)	(37,949)
7	35-6401	363200-Services to Customers	2.340%	(2,252,354)	(182,412)	-	(2,434,766)	(701,375)	(42,504)	-	(743,879)	(56,974)
8	35-6401	371300-Pumping Equip-Pumping	6.330%	(305,778)	-	-	(305,778)	(51,886)	(18,438)	-	(70,324)	(19,356)
9	35-6401	371500-Pumping Equip-RW Treat	6.670%	(34,500)	-	-	(34,500)	(15,953)	(2,194)	-	(18,147)	(2,301)
10	35-6401	380400-Treat & Disp Equip-T&D Plant	2.770%	(136,875)	-	-	(136,875)	(5,687)	(3,449)	-	(9,137)	(3,791)
11	35-6401	381500-Plant Sewers-RW Treat	2.640%	(24,512)	-	-	(24,512)	(10,907)	(588)	-	(11,496)	(647)
12	35-6401	382400-Outfall Sewer Lines	2.660%	(212,948)	-	-	(212,948)	(88,058)	(5,153)	-	(93,211)	(5,664)
13	35-6401	398700-Other Tangible Plant	4.450%	(1,150,017)	-	-	(1,150,017)	(647,904)	(51,176)	-	(699,080)	(51,176)
14				(8,074,439)	(311,725)	-	(8,386,164)	(2,154,056)	(188,953)	-	(2,343,009)	(213,555)

FAIRWAYS SEWER
AQUA NORTH CAROLINA IT CIAC
DOCKET NO. W-218, SUB 573
DECEMBER 31, 2021

Line No.	AU	Asset Description/Depreciation Group	Total Rate	UPIS Balance at 12.31.20	2021 Asset Additions	2021 Asset Retirements	UPIS Balance at 12.31.21	Original Unrecovered Reserve Adj	Reserve Balance at 12.31.20	Transfers (g)	Remove Unrecovered Reserve Bal from Transfers Adj col (g)	Annual Provision (i)	Retirements (j)	Reserve Balance at 12.31.21 (k)	403 Depreciation Expense (l)
CIAC IT Assets															
1	35-9001	Office Furniture & Equipment	0.0255	(31,884)	-	-	(31,884)		(10,239)	-	-	(813)	-	(11,052)	(813)
2		Total IT CIAC to be allocated		(31,884)	-	-	(31,884)		(10,239)	-	-	(813)	-	(11,052)	(813)
3		Fairways Sewer %					3.02% [1]							3.02% [1]	3.02% [1]
4		Total CIAC IT allocated to Fairways Sewer					(1963)							(334)	(25)

[1] Appendix 3, Line 2

Item 10 Adjustment# C2/E5/E7
W-218 Sub 573**Other Taxes Expense****AS ADJUSTED:**

Other Taxes expense has been adjusted to reflect the annualized expense that is expected to be realized by (a) Aqua North Carolina Water and Sewer (b) Brookwood Water and (c) Fairways Utilities Water and Sewer going forward.

Other Taxes includes PUC Assessment Fees, Property Taxes, Payroll Taxes, Franchise Tax and other miscellaneous taxes – other than Income Tax.

The adjustments include:

- PUC/Regulatory Assessment have been calculated for the test year and adjusted for the filed for rate increases (Exhibit E5)
- Payroll Taxes have been adjusted for the proforma increase in Labor Expense (from Exhibit E7)
- Property Tax (Exhibit C2) the test year amount has not been adjusted.

The adjustments to reflect the current level of expense in this category are supported by the following schedules attached:

- Taxes Other – Summary by GL Acct (Exhibit C2 E5 E7). This schedule provides Rate Division and GL Account per books detail that ties to the Dw and Ds schedules from the respective application books.

For purposes of the multi-year rate plan, or WSIP, Property Tax has been increased by 3.31% for the base year and rate years one through three. 3.31% is the CAGR for property tax expense for the years 2018-2021 as shown in Gearhart Exhibit 1.

TAXES OTHER - Summary by GL Acct
Test Year 01/01/2021 - 12/31/2021

Exhibit C2 / E5 / E7

Line#	(a)	(b)	(c)	(d)
	Row Labels	Per Books	Grand Total	Reference
2	AQUA NC Sewer	\$256,743.25	\$256,743.25	
3	408	\$283,483.49	\$283,483.49	Aqua NC SWR Exhibit Ds
4	408101 Assessment-PUC	\$21,004.25	\$21,004.25	E5
5	408110 Property Taxes	\$15,404.58	\$15,404.58	C2-No Adjustment
6	408121 Payroll Taxes-FICA	\$193,046.56	\$193,046.56	E7
7	408122 Payroll Taxes-FUTA	\$1,931.43	\$1,931.43	E7
8	408123 Payroll Taxes-SUTA	\$3,807.76	\$3,807.76	E7
9	408139 Other Taxes-Misc	\$22.15	\$22.15	C2-No Adjustment
10	408205 Other Taxes-Franchise Tax	\$48,266.76	\$48,266.76	C2-No Adjustment
11	776	(\$26,740.24)	(\$26,740.24)	Aqua NC SWR Exhibit Ds
12	776230 SW-Cap OH Credit-PR Taxes	(\$26,740.24)	(\$26,740.24)	E7
13	AQUA NC Water	\$1,332,130.89	\$1,332,130.89	
14	408	\$1,484,382.04	\$1,484,382.04	Aqua NC WTR Exhibit Dw
15	408101 Assessment-PUC	\$48,914.51	\$48,914.51	E5
16	408110 Property Taxes	\$586,039.01	\$586,039.01	C2-No Adjustment
17	408121 Payroll Taxes-FICA	\$657,349.79	\$657,349.79	E7
18	408122 Payroll Taxes-FUTA	\$6,164.13	\$6,164.13	E7
19	408123 Payroll Taxes-SUTA	\$11,557.75	\$11,557.75	E7
20	408139 Other Taxes-Misc	\$89.60	\$89.60	C2-No Adjustment
21	408205 Other Taxes-Franchise Tax	\$174,267.25	\$174,267.25	C2-No Adjustment
22	676	(\$152,251.15)	(\$152,251.15)	Aqua NC WTR Exhibit Dw
23	676230 WT-Cap OH Credit-PR Taxes	(\$152,251.15)	(\$152,251.15)	E7
24	Brookwood Water	\$211,329.53	\$211,329.53	
25	408	\$221,622.52	\$221,622.52	Brookwood WTR Exhibit Dw
26	408101 Assessment-PUC	\$8,358.49	\$8,358.49	E5
27	408110 Property Taxes	\$106,775.12	\$106,775.12	C2-No Adjustment
28	408121 Payroll Taxes-FICA	\$67,042.44	\$67,042.44	E7
29	408122 Payroll Taxes-FUTA	\$598.93	\$598.93	E7
30	408123 Payroll Taxes-SUTA	\$365.94	\$365.94	E7
31	408139 Other Taxes-Misc	\$20.75	\$20.75	C2-No Adjustment
32	408205 Other Taxes-Franchise Tax	\$38,460.85	\$38,460.85	C2-No Adjustment
33	676	(\$10,292.99)	(\$10,292.99)	Brookwood WTR Exhibit Dw
34	676230 WT-Cap OH Credit-PR Taxes	(\$10,292.99)	(\$10,292.99)	E7
35	FAIRWAYS Sewer	\$29,245.88	\$29,245.88	
36	408	\$32,972.32	\$32,972.32	Fairways SWR Exhibit Ds
37	408101 Assessment-PUC	\$2,724.78	\$2,724.78	E5
38	408110 Property Taxes	\$2,633.55	\$2,633.55	C2-No Adjustment
39	408121 Payroll Taxes-FICA	\$18,768.73	\$18,768.73	E7
40	408122 Payroll Taxes-FUTA	\$171.58	\$171.58	E7
41	408123 Payroll Taxes-SUTA	\$212.38	\$212.38	E7
42	408139 Other Taxes-Misc	\$3.51	\$3.51	C2-No Adjustment
43	408205 Other Taxes-Franchise Tax	\$8,457.79	\$8,457.79	C2-No Adjustment
44	776	(\$3,726.44)	(\$3,726.44)	Fairways SWR Exhibit Ds
45	776230 SW-Cap OH Credit-PR Taxes	(\$3,726.44)	(\$3,726.44)	E7
46	FAIRWAYS Water	\$67,229.23	\$67,229.23	
47	408	\$71,392.05	\$71,392.05	Fairways WTR Exhibit Dw
48	408101 Assessment-PUC	\$1,706.92	\$1,706.92	E5
49	408110 Property Taxes	\$30,478.97	\$30,478.97	C2-No Adjustment
50	408121 Payroll Taxes-FICA	\$25,354.41	\$25,354.41	E7
51	408122 Payroll Taxes-FUTA	\$220.25	\$220.25	E7
52	408123 Payroll Taxes-SUTA	\$112.48	\$112.48	E7
53	408139 Other Taxes-Misc	\$6.16	\$6.16	C2-No Adjustment
54	408205 Other Taxes-Franchise Tax	\$13,512.86	\$13,512.86	C2-No Adjustment
55	676	(\$4,162.82)	(\$4,162.82)	Fairways WTR Exhibit Dw
56	676230 WT-Cap OH Credit-PR Taxes	(\$4,162.82)	(\$4,162.82)	E7
57	Grand Total	\$1,896,678.78	\$1,896,678.78	

W-218 Sub 573
Adjustment# C9

Amortization Expense

AS ADJUSTED:

Amortization Expense has been adjusted to reflect the annualized expense that is expected to be realized by (a) Aqua North Carolina Water and Sewer (b) Brookwood Water and (c) Fairways Utilities Water and Sewer going forward.

This expense has been adjusted to the most recent monthly level of tank painting amortization for each rate division – all amounts have been updated to the end of test year (December 2021) amount. This current amount has been annualized and an adjustment has been made to amortization expense to the correct end-of-test-year level.

The following support schedules are attached:

- Amortization - Summary by GL Acct (Exhibit C9). This schedule provides Rate Division and GL Account detail walking from Per Books to Grand Total and ties to the Dw and Ds schedules from the respective application books.
- Amortization – Update to Tank Painting (Exhibit C9-1). This schedule provides detail by Rate Division by month for the test year. A calculation is performed to determine the annual level based on the December 2021/end-of-test-year amount. An adjustment amount has been calculated to get from the test year amount to the correct end-of-test-year level of expense.
- Amortization – Summary of AA & AIA Amortization (Exhibit C9-2). This schedule provides the annual amounts for these assets as of the end of the test year. A calculation is performed to adjust the test year amount to the correct end-of-test-year level of these amortization amounts.

NOTE-Amortization of rate case expense is part of a separate adjustment.

The adjustments detailed in the schedules above are necessary to reflect the appropriate amount of Amortization Expense the Company expects to incur during the multi-year (WSIP) rate proceeding. These amounts are not forecasted to change for the base year or rate years 1-3.

AMORTIZATION EXPENSE
Summary by Rate Division and GL Account
Test Year 01/01/2021 - 12/31/2021

W-218 Sub 573

Exhibit C9

Line#	(a)	(b)	(c)	(d)	(e)	(f)
	Sum of Amount	Column Labels	Prof-Tank Painting	Prof-AA Amort	Grand Total	Reference
	Row Labels	Per Books				
1	AQUA NC Sewer					
2	406	(\$93,675.99)		(\$12.42)	(\$93,688.41)	
3		(\$94,919.58)		(\$12.42)	(\$94,932.00)	Aqua NC SWR Exhibit Ds
4	406000 Amort-Util Plant Acq Adj	(\$94,919.58)		(\$12.42)	(\$94,932.00)	
5	407	\$1,243.59			\$1,243.59	Aqua NC SWR Exhibit Ds
6	407300 Amort-Other Utility Plant	\$0.00			\$0.00	
7	407400 Amort Regulatory Debits	\$1,243.59			\$1,243.59	
8	AQUA NC Water					
9	406	\$564,986.77	\$28,064.16	(\$1,036.49)	\$592,014.44	
10	406000 Amort-Util Plant Acq Adj	\$267,699.49		(\$1,036.49)	\$266,663.00	Aqua NC WTR Exhibit Dw
11	407	\$267,699.49		(\$1,036.49)	\$266,663.00	
12	407201 Amort-Tank Painting	\$297,287.28	\$28,064.16		\$325,351.44	Aqua NC WTR Exhibit Dw
13	407300 Amort-Other Utility Plant	\$282,531.00	\$28,064.16		\$310,595.16	
14	407400 Amort Regulatory Debits	\$10,266.24			\$10,266.24	
15	407400 Amort Regulatory Debits	\$4,490.04			\$4,490.04	
16	Brookwood Water					
17	406	\$34,946.34		\$0.10	\$34,946.44	
18	406000 Amort-Util Plant Acq Adj	\$228.90		\$0.10	\$229.00	Brookwood WTR Exhibit Dw
19	407	\$228.90		\$0.10	\$229.00	
20	407201 Amort-Tank Painting	\$34,717.44			\$34,717.44	Brookwood WTR Exhibit Dw
21	407400 Amort Regulatory Debits	\$33,726.48			\$33,726.48	
22	FAIRWAYS Sewer					
23	407	\$990.96			\$990.96	
24	407400 Amort Regulatory Debits	\$217.95			\$217.95	
25	FAIRWAYS Water					
26	407	\$217.95			\$217.95	Fairways SWR Exhibit Ds
27	407400 Amort Regulatory Debits	\$217.95			\$217.95	
28	FAIRWAYS Water					
29	407	\$4,081.74			\$4,081.74	
30	407201 Amort-Tank Painting	\$4,081.74			\$4,081.74	Fairways WTR Exhibit Dw
31	407400 Amort Regulatory Debits	\$3,733.56			\$3,733.56	
32	Grand Total					
33		\$510,556.81	\$28,064.16	(\$1,048.81)	\$537,572.16	

[1] ties to consolidated Amortization Expense (406/407) for test year - excluding amortization of rate case expense.

Rate case expense is on a separate adjustment.

[2] Adjustment to adjust tank paintings to the current annualized amount (Exhibit C9-1)

[3] Adjustment to AA amortization to current levels (Ex. C9-2)

Exhibit C9-1

W-218 Sub 573

AMORTIZATION EXPENSE
Update to Tank Painting
Test Year 01/01/2021 - 12/31/2021

Line#	(a) Sum of Amount	(b) Column Labels	(c) 2021	(d)	(e)	(f)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021 Total
1	31-AMORTIZATION																		
2	AQUA NC Water																		
3	407201 Amort-Tank Painting																		
4	1003																		
5	8000																		
6	Brookwood Water																		
7	407201 Amort-Tank Painting																		
8	7400																		
9	FAIRWAYS Water																		
10	407201 Amort-Tank Painting																		
11	6816																		
12	Grand Total																		
13																			
14																			
15																			
16																			
17																			
18																			
19																			
20																			
21	31-AMORTIZATION																		
22	AQUA NC Water																		
23	407201 Amort-Tank Painting																		
24	1003																		
25	8000																		
26	Brookwood Water																		
27	407201 Amort-Tank Painting																		
28	7400																		
29	FAIRWAYS Water																		
30	407201 Amort-Tank Painting																		
31	6816																		
32	Grand Total																		
33																			

Ties to Exhibit C9, column c

AMORTIZATION EXPENSE **W-218 Sub 573** **Exhibit C9-2**
Summary of AA & AIA Amortization Adjustment to Current Level
Test Year 01/01/2021 - 12/31/2021

Line#	(a)	(b)	(c)	(d)	(e)	(f)
1						
2	ANC Water	Positive AA Amortization	\$ (113,027.00)	A-1 Schedule 7, line 1021		
3		Negative AA Amortization	\$ 300,146.00	A-1 Schedule 8, line 2107		
4		AIA Amortization	\$ 79,544.00	A-1 Schedule 9, line 96		
5			<u>\$ 266,663.00</u>			
6		Test Year Amount	\$ 267,699.49			
7			<u>\$ (1,036.49)</u>	Adjustment to 406		
8						
9	ANC Sewer	Positive AA Amortization	\$ (119,194.00)	A-2 Schedule 7, line 49		
10		Negative AA Amortization	\$ 12,506.00	A-2 Schedule 8, line 90		
11		AIA Amortization	\$ 11,756.00	A-2 Schedule 9, line 96		
12			<u>\$ (94,932.00)</u>			
13		Test Year Amount	\$ (94,919.58)			
14			<u>\$ (12.42)</u>	Adjustment to 406		
15						
16	BW Water	Positive AA Amortization	\$ -	A-3 Schedule 7, line 16		
17		Negative AA Amortization	\$ 229.00	A-3 Schedule 8, line 3		
18						
19			<u>\$ 229.00</u>			
20		Test Year Amount	\$ 228.90			
21			<u>\$ 0.10</u>	Adjustment to 406		
22						

AQUA NORTH CAROLINA WATER
DOCKET NO. W-218, SUB 573
GL 114000/GL 115000/GL 406000 - NEGATIVE ACQUISITION ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Asset Location	Engineer in service year	init. life (mos)	Rate	114000 Balance	2021	2021	114000 Balance	115000 Reserve	Adds/Changes	Amortization	Over	115000 Reserve	Amortization	406000
						at 12.31.20	Additions	Deletions	at 12.31.21	Bal at 12.31.20	(f)	(g)	(h)	Bal at 12.31.21	Expense	Expense
						(s)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1021		Total Aqua NC Water				(5,161,610)	16,864		(5,144,746)	(3,435,791)	15,372	(141,120)	28,093	(3,533,495)		(113,027)

AQUA NORTH CAROLINA WATER
DOCKET NO. W-218, SUB 573
GL 114000/GL 115000/GL 406000 - POSITIVE ACQUISITION ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	Asset Location	(a)	(b)	(c)	Engineer in service year	int. life (mos)	Rate	(e)	(f)	(g)	(h)	(i)	114000 Reserve Bal at 12.31.20	115000 Reserve Bal at 12.31.20	Adds/Changes	(k)	Amortization	(l)	Over Amortized	(m)	115000 Reserve Bal at 12.31.21	(n)	Amortization Expense	(o)
2101	8010	Rockridge Point 1-226 N11N		10/1/2021			3.00%		450	450		450					14			14		14		406000
2102	8010	SHADOW OAKS - West N752 WTR 02-630		10/1/2021			3.00%		900	900		900					27			27		27		41
2103	8010	Sisters Cove West N12H		10/1/2021			3.00%		1,350	1,350		1,350					41			41		41		41
2104	8010	SOUTHPOINT LANDING NB13 WTR 02-694		10/1/2021			3.00%		450	450		450					14			14		14		41
2105	8010	SUNSET BAY N190 WTR 02-031		10/1/2021			3.00%		1,350	1,350		1,350					41			41		41		41
2106	8010	THE HIGHLANDS @ LK NORMAN N195 WTR 02-036		10/1/2021			3.00%		450	450		450					14			14		14		14
2107	8010	WINDSTONE CROSSING N91P WTR		10/1/2021			3.00%		1,350	1,350		1,350					41			41		41		41
2108									9,144,442	37,310	(420)	9,181,372		5,202,667	(4)	300,146	0	5,502,809				300,146		300,146

AQUA NORTH CAROLINA WATER
DOCKET NO. W-218, SUB 573
GL 114001/GL 115001/GL 406000 - ACQUISITION INCENTIVE ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Asset Location	Engineer in service year	init_life (mos)	Rate	114001 Balance at 12/31/20	(a)	2021 Additions	(b)	114001 Balance at 12/31/21	(c)	115001 Reserve Bal at 12/31/20	(d)	Adds/ Changes	(e)	Amortization	(f)	Over Amortized	(g)	115001 Reserve Bal at 12/31/21	(h)	406000 Amortization Expense	(i)
95	8010	TURKEY PEN GAP N90L WTR 02-903	12/1/2019		3.33%			48,800.00		48,800													
96		Total Aqua NC Water Acquisition Incentive Adj				2,232,138		96,720		2,328,858		867,406				79,544	1,625			946,950		1,625	79,544

AQUA NORTH CAROLINA SEWER
DOCKET NO. W-218, SUB 573
GL 114000/GL 115000/GL 406000 -NEGATIVE ACQUISITION ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Asset Location	Engineer in service year	init. life (mos)	Rate	114000 Balance at 12.31.20	2021 Additions	114000 Balance at 12.31.21	115000 Reserve Bal at 12.31.20	Adds/Changes	Amortization	Over Amortized	115000 Reserve Bal at 12.31.21	Amortization Expense
						(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
44	8800	HAWTHORNE - East WW N352 SWR 02-193	7/1/1990 0:00	480	2.50%	(537,504)		(537,504)	(409,847)		(13,438)		(423,284)	(13,438)
45	8800	WILDWOOD GREEN N304 SWR 02-145	7/1/1991 0:00	480	2.50%	(14)		(14)	(10)		(0)		(11)	(0)
46	8800	MALLARDS CROSSING N299 SWR 02-140	7/1/1991 0:00	240	5.00%	(746)		(746)	(746)		(37)	37	(746)	(746)
47	8800	HAWTHORNE - East WW N352 SWR 02-193	7/1/1994 0:00	480	2.50%	(4,138)		(4,138)	(2,741)		(103)		(2,845)	(103)
48	8810	RIVER PARK N146 SWR 01-146	7/1/2007 0:00	300	4.00%	(825,558)		(825,558)	(462,312)		(33,022)		(495,335)	(33,022)
49		Total Aqua NC Sewer				(4,772,416)	-	(4,772,416)	(3,525,581)	*	(181,499)	62,306	(3,644,775)	(119,194)

AQUA NORTH CAROLINA SEWER
DOCKET NO. W-218, SUB 573
GL 114000/CL 115000/CL 406000 - POSITIVE ACQUISITION ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	asset id	Type	Asset Location	in service year	Engineer in service year	init. life (mos)	Rate	sub account id	major location id	Balance at 12.31.20	2021 Addition	114000 Balance at 12.31.21	115000 Reserve Bal at 12.31.20	Add/- Changes	Amortization	Over Amortized	115000 Reserve Bal at 12.31.21	406000 Amortization Expense
											(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
58	8810	8367099	Positive Acquisition Adjustment	MALLARD HEAD CONDOOS N235 SWR 02-076	07/01/00	7/1/2000	400	3.00%	114400	5204960	55	55	55	34	211	11	2	36	2
59	8810	8367151	Positive Acquisition Adjustment	STEVEN'S MILL N174 SWR 02-014	07/01/01	7/1/2001	400	3.00%	114400	5204960	360	360	360	211	11	11	221	11	68
60	8810	8367152	Positive Acquisition Adjustment	HERONWOOD N215 SWR 02-056	07/01/01	7/1/2001	400	3.00%	114400	5204960	2,750	2,750	2,750	1,384	80	68	1,451	80	80
61	8810	8367168	Positive Acquisition Adjustment	CRISMARK N210 SWR 02-051	07/01/02	7/1/2002	400	3.00%	114400	5204960	2,650	2,650	2,650	1,471	80	80	1,550	80	203
62	8810	8367169	Positive Acquisition Adjustment	COUNTRY WOODS EAST N189 SWR 02-030	07/01/02	7/1/2002	400	3.00%	114400	5204960	6,750	6,750	6,750	3,786	203	203	3,949	203	27
63	8810	8367170	Positive Acquisition Adjustment	BAY POINTE N165 SWR 02-005	07/01/01	7/1/2001	400	3.00%	114400	5204960	900	900	900	527	27	27	554	27	14
64	8810	8367185	Positive Acquisition Adjustment	BRIDGEPORT M122 SWR 02-012	07/01/99	7/1/1999	400	3.00%	114400	5204960	450	450	450	290	14	14	304	14	2
65	8810	8367255	Positive Acquisition Adjustment	HERONWOOD N435 SWR 02-056	07/01/99	7/1/1999	400	3.00%	114400	5204960	77	77	77	47	2	2	50	2	61
66	8810	8367307	Positive Acquisition Adjustment	CASTAWAYS N173 SWR 02-019	07/01/99	7/1/1999	400	3.00%	114400	5204960	2,038	2,038	2,038	1,314	61	61	1,375	61	104
67	8810	8367308	Positive Acquisition Adjustment	WILLIAMS CROSSROADS N125 SWR 02-066	07/01/99	7/1/1999	400	3.00%	114400	5204960	3,450	3,450	3,450	2,236	104	104	2,329	104	307
68	8810	8367309	Positive Acquisition Adjustment	COUNTRY VALLEY N188 SWR 02-029	07/01/99	7/1/1999	400	3.00%	114400	5204960	10,235	10,235	10,235	6,602	307	307	6,909	307	365
69	8810	8367330	Positive Acquisition Adjustment	DIAMOND HEAD N193 SWR 02-034	07/01/99	7/1/1999	400	3.00%	114400	5204960	12,157	12,157	12,157	7,841	365	365	8,206	365	1,181
70	8810	8367331	Positive Acquisition Adjustment	COUNTRY WOODS EAST N189 SWR 02-030	07/01/99	7/1/1999	400	3.00%	114400	5204960	99,367	99,367	99,367	25,397	1,181	1,181	26,573	1,181	8
71	8810	8367470	Positive Acquisition Adjustment	BAY POINTE N165 SWR 02-005	07/01/00	7/1/2000	400	3.00%	114400	5204960	12	12	12	7	2	2	36	2	2
72	8810	8367471	Positive Acquisition Adjustment	SPRINKLER BAY N734 SWR 02-612	07/01/00	7/1/2000	400	3.00%	114400	5204960	56	56	56	35	2	2	176	2	176
73	8810	8367536	Positive Acquisition Adjustment	COUNTRY WOODS EAST N189 SWR 02-030	07/01/04	7/1/2004	400	3.00%	114400	5204960	6,675	6,675	6,675	3,804	9	9	3,505	9	200
74	8810	8367537	Positive Acquisition Adjustment	CRISMARK N210 SWR 02-051	07/01/04	7/1/2004	400	3.00%	114400	5204960	300	300	300	185	9	9	194	9	27
75	8810	8367538	Positive Acquisition Adjustment	MALLARD HEAD CONDOOS N235 SWR 02-076	07/01/00	7/1/2000	400	3.00%	114400	5204960	900	900	900	554	27	27	581	27	99
76	8810	8367539	Positive Acquisition Adjustment	BAY POINTE N165 SWR 02-005	07/01/00	7/1/2000	400	3.00%	114400	5204960	450	450	450	290	14	14	304	14	41
77	8810	8367540	Positive Acquisition Adjustment	HARBOR CLUBS N836 SWR 02-772	07/01/99	7/1/1999	400	3.00%	114400	5204960	3,300	3,300	3,300	2,030	99	99	2,129	99	149
78	8810	8367561	Positive Acquisition Adjustment	MALLARD HEAD CONDOOS N235 SWR 02-076	07/01/99	7/1/1999	400	3.00%	114400	5204960	450	450	450	290	14	14	304	14	211
79	8810	8367562	Positive Acquisition Adjustment	BAY POINTE N165 SWR 02-005	07/01/99	7/1/1999	400	3.00%	114400	5204960	1,350	1,350	1,350	871	41	41	911	41	594
80	8810	8367563	Positive Acquisition Adjustment	HARBOR CLUBS N836 SWR 02-772	07/01/99	7/1/1999	400	3.00%	114400	5204960	4,950	4,950	4,950	3,183	149	149	4,752	149	594
81	8810	8367564	Positive Acquisition Adjustment	COUNTRY WOODS EAST N189 SWR 02-030	07/01/99	7/1/1999	400	3.00%	114400	5204960	19,800	19,800	19,800	12,771	211	211	13,365	211	1
82	8810	8367565	Positive Acquisition Adjustment	FRYE BRIDGE ESTATES N204 SWR 02-045	07/01/99	7/1/1999	400	3.00%	114400	5204960	75	75	75	45	1	1	16	1	65
83	1010	9658180	Positive Acquisition Adjustment	FRYE BRIDGE ESTATES N204 SWR 02-045	07/01/99	7/1/1999	400	3.00%	114400	5204960	2,177	2,177	2,177	1,404	65	65	1,469	65	2
84	1010	9658180	Positive Acquisition Adjustment	FRYE BRIDGE ESTATES N204 SWR 02-045	07/01/99	7/1/1999	400	3.00%	114400	5204960	82	82	82	50	2	2	53	2	272
85	1010	9659522	Positive Acquisition Adjustment	FRYE BRIDGE ESTATES N204 SWR 02-045	07/01/99	7/1/1999	400	3.00%	114400	5204960	9,063	9,063	9,063	2,039	353	353	2,311	353	966
86	1010	9659522	Positive Acquisition Adjustment	FRYE BRIDGE ESTATES N204 SWR 02-045	07/01/99	7/1/1999	400	3.00%	114400	5204960	11,783	11,783	11,783	2,651	966	966	8,202	966	12,506
87	8800	15304599	Positive Acquisition Adjustment	MONTECELLO N663 SWR 02-541	07/01/13	7/1/2013	400	3.00%	114400	5204960	32,184	32,184	32,184	2,241	0	0	239,535	0	0
88	8800	15304602	North State Saddleridge	SADDLERIDGE N346 SWR 02-187	07/01/13	7/1/2013	400	3.00%	114400	5204960	416,877	416,877	416,877	227,029	0	0	239,535	0	0
89	8800	15304605	North State Hollybrook	Hollybrook WW 2-575 N575	07/01/13	7/1/2013	400	3.00%	114400	5204960	0	0	0	0	0	0	0	0	0
90				Total Aqua NC Sewer Positive Acquisition Adjustments							416,877	0	416,877	227,029	0	0	239,535	0	0

AQUA NORTH CAROLINA SEWER
DOCKET NO. W-218, SUB 573
GL 114001/GL 115001/GL 406000 - ACQUISITION INCENTIVE ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Asset Location	Engineer in service year	init_life (mos)	Rate	114001 Balance at 12.31.20	2021 Additions	114001 Balance at 12.31.21	115001 Reserve Bal at 12.31.20	Adds/ Changes	Amortization	Over Amortized	115001 Reserve Bal at 12.31.21	406000 Amortization Expense
						(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	1015	EMERALD PLANTATION SWR	7/1/2010 0:00	360	3.33%	200,000		200,000	70,000		6,660		76,660	6,660
2	8800	TRADEWINDS N915 SWR 02-580	7/1/2005 0:00	360	3.33%	51,500		51,500	26,608		1,715		28,323	1,715
3	8800	TRADEWINDS N915 SWR 02-580	7/1/2005 0:00	360	3.33%	23,447		23,447	12,114		781		12,895	781
4	8800	TRADEWINDS N915 SWR 02-580	7/1/2010 0:00	360	3.33%	16,962		16,962	5,937		565		6,502	565
5	8800	TRADEWINDS N915 SWR 02-580	7/1/2011 0:00	360	3.33%	8,091		8,091	2,562		269		2,832	269
6	8800	MONTECELLO N663 SWR 02-541	7/1/2013 0:00	360	3.33%	9,063		9,063	2,266		302		2,567	302
7	8800	SADDLERIDGE N346 SWR 02-187	7/1/2013 0:00	360	3.33%	11,783		11,783	2,946		392		3,338	392
8	8800	Hollybrook WW 2-575 N575	7/1/2013 0:00	360	3.33%	32,184		32,184	8,046		1,072		9,118	1,072
9		Total Aqua NC Sewer Acquisition Incentive Adj				353,030		353,030	130,479		11,756		142,235	11,756

BROOKWOOD WATER
DOCKET NO. W-218, SUB 573
GL 114000/GL 115000/GL 406000 -NEGATIVE ACQUISITION ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Asset Location	Engineer in service year	init. life (mos)	Rate	114000 Balance at 12.31.20	2021 Additions	114000 Balance at 12.31.21	115000 Reserve Bal at 12.31.20	Adds/ Changes	Amortization	Over Amortized	115000 Reserve Bal at 12.31.21	406000 Amortization Expense
						(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	7400	SIMMONS HTS N975 WTR 04-433	7/1/1969 0:00	Land	0.00%	(1,269)		(1,269)			-		-	-
2	7400	BRAXTON HILLS N976 WTR 04-434	7/1/1969 0:00	Land	0.00%	(2,364)		(2,364)			-		-	-
3	7400	BRAXTON HILLS N976 WTR 04-434	7/1/1969 0:00	360	3.33%	(3,003)		(3,003)	(3,003)		(100)	100	(3,003)	0
4	7400	BRAXTON HILLS N976 WTR 04-434	7/1/1969 0:00	360	3.33%	(877)		(877)	(877)		(29)	29	(877)	-
5	7400	SIMMONS HTS N975 WTR 04-433	7/1/1969 0:00	360	3.33%	(9,585)		(9,585)	(9,585)		(319)	319	(9,585)	-
6	7400	SIMMONS HTS N975 WTR 04-433	7/1/1969 0:00	360	3.33%	(1,958)		(1,958)	(1,958)		(65)	65	(1,958)	-
7	7400	BRAXTON HILLS N976 WTR 04-434	7/1/1969 0:00	360	3.33%	(583)		(583)	(583)		(19)	19	(583)	(0)
8	7400	BRAXTON HILLS N976 WTR 04-434	7/1/1969 0:00	360	3.33%	(853)		(853)	(853)		(28)	28	(853)	(0)
9	7400	SIMMONS HTS N975 WTR 04-433	7/1/1969 0:00	360	3.33%	(2,047)		(2,047)	(2,047)		(68)	68	(2,047)	-
10	7400	COPELAND ACRES N973 WTR 04-431	7/1/1979 0:00	360	3.33%	(1,667)		(1,667)	(1,667)		(56)	56	(1,667)	-
11	7400	COPELAND ACRES N973 WTR 04-431	7/1/1979 0:00	360	3.33%	(4,167)		(4,167)	(4,167)		(139)	139	(4,167)	0
12	7400	COPELAND ACRES N973 WTR 04-431	7/1/1979 0:00	360	3.33%	(1,066)		(1,066)	(1,066)		(36)	36	(1,066)	-
13	7400	CLIFFDALE FOREST N951 WTR 04-409	7/1/1980 0:00	360	3.33%	(6,618)		(6,618)	(6,618)		(220)	220	(6,618)	0
14	7400	CLIFFDALE FOREST N951 WTR 04-409	7/1/1980 0:00	360	3.33%	(798)		(798)	(798)		(27)	27	(798)	0
15	7400	CLIFFDALE FOREST N951 WTR 04-409	7/1/1980 0:00	360	3.33%	(293)		(293)	(293)		(10)	10	(293)	-
16		Total Brookwood Water				(37,148)		(37,148)	(33,516)	-	(1,116)	1,116	(33,516)	0

BROOKWOOD WATER
DOCKET NO. W-218, SUB 573
GL 114000/GL 115000/GL 406000 -POSITIVE ACQUISITION ADJUSTMENT AND RELATED AMORTIZATION
DECEMBER 31, 2021

Line No.	AU	Asset Location	Engineer in service Year	init_life (mos)	Rate	114000 Balance at 12.31.20	2021 Additions	114000 Balance at 12.31.21	115000 Reserve Bal at 12.31.20	Adds/ Changes	Amortization (f)	Over Amortized (g)	115000 Reserve Bal at 12.31.21	Amortization Expense (i)
1	7400	BRAGG ESTATES N13B WTR 06-684	7/1/2000 0:00	300	0.0400	3,666		3,666	3,006		147		3,153	147
2	7400	WRIGHTSBORO N74B WTR 06-685	7/1/2000 0:00	300	0.0400	2,056		2,056	1,686		82		1,768	82
3		Total Brookwood Water Positive Acquisition Adjs				5,722	0	5,722	4,692	0	229	0	4,921	229

Adjustment# E0-E11
W-218 Sub 573

Exhibit E Adjustments – Other Revenues and Expenses

E0 – Abatements
E1 - Late Payments
E2 – Reversal of Certain Other Revenues
E3 – Reversal of Interest Income & AFUDC
E4 – Bad Debt Expense / Uncollectibles
E5 – Taxes Other Than Income
E6 – Gross Receipts Tax – NO LONGER APPLICABLE
E9 – Interest (Debt, Cust Deposits, etc) Adjustment
E10 – Misc Non-Utility Expense
E11 – Consumption & Annualization Adjustments

AS ADJUSTED:

- **E0:** The Abatement percentage (2019 abatements divided by 2019 revenue) has been applied to pro forma revenues to produce the amount of pro forma abatements. 2019 was chosen for this calculation to avoid the impact that Covid 19 had on these results for 2020 and 2021. This percentage remains the same throughout the WSIP period of this proceeding.
- **E1:** The Late Payment Fees percentage (2019 late payments fees divided by 2019 revenue) has been applied to pro forma revenues to produce the amount of pro forma late payment fees. 2019 was chosen for this calculation to avoid the impact that Covid 19 had on these results for 2020 and 2021. This percentage remains the same throughout the WSIP period of this proceeding.
- **E2 – Reversal of Certain Other Revenues.** Certain Revenue GL accounts have been removed from the per books revenue amounts for rate-making purposes. These include Refunds related to TCJA adjustments that expired as of 12/31/2021 as well as a refund reserve related to the 2021 tiered rate pilot program.
- **E3:** The Company has removed interest income generated from the debt balances maintained at Co-Bank and from AFUDC. The Company's interest expense claim has been synchronized with rate base in this proceeding and is further supported by W-1 Item 3 and Exhibit M of the Company's Application for Rate Increase.
- **E4:** Bad Debt Expense (Uncollectibles) has been adjusted by applying the 2019 per books Bad Debt expense amount as a percentage of 2019 per books Service Revenue. This percentage was then applied to the requested revenue increase to calculate the adjusted Bad Debt amount. 2019 was chosen for this

calculation to avoid the impact that Covid 19 had on these results for 2020 and 2021. This percentage remains the same throughout the WSIP period of this proceeding.

- **E5:** Taxes Other Than Income (PUC Regulatory Fee). The current NCUC regulatory fee of 0.13% has been applied to “as adjusted” and “after increase” revenue amounts to calculate this adjustment.
- **E7:** Taxes Other Than Income (Payroll Taxes). The test year percentage of payroll taxes as a percent of payroll expense has been applied to pro forma labor expense amounts to calculate this adjustment.
- **E8:** Income Taxes (Deferred Taxes). Test year amounts of deferred taxes have been reversed and Income tax has been calculated using Exhibit K.
- **E9:** Interest on Long-Term Debt and Short-Term debt and the Amortization of Debt Issuance costs have been adjusted to zero for ratemaking purposes. For ratemaking purposes, the Company has synchronized Interest Expense with its pro forma Rate Base in the calculation of the revenue requirement in this proceeding. Interest expense on customer deposits for the test year was left unchanged.
- **E10:** Miscellaneous non-utility expenses, which should not be considered for ratemaking purposes, have been removed.
- **E11:** Annualization & Consumption Adjustments – a consumption adjustment for certain water O&M expense accounts has been made to reflect the difference between the test year consumption for each rate entity as compared to the three-year consumption average for that entity. Each individual GL account used in this adjustment is listed under E11. No adjustments were made for sewer accounts as those are almost exclusively flat rate customers.
 - Each rate entity also has an annualization factor for the projected customer counts throughout the multi-year (WSIP) rate process. The three year average of customer growth for the period 2019-2021 was used and this level of customer growth was projected as part of the rate design process.
 - These annualization adjustments can be seen on the respective Exhibit Dw’s and Ds’s on or around line 50.

Aqua North Carolina, Inc.
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Exhibit Ew

WATER												
Line No.	Description	Account	Test Year		Base Year Amount	Rate Year 1 Amount	Rate Year 2 Amount	Rate Year 3 Amount				
			Per Books	As Adjusted								
1	Service Revenues		\$ 40,130,295	\$ 41,727,242	\$ 49,105,795	\$ 51,413,590	\$ 54,860,180	\$ 57,215,877				
2												
3												
4	E0 Abatements [1]											
5	2019 Service Revenue		36,287,570									
6	2019 Abatements		(51,300)									
7	Percentage		-0.14137%									
8												
9	As Adjusted	463		(58,990)	(69,421)	(72,684)	(77,556)	(80,886)				
10												
11	Adjustment			(58,990)	(10,431)	(3,263)	(4,872)	(3,300)				
12												
13												
14	E1 Late Payment Fees [1]											
15	2019 Service Revenue		36,287,570									
16	2019 Late Payment Fees		60,160									
17	Percentage		0.16579%									
18												
19	As Adjusted	471050	(670)	69,178	81,411	85,237	90,951	94,856				
20												
21	Adjustment			69,848	12,233	3,826	5,714	3,905				
22												
23												
24	E2 Reversal of Certain Other Revenues											
25	To zero out account balances for rate making purposes											
26	Other Water Rev	474000	(8,980)									
27	Other Water Rev-VBA	474050	97,775									
28	2019 Refunds (W-218 Sub 497)	471100	(185,656)									
29	2018 Reserve for 2019 Refunds (W-218 Sub 497)	471200	3,069,964									
30												
31	E3 Reversal of Interest Inc & AFUDC											
32	To zero out account balances											
33	Allow Funds Used During Const	420001	(122,412)									
34	Allow Funds Used During Const	420002	(368,557)									
35	Interest Inc-Other	419010	-									
36	Interest Inc-Banks	419015	(20,234)									
37												
38												

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
WATER								
Line No.	Description	Account	Test Year		Base Year		Rate Year	
			Per Books E4	As Adjusted E4a	E4b	Amount E4c	Amount E4d	Amount E4e
39	E4 Uncollectibles [1]							
40	2019 Service Revenue		36,287,570					
41	2019 Uncollectibles Percentage		(110,971)					
42			-0.30581%					
43								
44	As Adjusted	471050	(670)	(127,606)	(150,170)	(157,228)	(167,768)	(174,972)
45								
46	Adjustment			(126,936)	(22,564)	(7,057)	(10,540)	(7,204)
47								
48								
49	E5 Taxes Other Than Income Taxes - PUC Assessment							
50	As Adjusted	408101	ES	ESa	ESb	ESc	ESd	ESe
51	Percent		48,915	54,245	63,838	66,838	71,318	74,381
52	Adjustment		0.13000%					
53				5,331	9,592	3,000	4,481	3,062
54								
55								
56	E6 Taxes Other Than Income Taxes - Gross Receipts Tax							
57	To Adjust Sewer GR Tax booked as Franchise Tax							
58	Per books GR Tax	408206						
59	Gross Receipts Tax rate		0%	0%	0%	0%	0%	0%
60	As Adjusted Gross Receipts tax expense							
61	Adjustment							
62								
63								
64								
65	E7 Taxes Other Than Income Taxes - Payroll Taxes Pro Forma							
66	Per Book Labor		7,279,826	Percentage				
67	Payroll Taxes - FICA	408121/676230	505,099	6.9%				
68	Payroll Taxes - FUTA	408122	6,164	0.1%				
69	Payroll Taxes - SUTA	408123	11,558	0.2%				
70								
71	As Adjusted Labor			8,222,706	8,261,575	8,509,423	8,764,705	9,027,644
72	Payroll Taxes - FICA	408121		570,519	573,216	590,412	608,124	626,368
73	Payroll Taxes - FUTA	408122		6,963	6,995	7,205	7,421	7,644
74	Payroll Taxes - SUTA	408123		13,055	13,116	13,510	13,915	14,333
75								
76	Pro Forma Adjustments							
77	Payroll Taxes - FICA	408121		65,420	2,697	17,197	17,712	18,244
78	Payroll Taxes - FUTA	408122		798	33	210	216	223
79	Payroll Taxes - SUTA	408123		1,497	62	393	405	417
80	Total			67,715	2,791	17,800	18,334	18,884

*The Labor amounts shown are the costs in 601 & 603, offset by the capitalized portion in GL 676210

*The Labor amounts shown are the costs in 601 & 603, offset by the capitalized portion in GL 676210

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Line No.	(a)	(b)	(c)	WATER					(g)	(h)	(i)	
				Account	Per Books	Test Year As Adjusted	Base Year Amount	Rate Year 1 Amount				Rate Year 2 Amount
81	E8	Income Taxes - Deferred Income Taxes (reversal of test year amount)										
82		Federal	410101		(288,670)							
83		Options	410103		-							
84		State	410111		(99,160)							
85		Total			(387,830)							
86												
87												
88	E9	Interest (Debt, Cust. Deposits, etc)										
89		To Zero Account Balances (Interest is Handled in Return on										
90		Debt Calculations)										
91		Interest Expense - Short - Term Debt	427200		-							
92		Interest Expense - Long - Term Debt	427300		160,863							
93		Interest Expense - LT Pushdown Debt	427310		2,970,859							
94		Customer Deposit Interest	427400		-							
95		Interest Expense - Other	427500		90							
96		Amort - Debt Disc & Expense	427600		164,334							
97		Subtotal			3,296,145							
98		Interest on Debt from Exhibit M			3,159,285							
99		Adjustment to Exhibit D			(136,860)							
100												
101	E10	Miscellaneous Nonutility Expense										
102		To Exclude Non Utility Expenses That Are Not Included in Rates										
103		be considered for Rate-making purposes										
104		Misc - A&G - Network Support	426060		3,539							
105		Misc - A&G - Computer Paper	426080		17,517							
106		Misc - A&G - Contrib	426090		-							
107		Misc - A&G - Toner	426110		-							
108		Misc - A&G - Copies	426210		19,143							
109		Misc - A&G - Office Supplies	426219		-							
110		Misc - A&G - Directors	426220		-							
111		Misc - A&G - Dues	426310		92							
112		WT-Misc-A&G-DISAST RECOV	426320		34							
113		Misc - A&G - Promotional Items	426950		47,142							
114		Misc - A&G - Entertain	426900		(39,788)							
115		Total			42,679							

[1] Due to the impact of COVID related measures, these amounts are calculated on 2019 book data in order to provide a "normal" basis for projecting costs in this case.

Sewer									
Line No.	Description	Account	Test Year As Adjusted	Base Year Amount	Rate Year 1 Amount	Rate Year 2 Amount	Rate Year 3 Amount		
1	Service Revenues		\$ 17,451,923	\$ 18,397,181	\$ 21,314,226	\$ 22,317,118	\$ 23,866,238	\$ 25,167,631	
2									
3									
4	E0 Abatements [1]								
5	2019 Service Revenue		E0	E0a	E0b	E0c	E0d	E0e	
6	2019 Abatements		15,169,774						
7	Percentage		(312)						
8			-0.00706%						
9	As Adjusted	463		(378)	(438)	(459)	(491)	(518)	
10									
11	Adjustment			(378)	(60)	(21)	(32)	(27)	
12									
13									
14	E1 Late Payment Fees [1]								
15	2019 Service Revenue		E1	E1a	E1b	E1c	E1d	E1e	
16	2019 Late Payment Fees		15,169,774						
17	Percentage		16.89%						
18			0.11137%						
19	As Adjusted	532	(312)	20,488	23,737	24,854	26,579	28,028	
20									
21	Adjustment			20,800	3,249	1,117	1,725	1,449	
22									
23									
24	E2 Reversal of Certain Other Revenues								
25	To zero out account balances for rate making purposes								
26	Other Sewer/Sewer Rev Accrued Unbilled	536020							
27	WSIC/SSIC Revenue reset to 0.00	536030	(119,259)						
28	2019 Refunds (W-218 Sub 497)	536200	1,189,049						
29	2018 Reserve for 2019 Refunds (W-218 Sub 497)	536300							
30									
31	E3 Reversal of Interest Inc. & AFUDC								
32	To zero out account balances								
33	Allow Funds Used During Const	420001	(116,033)						
34	Allow Funds Used During Const	420002	(350,464)						
35	Interest Inc-Other	419010							
36	Interest Inc-Banks	419015	(9,020)						
37	Nonutil Inc-Other	421900	(2,000)						
38	Nonutil Inc-CAC/CMAC Tax G/U	421960	(301,827)						
39									

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Exhibit E5

Sewer											
Line No.	Description	Account	Test Year		Base Year Amount	Rate Year 1 Amount	Rate Year 2 Amount	Rate Year 3 Amount			
			Per Books	As Adjusted							
40											
41	E4 Uncollectibles [1]		E4	E4a	E4b	E4c	E4d	E4e			
42	2019 Service Revenue		15,169,774								
43	2019 Uncollectibles		150,086								
44	Percentage		-0.33013%								
45											
46	As Adjusted	770	(32,973)	(60,735)	(70,365)	(73,676)	(78,790)	(83,086)			
47											
48	Adjustment			(27,761)	(9,630)	(3,311)	(5,114)	(4,296)			
49											
50											
51	E5 Taxes Other Than Income Taxes - PUC Assessment		E5	E5a	E5b	E5c	E5d	E5e			
52	As Adjusted	408101	21,004	23,916	27,708	29,012	31,026	32,718			
53	Percent		0.13000%								
54	Adjustment			2,912	3,792	1,304	2,014	1,692			
55											
56											
57											
58	E6 Taxes Other Than Income Taxes - Gross Receipts Tax		E6	E6a	E6b	E6c	E6d	E6e			
59	To Adjust Sewer GR Tax booked as Franchise Tax										
60	Per Books GR Tax	408206		0%	0%	0%	0%	0%			
61	Gross Receipts Tax rate										
62	As Adjusted Gross Receipts tax expense										
63	Adjustment										
64											

Sewer									
Line No.	Description	Account	Test Year Per Books	As Adjusted	Base Year Amount	Rate Year 1 Amount	Rate Year 2 Amount	Rate Year 3 Amount	
65									
66									
67	E7 Taxes Other Than Income Taxes - Payroll Taxes Pro Forma								
68	Per Book Labor		2,383,927	Percentage					
69	Payroll Taxes - FICA	408121/676230	193,047	8.1%					
70	Payroll Taxes - FUTA	408122	1,931	0.1%					
71	Payroll Taxes - SUTA	408123	3,808	0.2%					
72									
73	As Adjusted Labor			2,630,376	2,640,569	2,715,786	2,801,380	2,885,422	
74	Payroll Taxes - FICA	408121		213,004	213,829	220,244	226,851	233,657	
75	Payroll Taxes - FUTA	408122		2,131	2,139	2,204	2,270	2,338	
76	Payroll Taxes - SUTA	408123		4,201	4,218	4,344	4,475	4,609	
77									
78	Pro Forma Adjustments								
79	Payroll Taxes - FICA	408121		19,957	825	5,415	6,607	6,806	
80	Payroll Taxes - FUTA	408122		400	8	64	66	68	
81	Payroll Taxes - SUTA	408123		394	16	127	130	136	
82	Total			20,550	850	6,606	6,804	7,008	
83	*The Labor amounts shown are the costs in 601 & 603, offset by the capitalized portion in GL 676210								
84	E8 Income Taxes - Deferred Income Taxes (reversal of test year amount)								
85	Federal	410101	652,000						
86	Options	410103							
87	State	410111	11,366						
88			663,366						
89									
90	E9 Interest (Debt, Cust. Deposits, etc)								
91	To Zero Account Balances (Interest is Handled in Return on								
92	Debt Calculations)								
93	Interest Expense - Short Term Debt	427200							
94	Interest Expense - Long Term Debt	427300	72,184						
95	Interest Expense - LT Pushdown Debt	427310	1,332,590						
96	Cust Dep Interest	427400							
97	Interest Expense - Other	427500	25						
98	Amort - Debt Disc & Expense	427600	73,725						
99			1,478,523						
100			1,359,808						
101			(118,715)						
102									

Sewer									
Line No.	Description	Account	Test Year		Base Year	Rate Year 1		Rate Year 2	
			Per Books	As Adjusted		Amount	Amount	Amount	Amount
103	E10 Miscellaneous Nonutility Expense								
104	To Exclude Non Utility Expenses That Are Not Included in Rates								
105	Be considered for Rate-making purposes								
106	Misc - A&G - Network Support	426060		(982)					
107	Misc - A&G - Computer Paper	426090		(2,565)					
108	Misc - A&G - Contrib	426110		-					
109	Misc - A&G - Toner	426210		(5,302)					
110	Misc - A&G - Copies	426219		-					
111	Misc - A&G - Office Supplies	426220		-					
112	Misc - A&G - Directors	426310		-					
113	Misc - A&G - Dues	426370		(9)					
114	WT-Misc-A&G-DISAST RECOV	426950		(13,063)					
115	Misc - A&G - Promotional Items	426990		10,920					
116	Misc - A&G - Entertain								
117	TOTAL			(11,006)					

1/ Due to the impact of COVID related measures, these amounts are calculated on 2019 book data in order to provide a "normal" basis for projecting costs in this case

Aqua North Carolina, Inc.
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Line No.		Account	Pro Forma As Adjusted	Test Year		Consumption Adjustment	Base Year		Rate Year 1		Rate Year 2		Rate Year 3	
				Annualization Adjustment	Annualization Adjustment		Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment
Factors $\rightarrow$														
1	E11 Annualization Adjustments			1.0007	-1.4500%		WATER		0.0000		0.0000		0.0000	
2	Plant O&M Expense													
3	Purchased Water	610100	2,263,878	1.5%	(32,849)	2,679,188		2,679,188		2,679,188		2,679,188		
4	Purchased Power - Source Oper	615100	2,329,807	1.631	(33,806)	2,400,633		2,473,613		2,548,810		2,636,293		
5	Purchased Power - Treat Oper	615300	16	0	(0)	17		18		19		20		
6	Fuel Pwr Prod - Source Oper	616100	1,626	1	(24)	1,676		1,727		1,780		1,834		
7	Fuel Pwr Prod - Treat Oper	616300	-	-	-	-		-		-		-		
8	Fuel Pwr Prod - T&D Oper	616500	-	-	-	-		-		-		-		
9	Chem - WtTrt - Oper - General	618300	10,412	7	(151)	10,729		11,055		11,391		11,737		
10	Chem - WtTrt - Oper - Caustic	618320	243,930	171	(3,539)	251,346		258,987		266,860		274,973		
11	Chem - WtTrt - Oper - Chlorine	618325	72,449	51	(1,051)	74,652		76,921		79,259		81,668		
12	Chem - WtTrt - Oper - Hypochlor	618340	12,505	9	(181)	12,885		13,277		13,681		14,097		
13	Chem - WtTrt - Oper - Polyphosph	618345	95,998	67	(1,393)	98,917		101,924		105,022		108,215		
14	Chem - WtTrt - Oper - Zinc Ortho	618350	-	-	-	-		-		-		-		
15	Chem - WtTrt - Oper - Soda Ash	618355	1,128	1	(16)	1,162		1,197		1,233		1,270		
16	Chem - WtTrt - Oper - Lime	618365	-	-	-	-		-		-		-		
17	Chem - WtTrt - Oper - Potaperm	618385	-	-	-	-		-		-		-		
18	Chem - WtTrt - Oper - Misc Chem	618395	14,173	10	(206)	14,604		15,048		15,505		15,976		
19	Mat&Sup - Source Oper	620100	343	0	(5)	353		364		375		386		
20	Mat&Sup - Source Maint	620200	51	0	(1)	53		55		57		59		
21	Mat&Sup - WtTrt Oper	620300	63,042	44	(915)	64,959		66,934		68,969		71,066		
22	Mat&Sup - WtTrt Maint	620400	97	0	(1)	100		103		106		109		
23	Mat&Sup - T&D Op - Freight	620106	28,229	20	(410)	29,087		29,971		30,882		31,821		
24	Mat&Sup - T&D Maint - Gen	620600	100	0	(1)	103		106		109		112		
25	Mat&Sup - T&D Maint - Meters	620603	-	-	-	-		-		-		-		
26	Mat&Sup - T&D Maint - Freight	620606	-	-	-	-		-		-		-		
27	Mat&Sup - T&D Maint - Safety Suppl	620613	-	-	-	-		-		-		-		
28	Mat&Sup - T&D Maint - Tool Purch	620614	-	-	-	-		-		-		-		
29	Trans - T&D Maint	650600	24	0	(0)	25		26		27		28		
30	Misc - Src Oper	675100	1,217	1	(18)	1,254		1,292		1,331		1,371		
31	Misc - Src Maint	675200	26	0	(0)	27		28		29		30		
32	Misc - WtTrt Oper	675300	53	0	(1)	55		57		59		61		
33	General Expense		-	-	-	-		-		-		-		
34	Mat&Sup - Cust Accts	620700	35	0	(1)	36		37		38		39		
35	Mat&Sup - A&G	620800	9,464	7	-	9,752		10,049		10,355		10,669		
36	Misc - Cust Accts	675700	10,452	7	-	10,770		11,097		11,434		11,782		
37	Misc - A&G - Mail&Post	675830	3,966	3	-	4,086		4,210		4,338		4,469		
38	Misc - A&G - Mail Overnight	675831	10,796	8	-	11,124		11,462		11,811		12,169		
39	Misc - A&G - Bank Fees	675858	80,192	56	-	82,630		85,142		87,730		90,397		
40	Adjustment Totals (to Exhibit D)		5,254,010	3,678	(74,570)	5,760,223		5,853,888		5,950,398		6,049,839		

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Exhibit #w11

Line No.	Account	Prio Form As Adjusted	Test Year		Base Year		Rate Year 1		Rate Year 2		Rate Year 3			
			Annualization Adjustment	Consumption Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment		
E11 Annualization Adjustments														
Factors														
1	Plant O&M Expense		1.0103	0.9933%	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
2	Purchased Sewer - T&D - Oper	870,126	8,962	8,732	896,578	923,834	951,919	951,919	951,919	951,919	951,919	951,919		
3	Sludge Removal - T&D - Oper	648,198	6,676	6,505	667,903	688,207	709,128	709,128	709,128	709,128	709,128	709,128		
4	Sludge Removal - T&D - Maint	-	-	-	-	-	-	-	-	-	-	-		
5	Purchased Pwr - Collect Oper	1,076,378	11,087	10,802	1,109,100	1,142,817	1,177,558	1,177,558	1,177,558	1,177,558	1,177,558	1,177,558		
6	Purchased Pwr - Pump Oper	-	-	-	-	-	-	-	-	-	-	-		
7	Purchased Pwr - T&D Oper	-	-	-	-	-	-	-	-	-	-	-		
8	Purchased Pwr - Collect Oper	35,650	408	398	40,855	42,097	43,377	43,377	43,377	43,377	43,377	43,377		
9	Fuel Pwr Prod - Pump Oper	-	-	-	-	-	-	-	-	-	-	-		
10	Fuel Pwr Prod - Collect Oper	-	-	-	-	-	-	-	-	-	-	-		
11	Chem - Coll Maint - General	-	-	-	-	-	-	-	-	-	-	-		
12	Chem - Coll Maint - General	-	-	-	-	-	-	-	-	-	-	-		
13	Chem - Pump Oper - General	284,667	2,932	2,857	293,321	302,238	311,426	311,426	311,426	311,426	311,426	311,426		
14	Chem - T&D Oper - General	310,951	3,203	3,120	320,403	330,143	340,179	340,179	340,179	340,179	340,179	340,179		
15	Chem - T&D Oper - General	-	-	-	-	-	-	-	-	-	-	-		
16	Mats&Sup - Collect Oper	119	1	1	123	127	131	131	131	131	131	131		
17	Mats&Sup - Red Wt Trt - Maint	-	-	-	-	-	-	-	-	-	-	-		
18	Mats&Sup - Red Wt Trt - Maint	-	-	-	-	-	-	-	-	-	-	-		
19	Mats&Sup - Collect Maint	179	2	2	184	190	196	196	196	196	196	196		
20	Mats&Sup - Pump Oper	6,869	71	69	7,078	7,293	7,515	7,515	7,515	7,515	7,515	7,515		
21	Mats&Sup - Pump Maint	-	-	-	-	-	-	-	-	-	-	-		
22	Mats&Sup - T&D Oper	64,500	664	647	66,461	68,481	70,563	70,563	70,563	70,563	70,563	70,563		
23	Mats&Sup - T&D Op - Maint Supply	25,761	307	299	30,666	31,598	32,558	32,558	32,558	32,558	32,558	32,558		
24	Mats&Sup - T&D Maint	29	0	0	30	31	32	32	32	32	32	32		
25	Trans - T&D Maint	750,600	-	-	-	-	-	-	-	-	-	-		
26	Misc - Coll Oper	77	1	1	79	81	83	83	83	83	83	83		
27	Misc - Coll Maint	-	-	-	-	-	-	-	-	-	-	-		
28	Misc - Pump Oper	-	-	-	-	-	-	-	-	-	-	-		
29	Misc - Pump Maint	-	-	-	-	-	-	-	-	-	-	-		
30	Misc - T&D Oper	-	-	-	-	-	-	-	-	-	-	-		
31	Misc - T&D Maint	103	1	1	106	109	112	112	112	112	112	112		
32	General Expense	-	-	-	-	-	-	-	-	-	-	-		
33	Mats&Sup - Cust Accts	8	0	0	8	8	8	8	8	8	8	8		
34	Mats&Sup - A&G	27,308	281	274	28,138	28,994	29,875	29,875	29,875	29,875	29,875	29,875		
35	Misc - Cust Accts	2,508	26	26	2,584	2,663	2,744	2,744	2,744	2,744	2,744	2,744		
36	Misc - A&G - Mail&Post	1,088	11	11	1,121	1,155	1,190	1,190	1,190	1,190	1,190	1,190		
37	Misc - A&G - Mail Overnight	2,677	28	28	2,758	2,842	2,928	2,928	2,928	2,928	2,928	2,928		
38	Misc - A&G - Bank Fees	22,275	229	229	22,952	23,649	24,368	24,368	24,368	24,368	24,368	24,368		
39	Adjustment Totals (to Exhibit D)	3,387,468	34,891	33,708	3,490,448	3,596,557	3,705,890	3,705,890	3,705,890	3,705,890	3,705,890	3,705,890		

Line No.	(a) Description	(b) Account	(c) Test Year Per Books	(d) As Adjusted	(e) Base Year Amount	(f) Rate Year 1 Amount	(g) Rate Year 2 Amount	(h) Rate Year 3 Amount
1	Service Revenues		\$ 6,479,109	\$ 6,538,856	\$ 8,343,282	\$ 9,043,409	\$ 10,126,217	\$ 10,760,923
2								
3								
4	E0 Abatements [1]							
5	2019 Service Revenue		E0	E0a	E0b	E0c	E0d	E0e
6	2019 Abatements		5,515,490					
7	Percentage		(11,914)					
8			-0.21601%					
9	As Adjusted	463	-	(14,125)	(18,022)	(19,535)	(21,874)	(23,245)
10								
11	Adjustment			(14,125)	(3,898)	(1,512)	(2,339)	(1,371)
12								
13								
14	E1 Late Payment Fees [1]							
15	2019 Service Revenue		E1	E1a	E1b	E1c	E1d	E1e
16	2019 Late Payment Fees		5,515,490					
17	Percentage		19,581					
18			0.35502%					
19	As Adjusted	471050	107	23,214	29,620	32,106	35,950	38,203
20								
21	Adjustment			23,321	6,406	2,486	3,844	2,253
22								
23								
24	E2 Reversal of Certain Other Revenues							
25	To zero out account balances for rate making purposes							
26	Other Water/Sewer Rev Accrued Unbilled	474040						
27	WSIC/SSIC Revenue reset to 0.00	471100	(3,658)					
28	2019 Refunds (W-218 Sub 497)	471200	329,962					
29	2018 Reserve for 2019 Refunds (W-218 Sub 497)	471300	-					
30								
31	E3 Reversal of Interest Inc & AFUDC							
32	To zero out account balances							
33	Allow Funds Used During Const	420000						

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Brookwood and LaGrange Water
P&L Adjustment Calculations
Test Year Ending December 31, 2021

Exhibit Ew

Line No.	(a) Description	(b) Account	(c) Test Year Per Books	(d) As Adjusted	(e) Base Year Amount	(f) Rate Year 1 Amount	(g) Rate Year 2 Amount	(h) Rate Year 3 Amount
34	Allow Funds Used During Const	420001	(20,736)					
35	Allow Funds Used During Const	420002	(62,345)					
36	Interest Inc-Other	419010	-					
37	Interest Inc-Banks	419015	(3,897)					
38								
39								
40	E4 Uncollectibles [1]		E4	E4a	E4b	E4c	E4d	E4e
41	2019 Service Revenue		5,515,490					
42	2019 Uncollectibles		(90,916)					
43	Percentage		-1.64838%					
44								
45	As Adjusted	670	(67,877)	(107,785)	(137,529)	(149,069)	(166,918)	(177,380)
46								
47	Adjustment			(39,907)	(29,744)	(11,541)	(17,849)	(10,462)
48								
49								
50								
51	E5 Taxes Other Than Income Taxes - PUC Assessment		E5	E5a	E5b	E5c	E5d	E5e
52	As Adjusted	408101	8,358	8,501	10,846	11,756	13,164	13,989
53	Percent		0.13000%					
54	Adjustment			142	2,346	910	1,408	825
55								
56								
57								
58	E6 Taxes Other Than Income Taxes - Gross Receipts Tax		E6	E6a	E6b	E6c	E6d	E6e
59	To Adjust Sewer GR Tax booked as Franchise Tax							
60	Per Books GR Tax	408206	-	-	-	-	-	-
61	Gross Receipts Tax rate		0%	0%	0%	0%	0%	0%
62	As Adjusted Gross Receipts tax expense		-	-	-	-	-	-
63	Adjustment			-	-	-	-	-
64								
65								
66								

Line No.	(a) Description	(b) Account	(c) Test Year		(e) Base Year Amount	(f) Rate Year 1 Amount	(g) Rate Year 2 Amount	(h) Rate Year 3 Amount
			Per Books	As Adjusted				
67	E7 Taxes Other Than Income Taxes - Payroll Taxes Pro Forma							
68	Per Book Labor		816,587	Percentage				
69	Payroll Taxes - FICA	408121/	56,749	6.9%				
70	Payroll Taxes - FUTA	676230						
71	Payroll Taxes - SUTA	408122	599	0.1%				
72		408123	366	0.0%				
73	As Adjusted Labor				904,084	931,204	959,138	987,909
74	Payroll Taxes - FICA	408121		895,372	62,830	64,715	66,656	68,556
75	Payroll Taxes - FUTA	408122		657	663	683	703	725
76	Payroll Taxes - SUTA	408123		401	405	417	430	443
77								
78	Pro Forma Adjustments							
79	Payroll Taxes - FICA	408121		5,475	605	1,885	1,941	1,999
80	Payroll Taxes - FUTA	408122		58	6	20	20	21
81	Payroll Taxes - SUTA	408123		35	4	12	13	13
82	Total			5,568	616	1,917	1,974	2,033
83	*The Labor amounts shown are the costs in 601 & 603, offset by the capitalized port on in GL 676210							
84								

E8	Income Taxes - Deferred Income Taxes (reversal of test year amount)							
85	Federal	410101	266,421					
86	Options	410103	-					
87	State	410111	8,762					
88			275,182					
89								
90								

E9	Interest (Debt, Cust. Deposits, etc)							
91	To Zero Account Balances (Interest is Handled in Return on Debt Calculations)							
92	Interest Expense - Short - Term Debt	427200						
93	Interest Expense - Long - Term Debt	427300	30,996					
94	Interest Expense - LT Pushdown Debt	427310	571,773					
95	Cust Dep Interest	427400	4,919					
96	Interest Expense - Other	427500	20					
97								
98								

Exhibit Ew

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Brookwood and LaGrange Water
P&L Adjustment Calculations
Test Year Ending December 31, 2021

Line No.	(a) Description	(b) Account	(c) Test Year Per Books	(d) As Adjusted	(e) Base Year Amount	(f) Rate Year 1 Amount	(g) Rate Year 2 Amount	(h) Rate Year 3 Amount
99	Amort - Debt Disc & Expense	427600	31,633					
100	Subtotal		639,341					
101	Interest from Exhibit M		623,117					
102	Adjustment to Exhibit D		(16,224)					
103								
104	E10 Miscellaneous Nonutility Expense							
105	To Exclude Non Utility Expenses That Are Not Included in Rates							
106	be considered for Ratemaking purposes							
107	Misc - A&G - Network Support	426060	780					
108	Misc - A&G - Computer Paper	426080	2,050					
109	Misc - A&G - Contrib	426090	-					
110	Misc - A&G - Toner	426110	-					
111	Misc - A&G - Copies	426210	4,224					
112	Misc - A&G - Office Supplies	426219	-					
113	Misc - A&G - Directors	426220	-					
114	Misc - A&G - Dues	426310	-					
115	WT-Misc-A&G-DISAST RECOV	426320	7					
116	Misc - A&G - Promotional Items	426950	10,403					
117	Misc - A&G - Entertain	426900	(8,816)					
118	Total		8,648					

[1] Due to the impact of COVID related measures, these amounts are calculated on 2019 book data in order to provide a "normal" basis for projecting costs in this case.

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Brookwood and LaGrange Water
P&L Adjustment Calculations
Test Year Ending December 31, 2021

Exhibit E11

No.		Test Year			Normalized Usage Adjustment	Base Year		Rate Year 1		Rate Year 2		Rate Year 3	
		Account	As Adjusted (1)	Annualization Customer Growth (2)		Forecasted (4)	Annualization Customer Growth (5)	Forecasted (6)	Annualization Customer Growth (7)	Forecasted (8)	Annualization Customer Growth (9)	Forecasted (10)	Annualization Customer Growth (11)
Factors ---->													
1	E11 Annualization Adjustments			1.0005	-0.7200%			0.0000			0.0000		0.0000
2	Plant O&M Expense												
3	Purchased Water	610100	303,520	152	(2,186)	312,747		-	312,747		312,747		312,747
4	Purchased Power - Source Oper	615100	271,129	136	(1,953)	279,371		-	287,864		296,615		305,632
5	Purchased Power - Treat Oper	615300	-	-	-	-		-	-		-		-
6	Fuel Pwr Prod - Source Oper	616100	374	0	(3)	385		-	397		409		421
7	Fuel Pwr Prod - Treat Oper	616300	-	-	-	-		-	-		-		-
8	Fuel Pwr Prod - T&D Oper	616500	934	0	(7)	963		-	992		1,022		1,053
9	Chem - WtrTrt - Oper - General	618300	-	-	-	-		-	-		-		-
10	Chem - WtrTrt - Oper - Caustic	618320	242,452	121	(1,747)	249,823		-	257,418		265,244		273,307
11	Chem - WtrTrt - Oper - Chlorine	618325	21,526	11	(155)	22,181		-	22,855		23,550		24,266
12	Chem - WtrTrt - Oper - Hypochlori	618340	35,516	18	(256)	36,596		-	37,709		38,855		40,036
13	Chem - WtrTrt - Oper - Polyphosph	618345	-	-	-	-		-	-		-		-
14	Chem - WtrTrt - Oper - Zinc Ortho	618350	-	-	-	-		-	-		-		-
15	Chem - WtrTrt - Oper - Soda Ash	618355	-	-	-	-		-	-		-		-
16	Chem - WtrTrt - Oper - Lime	618365	-	-	-	-		-	-		-		-
17	Chem - WtrTrt - Oper - Potaperm	618385	-	-	-	-		-	-		-		-
18	Chem - WtrTrt - Oper - Misc Chem	618395	-	-	-	-		-	-		-		-
19	Mat&Sup - Source Oper	620100	-	-	-	-		-	-		-		-
20	Mat&Sup - Source Maint	620200	22	0	(0)	23		-	24		25		26
21	Mat&Sup - WtrTrt Oper	620300	611	0	(4)	630		-	649		669		689
22	Mat&Sup - WtrTrt Maint	620400	-	-	-	-		-	-		-		-
23	Mat&Sup - T&D Op - Freight	620506	1,027	1	(7)	1,059		-	1,091		1,124		1,158
24	Mat&Sup - T&D Maint - Gen	620600	-	-	-	-		-	-		-		-
25	Mat&Sup - T&D Maint - Meters	620603	-	-	-	-		-	-		-		-
26	Mat&Sup - T&D Maint - Freight	620606	-	-	-	-		-	-		-		-
27	Mat&Sup - T&D Maint - Safety Suppl	620613	-	-	-	-		-	-		-		-
28	Mat&Sup - T&D Maint - Tool Purch	620614	-	-	-	-		-	-		-		-
29	Trans - T&D Maint	650600	8	0	(0)	8		-	8		8		8
30	Misc - Src Oper	675100	-	-	-	-		-	-		-		-
31	Misc - Src Maint	675200	-	-	-	-		-	-		-		-
32	Misc - WtrTrt Oper	675300	-	-	-	-		-	-		-		-
33	General Expense			-	-	-		-	-		-		-
34	Mat&Sup - Cust Accts	620700	-	-	-	-		-	-		-		-
35	Mat&Sup - A&G	620800	15,118	8		15,577		-	16,050		16,538		17,041
36	Misc - Cust Accts	675700	2,034	1		2,096		-	2,160		2,226		2,294
37	Misc - A&G - Mail&Post	675830	1,220	1		1,257		-	1,295		1,334		1,374
38	Misc - A&G - Mail Overnight	675831	2,470	1		2,546		-	2,623		2,703		2,784
39	Misc - A&G - Bank Fees	675858	17,676	9		18,213		-	18,766		19,337		19,925
40	Adjustment Totals (to Exhibit D)		915,639	458	(6,318)	943,475		-	962,648		982,406		1,002,761

Aqua North Carolina, Inc.
Docket W-218 Sub S73
Fairways/Beau Rivage Water & Sewer
P&L Adjustment Calculations
Test Year Ending December 31, 2021

WATER									
Line No.	Description	Account	Test Year Per Books (1)	As Adjusted (2)	Base Year Amount (3)	Rate Year 1 Amount (4)	Rate Year 2 Amount (5)	Rate Year 3 Amount (6)	
1	Service Revenues		\$ 1,267,398	\$ 1,343,704	\$ 1,939,991	\$ 2,184,177	\$ 2,465,148	\$ 2,593,823	
2									
3									
4	E0 Abatements [1]		E0	E0a	E0b	E0c	E0d	E0e	
5	2019 Service Revenue		36,287,570						
6	2019 Abatements		(51,300)						
7	Percentage		-0.14137%						
8									
9	As Adjusted	463		(1,900)	(2,743)	(3,088)	(3,485)	(3,667)	
10									
11	Adjustment			(1,900)	(843)	(345)	(397)	(182)	
12									
13									
14	E1 Late Payment Fees [1]		E1	E1a	E1b	E1c	E1d	E1e	
15	2019 Service Revenue		36,287,570						
16	2019 Late Payment Fees		60,160						
17	Percentage		0.16579%						
18									
19	As Adjusted	471050	(33)	2,228	3,216	3,621	4,087	4,300	
20									
21	Adjustment			2,261	989	405	466	213	
22									
23									
24	E2 Reversal of Certain Other Revenues								
25	To zero out account balances for rate making purposes								
26	Other Water Rev	474000							
27	Other Water Rev-V8A	474050							
28	2019 Refunds (W-218 Sub 497)	471100	(6,299)						
29	2018 Reserve for 2019 Refunds (W-218 Sub 497)	471200	55,812						
30									
31	E3 Reversal of Interest Inc. & AFUDC								
32	To zero out account balances								
33	Allow Funds Used During Const	420001	(14,885)						
34	Allow Funds Used During Const	420002	(44,887)						
35	Interest Inc-Other	419010							
36	Interest Inc-Banks	419015	(526)						
37									
38									
39	E4 Uncollectibles [1]		E4	E4a	E4b	E4c	E4d	E4e	
40	2019 Service Revenue		36,287,570						
41	2019 Uncollectibles		(110,971)						
42	Percentage		-0.30581%						

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Fairways/Beau Rivage Water & Sewer
P&L Adjustment Calculations
Test Year Ending December 31, 2021

WATER									
Line No.	Description	Account	Test Year Per Books (1)	As Adjusted (2)	Base Year Amount (3)	Rate Year 1 Amount (4)	Rate Year 2 Amount (5)	Rate Year 3 Amount (6)	
43	As Adjusted	471050	(33)	(4,109)	(5,933)	(6,679)	(7,539)	(7,932)	
44									
45	Adjustment			(4,076)	(1,824)	(747)	(859)	(394)	
46									
47									
48									
49	E5 Taxes Other Than Income Taxes - PUC Assessment		E5	E5a	E5b	E5c	E5d	E5e	
50	As Adjusted	408101	1,707	1,747	2,522	2,839	3,205	3,372	
51	Percent		0.13000%						
52	Adjustment			40	775	317	365	167	
53									
54									
55									
56	E6 Taxes Other Than Income Taxes - Gross Receipts Tax		E6	E6a	E6b	E6c	E6d	E6e	
57	To Adjust Sewer GR Tax booked as Franchise Tax								
58	Per Books GR Tax	408206		0%	0%	0%	0%	0%	
59	Gross Receipts Tax rate								
60	As Adjusted Gross Receipts tax expense								
61	Adjustment								
62									
63									
64									
65	E7 Taxes Other Than Income Taxes - Payroll Taxes Pro Forma		304,324	Percentage					
66	Per Book Labor		21,192	7.0%					
67	Payroll Taxes - FICA	408121/676230		0.1%					
68	Payroll Taxes - FUTA	408122	220	0.0%					
69	Payroll Taxes - SUTA	408123	112	0.0%					
70									
71	As Adjusted Labor			341,298	344,194	354,516	365,152	376,107	
72	Payroll Taxes - FICA	408121		23,766	23,968	24,687	25,427	26,190	
73	Payroll Taxes - FUTA	408122		247	249	257	264	272	
74	Payroll Taxes - SUTA	408123		126	127	131	135	139	
75									
76	Pro Forma Adjustments								
77	Payroll Taxes - FICA	408121		2,575	202	719	741	763	
78	Payroll Taxes - FUTA	408122		27	2	7	8	8	
79	Payroll Taxes - SUTA	408123		14	1	4	4	4	
80	Total			2,615	205	730	752	775	
81	*The Labor amounts shown are the costs in 601 & 603, offset by the capitalized portion in GL 676210								

Aqua North Carolina, Inc.
Docket W-218 Sub 573
Fairways/Beau Rivage Water & Sewer
P&I Adjustment Calculations
Test Year Ending December 31, 2021

Line No.	Description	Account	WATER				
			Test Year	Base Year	Rate Year 1	Rate Year 2	Rate Year 3
			Per Books (1)	Amount (3)	Amount (4)	Amount (5)	Amount (6)
82							
83	E8 Income Taxes - Deferred Income Taxes (reversal of test year amount)						
84	Federal	410101	20,843				
85	Options	410103	-				
86	State	410111	44				
87	Total		20,887				
88							
89	E9 Interest (Debt, Cust. Deposits, etc)						
90	To Zero Account Balances (Interest is Handled in Return on						
91	Debt Calculations)						
92	Interest Expense - Short - Term Debt	427200	-				
93	Interest Expense - Long - Term Debt	427300	4,321				
94	Interest Expense - LT Pushdown Debt	427310	80,265				
95	Customer Deposit Interest	427400	-				
96	Interest Expense - Other	427500	7				
97	Amort - Debt Disc & Expense	427600	4,438				
98	Subtotal		89,031				
99	Interest on Debt from Exhibit M		95,694				
100	Adjustment to Exhibit O		6,664				
101							
102	E10 Miscellaneous Nonutility Expense						
103	To Exclude Non Utility Expenses That Are Not Included in Rates						
104	be considered for Rate-making purposes						
105	Misc - A&G - Network Support	426060	276				
106	Misc - A&G - Computer Paper	426080	719				
107	Misc - A&G - Contrib	426090	-				
108	Misc - A&G - Toner	426110	-				
109	Misc - A&G - Copies	426210	1,485				
110	Misc - A&G - Office Supplies	426219	-				
111	Misc - A&G - Directors	426220	-				
112	Misc - A&G - Dues	426310	-				
113	WT-Misc-A&G-DISAST RECOV	426320	3				
114	Misc - A&G - Promotional Items	426950	3,657				
115	Misc - A&G - Entertain	426900	(3,058)				
116	Total		3,081				

[1] Due to the impact of COVID related measures, these amounts are calculated on 2019 book data in order to provide a "normal" basis for projecting costs in this case.

Sewer									
Line No.	Description (2)	Account (3)	Per Books (4)	Test Year As Adjusted (5)	Base Year Amount (6)	Rate Year 1 Amount (7)	Rate Year 2 Amount (8)	Rate Year 3 Amount (9)	
1	Service Revenues		\$	2,224,673	\$ 2,284,643	\$ 3,659,534	\$ 3,788,641	\$ 3,831,622	\$ 3,960,138
2									
3									
4	E0 Abatements 1/		E0	E0a	E0b	E0c	E0d	E0e	
5	2019 Service Revenue		15,169,774						
6	2019 Abatements		(312)						
7	Percentage		0.00206%						
8									
9	As Adjusted	463		(47)	(75)	(78)	(79)	(81)	
10									
11	Adjustment			(47)	(28)	(3)	(1)	(3)	
12									
13									
14	E1 Late Payment Fees 1/		E1	E1a	E1b	E1c	E1d	E1e	
15	2019 Service Revenue		15,169,774						
16	2019 Late Payment Fees		16,894						
17	Percentage		0.11137%						
18									
19	As Adjusted	\$32	(36)	2,544	4,075	4,219	4,267	4,410	
20									
21	Adjustment			2,580	1,531	144	48	143	
22									
23									
24	E2 Reversal of Certain Other Revenues								
25	To zero out account balances for rate making purposes								
26	Other Sewer/Sewer Rev Accrued Unbilled	536020							
27	WSPC/SSIC Revenue reset to 0.00	536030	(2,536)						
28	2019 Refunds (W-218 Sub 497)	536200	122,932						
29	2018 Reserve for 2019 Refunds (W-218 Sub 497)	536300							
30									
31	E3 Reversal of Interest Inc & AFUDC								
32	To zero out account balances								
33	Allow Funds Used During Const	420001	(99,724)						
34	Allow Funds Used During Const	420002	(301,519)						
35	Interest Inc-Other	419010							
36	Interest Inc-Banks	419015	(1,407)						
37	Nonutil Inc-Other	421900							
38	Nonutil Inc-CAC/CIAC Tax G/U	421960	(36,872)						
39									
40									
41	E4 Uncollectibles 1/		E4	E4a	E4b	E4c	E4d	E4e	
42	2019 Service Revenue		15,169,774						

Sewer										
Line No.	Description (2)	Account (3)	Test Year		Base Year Amount (6)	Rate Year 1 Amount (7)	Rate Year 2 Amount (8)	Rate Year 3 Amount (9)		
			Per Books (4)	As Adjusted (5)						
43	2019 Uncollectibles		(50,080)							
44	Percentage		-0.33013%							
45										
46	As Adjusted	770	(1,960)	(7,542)	(12,081)	(12,507)	(12,649)	(13,074)		
47										
48	Adjustment			(5,582)	(4,539)	(426)	(142)	(424)		
49										
50										
51	E5 Taxes Other Than Income Taxes - PUC Assessment									
52	As Adjusted	408101	2,725	2,970	4,757	4,925	4,981	5,148		
53	Percent		0.13000%							
54	Adjustment			245	1,787	168	56	167		
55										
56										
57										
58	E6 Taxes Other Than Income Taxes - Gross Receipts Tax									
59	To Adjust Sewer GR Tax booked as Franchise Tax									
60	Per Book GR Tax	408206		0%	0%	0%	0%	0%		
61	Gross Receipts Tax rate									
62	As Adjusted Gross Receipts tax expense									
63	Adjustment									
64										
65										
66										
67	E7 Taxes Other Than Income Taxes - Payroll Taxes Pro Forma									
68	Per Book Labor		216,045	Percentage						
69	Payroll Taxes - FICA	408121/676230	18,769	8.7%						
70	Payroll Taxes - FUTA	408122	172	0.1%						
71	Payroll Taxes - SUTA	408123	212	0.1%						
72										
73	As Adjusted Labor			237,542	239,315	246,493	253,887	261,505		
74	Payroll Taxes - FICA	408121		20,636	20,790	21,414	22,056	22,718		
75	Payroll Taxes - FUTA	408122		189	190	196	202	208		
76	Payroll Taxes - SUTA	408123		234	235	242	250	257		
77										
78	Pro Forma Adjustments									
79	Payroll Taxes - FICA	408121		1,868	154	624	642	662		
80	Payroll Taxes - FUTA	408122		17	1	6	6	6		
81	Payroll Taxes - SUTA	408123		21	2	7	7	7		
82	Total			1,906	157	636	655	675		
83	*The Labor amounts shown are the costs in 601 & 603, offset by the capitalized portion in GL 676210									
84										

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Sewer									
Line No.	Description	Account	Test Year		Base Year	Rate Year 1		Rate Year 2	
			Per Books	As Adjusted		Amount	Amount	Amount	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9)
85	E8 Income Taxes - Deferred Income Taxes (reversal of test year amount)								
86	Federal	410101	177,522						
87	Options	410103	-						
88	State	410111	5,451						
89	Total		182,973						
90									
91	E9 Interest (Debt, Cust. Deposits, etc)								
92	To Zero Account Balances (Interest is Handled in Return on								
93	Debt Calculations)								
94	Interest Expense - Short - Term Debt	427200							
95	Interest Expense - Long - Term Debt	427300	11,161						
96	Interest Expense - LT Pushdown Debt	427310	205,468						
97	Cust Dep Interest	427400							
98	Interest Expense - Other	427500	4						
99	Amort - Debt Disc & Expense	427600	11,371						
100	Subtotal		228,003						
101	Interest on Debt from Exhibit M		320,980						
102	Adjustment to Exhibit D		32,976						
103									
104	E10 Miscellaneous Nonutility Expense								
105	To Exclude Non Utility Expenses That Are Not Included in Rates								
106	be considered for Rate-making purposes								
107	Misc - A&G - Network Support	426160	{172}						
108	Misc - A&G - Computer Paper	426080	(450)						
109	Misc - A&G - Contrib	426090	-						
110	Misc - A&G - Toner	426110	-						
111	Misc - A&G - Copies	426210	(929)						
112	Misc - A&G - Office Supplies	426219	-						
113	Misc - A&G - Directors	426220	-						
114	Misc - A&G - Dues	426310	-						
115	WT-Misc-A&G-DISAST RECOV	426320	(2)						
116	Misc - A&G - Promotional Items	426950	(2,288)						
117	Misc - A&G - Entertain	426900	1,923						
118	Total		(1,918)						

1/ Due to the impact of COVID related measures, these amounts are calculated on 2019 book data in order to provide a "normal" basis for projecting costs in this case.

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Exhibit Ew11

Line No.	Account	Pro Forma As Adjusted	Test Year		Base Year		Rate Year 1		Rate Year 2		Rate Year 3	
			Annualization Adjustment	Consumption Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment
Factors →												
WATER												
			1.0007	-2.3700%	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1	E11 Annualization Adjustments											
2	Plant O&M Expense											
3	Purchased Water	319	0	(7)	329		329		329		329	
4	Purchased Power - Source Oper	88,850	62	(2,063)	91,551		94,334		97,202		100,157	
5	Purchased Power - Treat Oper	-	-	-	-	-	-	-	-	-	-	-
6	Fuel Pwr Prod - Source Oper	-	-	-	-	-	-	-	-	-	-	-
7	Fuel Pwr Prod - Treat Oper	-	-	-	-	-	-	-	-	-	-	-
8	Fuel Pwr Prod - T&D Oper	-	-	-	-	-	-	-	-	-	-	-
9	Chem - WtrTrt - Oper - General	-	-	-	-	-	-	-	-	-	-	-
10	Chem - WtrTrt - Oper - Caustic	-	-	-	-	-	-	-	-	-	-	-
11	Chem - WtrTrt - Oper - Chlorine	29,014	20	(674)	29,896		30,805		31,741		32,706	
12	Chem - WtrTrt - Oper - Hypochlori	-	-	-	-	-	-	-	-	-	-	-
13	Chem - WtrTrt - Oper - Polyphosph	-	-	-	-	-	-	-	-	-	-	-
14	Chem - WtrTrt - Oper - Zinc Ortho	-	-	-	-	-	-	-	-	-	-	-
15	Chem - WtrTrt - Oper - Soda Ash	-	-	-	-	-	-	-	-	-	-	-
16	Chem - WtrTrt - Oper - Lime	-	-	-	-	-	-	-	-	-	-	-
17	Chem - WtrTrt - Oper - Potaperm	-	-	-	-	-	-	-	-	-	-	-
18	Chem - WtrTrt - Oper - Misc Chem	-	-	-	-	-	-	-	-	-	-	-
19	Mat&Sup - Source Oper	-	-	-	-	-	-	-	-	-	-	-
20	Mat&Sup - Source Maint	-	-	-	-	-	-	-	-	-	-	-
21	Mat&Sup - WtrTrt Oper	-	-	-	-	-	-	-	-	-	-	-
22	Mat&Sup - WtrTrt Maint	-	-	-	-	-	-	-	-	-	-	-
23	Mat&Sup - T&D Op - Freight	221	0	(5)	228		235		242		249	
24	Mat&Sup - T&D Maint - Gen	-	-	-	-	-	-	-	-	-	-	-
25	Mat&Sup - T&D Maint - Meters	-	-	-	-	-	-	-	-	-	-	-
26	Mat&Sup - T&D Maint - Freight	-	-	-	-	-	-	-	-	-	-	-
27	Mat&Sup - T&D Maint - Safety Suppl	-	-	-	-	-	-	-	-	-	-	-
28	Mat&Sup - T&D Maint - Tool Purch	-	-	-	-	-	-	-	-	-	-	-
29	Trans - T&D Maint	3	0	(0)	3		3		3		3	
30	Misc - Src Oper	-	-	-	-	-	-	-	-	-	-	-
31	Misc - Src Maint	-	-	-	-	-	-	-	-	-	-	-
32	Misc - WtrTrt Oper	-	-	-	-	-	-	-	-	-	-	-
33	General Expense	-	-	-	-	-	-	-	-	-	-	-
34	Mat&Sup - Cust Accts	-	-	-	-	-	-	-	-	-	-	-
35	Mat&Sup - A&G	11,304	8		11,648		12,003		12,368		12,744	
36	Misc - Cust Accts	702	0		723		745		768		791	
37	Misc - A&G - Mail&Post	526	0		542		558		575		592	
38	Misc - A&G - Mail Overnight	675831	1		746		768		792		816	
39	Misc - A&G - Bank Fees	6,231	4		6,420		6,615		6,816		7,023	
40	Adjustment Totals (to Exhibit D)	137,893	97	(2,749)	142,086		146,395		150,836		155,410	

Exhibit Ew11

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Line No.		Account	Pro Forma As Adjusted	Test Year		Base Year		Rate Year 1		Rate Year 2		Rate Year 3	
				Annualization Adjustment	Consumption Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	Annualization Adjustment	Forecasted	
Factors —>													
E11 Annualization Adjustments													
1	Plant O&M Expense			1.0113	1.0077%	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	Purchased Sewer - T&D - Oper	710500	8,657	58	88	8,920	9,191	9,470	9,758				
3	Sludge Removal - T&D - Oper	711500	167,245	1,890	1,704	172,329	177,568	182,966	188,528				
4	Sludge Removal - T&D - Maint	711600											
5	Purchased Pwr - Collect Oper	715100	117,114	1,323	1,193	120,674	124,343	128,123	132,018				
6	Purchased Pwr - Pump Oper	715300											
7	Purchased Pwr - T&D Oper	715500											
8	Fuel Pwr Prod - Collect Oper	716100											
9	Fuel Pwr Prod - Pump Oper	716300											
10	Chem - Coll Oper - General	718100											
11	Chem - Coll Maint - General	718200											
12	Chem - Pump Oper - General	718300	169	2	2	175	180	185	191				
13	Chem - T&D Oper - General	718500	35,712	404	364	36,797	37,916	39,069	40,257				
14	Chem - T&D Maint - General	718600											
15	Mat&Sup - Collect Oper	720100											
16	Mat&Sup - Recl Wt Trt - Maint	720101											
17	Mat&Sup - Recl Wt Dist - Maint	720120											
18	Mat&Sup - Collect Maint	720200											
19	Mat&Sup - Pump Oper	720300											
20	Mat&Sup - Pump Maint	720400											
21	Mat&Sup - T&D Oper	720500	1,073	12	11	1,105	1,139	1,174	1,210				
22	Mat&Sup - T&D Op - Maint Supply	720512	102	1	1	105	108	111	114				
23	Mat&Sup - T&D Maint	720600											
24	Trans - T&D Maint	750600											
25	Misc - Coll Oper	775100											
26	Misc - Coll Maint	775200											
27	Misc - Pump Oper	775300											
28	Misc - Pump Maint	775400											
29	Misc - T&D Oper	775500											
30	Misc - T&D Maint	775600											
31	General Expense												
32	Mat&Sup - Cust Accts	720700											
33	Mat&Sup - A&G	720800	15,153	171	154	15,613	16,087	16,576	17,080				
34	Misc - Cust Accts	775700	436	5		449	463	477	491				
35	Misc - A&G - Mail&Post	775830	143	2		147	151	155	159				
36	Misc - A&G - Mail Overnight	775831	451	5		455	480	495	511				
37	Misc - A&G - Bank Fees	775858	3,896	44		4,014	4,136	4,262	4,391				
38	Adjustment Totals (to Exhibit D)		350,150	3,957	3,518	360,793	371,762	383,063	394,708				