



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

May 26, 2020

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

Re: Docket No. W-218, Sub 526 – Application for General Rate Increase

Dear Ms. Campbell:

In connection with the above-referenced dockets, I transmit herewith for filing on behalf of the Public Staff the testimony and exhibit of Windley E. Henry, Manager, Water, Sewer, and Telephone Section, Accounting Division.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

/s/ Megan Jost  
Staff Attorney  
[megan.jost@psncuc.nc.gov](mailto:megan.jost@psncuc.nc.gov)

MJ/cla

Attachment(s)

Executive Director  
(919) 733-2435

Communications  
(919) 733-5610

Economic Research  
(919) 733-2267

Legal  
(919) 733-6110

Transportation  
(919) 733-7766

Accounting  
(919) 733-4279

Consumer Services  
(919) 733-9277

Electric  
(919) 733-2267

Natural Gas  
(919) 733-4326

Water  
(919) 733-5610

4326 Mail Service Center • Raleigh, North Carolina 27699-4300  
An Equal Opportunity / Affirmative Action Employer

OFFICIAL COPY

May 26 2020

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-218, SUB 526

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

TESTIMONY OF  
WINDLEY E. HENRY  
PUBLIC STAFF – NORTH  
CAROLINA UTILITIES  
COMMISSION

**AQUA NORTH CAROLINA, INC.  
DOCKET NO. W-218 SUB 526**

**TESTIMONY OF WINDLEY E. HENRY  
ON BEHALF OF THE PUBLIC STAFF –  
NORTH CAROLINA UTILITIES COMMISSION**

**May 26, 2020**

1   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**  
2       **PRESENT POSITION.**

3   A.   My name is Windley E. Henry and my business address is 430 N.  
4       Salisbury Street, Raleigh, North Carolina. I am the Accounting  
5       Manager of the Water and Sewer/Communications Section of the  
6       Public Staff - Accounting Division and represent the using and  
7       consuming public.

8   **Q.   HOW LONG HAVE YOU BEEN EMPLOYED BY THE PUBLIC**  
9       **STAFF?**

10   A.   I have been employed by the Public Staff since July 16, 1990.

11   **Q.   WILL YOU STATE BRIEFLY YOUR EDUCATION AND**  
12       **EXPERIENCE?**

13   A.   My education and experience are summarized in Appendix A.

14   **Q.   WHAT ARE YOUR DUTIES?**

15   A.   I am responsible for the performance and supervision of the following  
16       activities: (1) the examination and analysis of testimony, exhibits,  
17       books and records, and other data presented by utilities and other

1 parties involved in Commission proceedings; and (2) the preparation  
2 and presentation to the Commission of testimony, exhibits, and other  
3 documents in those proceedings.

4 **Q. WHAT IS THE NATURE OF THE APPLICATION IN THIS**  
5 **PROCEEDING?**

6 A. On December 31, 2019, Aqua North Carolina, Inc. (Aqua or  
7 Company) filed an application with the Commission seeking authority  
8 to increase rates for all of its water and sewer service areas in North  
9 Carolina. The purpose of my testimony in this proceeding is to  
10 present the results of my investigation of the levels of revenue,  
11 expenses, and investment filed by Aqua in support of its requested  
12 increase in operating revenues.

13 **Q. WOULD YOU DESCRIBE THE PRESENTATION OF YOUR**  
14 **TESTIMONY AND EXHIBITS?**

15 A. Yes. For each issue I will present a discussion of how and why I differ  
16 from the Company. Correspondingly, I will present schedules  
17 showing the calculation of my adjustments to revenues, expenses,  
18 and rate base. My schedules will also reflect adjustments  
19 recommended by Public Staff witnesses Feasel, Boswell, Junis,  
20 Darden, Franklin, and Hinton.

21 Schedules 1(a) through 1(e) of my Exhibit I present the return on  
22 original cost rate base under present rates, Company proposed

1 rates, and Public Staff recommended rates. Schedules 2(a) through  
2 2(e), along with their supporting schedules, present the original cost  
3 rate base. Schedules 3(a) through 3(e), along with their supporting  
4 schedules, present the net operating income under present rates,  
5 Company proposed rates, and Public Staff recommended rates.

6 Schedule 1 of Exhibit II presents the calculation of the gross revenue  
7 impact of the adjustments prepared by the Public Staff.

8 **Q. WHAT MODIFICATIONS OF THE TEST PERIOD HAVE YOU**  
9 **MADE IN THIS PROCEEDING?**

10 A. In its application, Aqua made a pro forma adjustment to rate base to  
11 include estimated plant additions, net of retirements, which will be  
12 placed in service between October 1, 2019, and the hearing date in  
13 this proceeding. Aqua also made pro forma adjustments to increase  
14 salaries, benefits, and payroll taxes and other operational expenses.

15 The Public Staff agrees with the Company that the test year should  
16 be updated for certain events that occurred after the test year. Those  
17 events should be known and measurable as of a certain date in order  
18 to be considered in evaluating the need for rate relief. Therefore, the  
19 Public Staff witnesses have made adjustments in this proceeding to  
20 update the Company's test year to recognize certain events,  
21 including the increase in rate base, revenues, and expenses as a  
22 result of growth that occurred through March 31, 2020.

1 As part of this overall update adjustment, I have made adjustments  
2 to recognize changes to plant in service, accumulated depreciation,  
3 contributions in aid of construction, advances for construction, plant  
4 acquisition adjustment, and other rate base changes that occurred  
5 through March 31, 2020.

6 **Q. WHAT ARE THE COMPANY'S PROPOSED INCREASES IN**  
7 **SERVICE REVENUES IN THIS CASE?**

8 A. The service revenues under present rates, the Company's proposed  
9 increases, and the Company's proposed rates are as follows:

	Present	Proposed	Proposed
	<u>Revenues</u>	<u>Increase</u>	<u>Revenues</u>
12 Aqua NC Water	\$36,559,502	\$ 4,015,088	\$ 40,574,590
13 Aqua NC Sewer	15,607,641	1,544,438	17,152,079
14 Fairways Water	1,138,759	113,995	1,252,754
15 Fairways Sewer	2,189,589	81,898	2,271,487
16 Brookwood Water	<u>5,777,200</u>	<u>1,026,049</u>	<u>6,803,249</u>
17 Total Aqua	<u>\$ 61,272,691</u>	<u>\$ 6,781,468</u>	<u>\$ 68,054,159</u>

18 **Q. WHAT CONCLUSIONS HAVE YOU REACHED AS TO THE**  
19 **COMPANY'S RATE INCREASE REQUEST?**

20 A. Based on my investigation, the Company's original cost rate base as  
21 of September 30, 2019, updated to March 31, 2020, is as follows:

22 Aqua NC Water	\$ 134,338,335
23 Aqua NC Sewer	58,427,775
24 Fairways Water	3,321,755
25 Fairways Sewer	10,399,205
26 Brookwood Water	<u>25,017,402</u>
27 Total Aqua	<u>\$ 231,504,473</u>

1 Based on the overall rate of return of 6.56% recommended by Public  
2 Staff witness Hinton, I recommend that rates be set to produce the  
3 following revenues:

	Service	Other	Total
	<u>Revenues</u>	<u>Revenues &amp;</u>	<u>Operating</u>
		<u>Uncollectibles</u>	<u>Revenues</u>
7	Aqua NC Water	\$ 649,142	\$37,591,669
8	Aqua NC Sewer	31,495	16,103,462
9	Fairways Water	90,244	1,136,916
10	Fairways Sewer	(3,301)	2,040,694
11	Brookwood Water	<u>270,559</u>	<u>6,087,730</u>
12	Total Aqua	<u>\$1,038,139</u>	<u>\$62,960,471</u>

13 Based on these levels of revenues, I recommend the following  
14 increases/(decreases) in service revenues:

15	Aqua NC Water	\$ 383,025
16	Aqua NC Sewer	464,326
17	Fairways Water	(92,087)
18	Fairways Sewer	(145,594)
19	Brookwood Water	<u>39,971</u>
20	Total Aqua	<u>\$ 649,641</u>

21 **Q. WHAT ADJUSTMENTS RECOMMENDED BY OTHER PUBLIC**  
22 **STAFF WITNESSES HAVE YOU INCLUDED IN YOUR**  
23 **TESTIMONY?**

24 A. My exhibit reflects the following adjustments recommended by other  
25 Public Staff witnesses:

26 1) The recommendations of Public Staff witness Hinton  
27 regarding the capital structure, embedded cost of long-term  
28 debt, and return on common equity.

- 1           2)     The recommendations of Public Staff witness Junis regarding  
2                 the following items:
- 3                 (a)     Service revenues under present rates  
4                 (b)     Service revenues under Company proposed rates  
5                 (c)     Number of bills used to calculate annualization factors  
6                 (d)     Water consumption factors  
7                 (e)     Plant in service
- 8           3)     The recommendations of Public Staff witness Darden  
9                 regarding the following items:
- 10                (a)     Testing  
11                (b)     Sludge removal  
12                (c)     Purchased water  
13                (d)     Contract services – other
- 14           4)     The recommendations of Public Staff witness Franklin  
15                 regarding the following items:
- 16                (a)     Purchased power  
17                (b)     Fuel for production
- 18           5)     The recommendations of Public Staff witness Feasel  
19                 regarding the following items:
- 20                (a)     Purchase acquisition adjustment (PAA)  
21                (b)     Accumulated amortization of PAA  
22                (c)     Salaries and wages  
23                (d)     Employee pensions and benefits  
24                (e)     Insurance  
25                (f)     Miscellaneous expense  
26                (g)     Contra-OH allocation  
27                (h)     Amortization expense – PAA  
28                (i)     Payroll taxes
- 29           6)     The recommendations of Public Staff witness Boswell  
30                 regarding protected excess deferred income taxes (EDIT).



1     **Q.     WHAT ADJUSTMENTS WILL YOU DISCUSS?**

2     A.     The accounting and ratemaking adjustments that I will discuss relate  
3             to the following items:

- |    |     |   |
|----|-----|---|
| 4  | 1.  | Plant in service                            |
| 5  | 2.  | Accumulated depreciation                    |
| 6  | 3.  | Contributions in aid of construction (CIAC) |
| 7  | 4.  | Accumulated amortization of CIAC            |
| 8  | 5.  | Advances for construction                   |
| 9  | 6.  | Customer deposits                           |
| 10 | 7.  | Excess capacity adjustment                  |
| 11 | 8.  | Working capital allowance                   |
| 12 | 9.  | Late payment fees                           |
| 13 | 10. | Uncollectibles                              |
| 14 | 11. | Materials and supplies                      |
| 15 | 12. | Contract services – legal                   |
| 16 | 13. | Contract services – other                   |
| 17 | 14. | Regulatory commission expense               |
| 18 | 15. | Annualization adjustment                    |
| 19 | 16. | Consumption adjustment                      |
| 20 | 17. | Depreciation expense                        |
| 21 | 18. | CIAC amortization expense                   |
| 22 | 19. | PAA amortization expense                    |
| 23 | 20. | Regulatory fee                              |
| 24 | 21. | State income taxes                          |
| 25 | 22. | Federal income taxes                        |

26                                     **PLANT IN SERVICE**

27     **Q.     WHAT ADJUSTMENTS HAVE YOU MADE TO PLANT IN**  
28             **SERVICE?**

29     A.     I have made adjustments to plant in service for post-test year plant  
30             additions and to allocated vehicles purchased among all rate  
31             divisions.

1   **Q.   PLEASE EXPLAIN YOUR ADJUSTMENT TO INCLUDE THE**  
2       **ACTUAL COST FOR POST-TEST YEAR ADDITIONS.**

3   A.   On its application, the Company included estimated post-test year  
4       additions of \$18,867,647 in plant in service. In response to Public  
5       Staff data requests, I have adjusted the Company's post-test year  
6       plant additions for actual additions booked from October 1, 2019,  
7       through March 31, 2020. I have adjusted the actual post-test year  
8       additions to remove amounts for wells and springs, power generation  
9       equipment, and computer equipment for excessive accrual of  
10      allowance for funds used during construction (AFUDC) based on the  
11      recommendation of Public Staff witness Junis. The net effect of these  
12      adjustments results in a level of post-test year additions of  
13      \$16,339,103, which is a decrease of \$2,528,544 from the amount  
14      estimated in the Company's application.

15   **Q.   PLEASE EXPLAIN YOUR ADJUSTMENTS TO ALLOCATE**  
16      **PURCHASED VEHICLES.**

17   A.   The majority of the vehicles purchased by Aqua during the test period  
18       were placed into service as a part of the Aqua NC Water rate division.  
19       I updated the rate base transportation along with accumulated  
20       depreciation and depreciation expense through March 31, 2020, and  
21       then allocated the purchase price of these vehicles, along with the  
22       applicable accumulated depreciation and depreciation expense

1        between the rate entities using the customer allocation percentages  
2        calculated by the Company.

### 3 ACCUMULATED DEPRECIATION

4 Q. WHAT ADJUSTMENTS HAVE YOU MADE TO ACCUMULATED  
5 DEPRECIATION?

6 A. I have adjusted accumulated depreciation for corresponding  
7 adjustments made to plant in service related to post-test year  
8 additions and reallocation of purchased vehicles based on customer  
9 allocation percentages. My adjustment to accumulated depreciation  
10 also includes an update to the Company's calculation of costs related  
11 to future customers through March 31, 2020.

12 Finally, accumulated depreciation has been adjusted for plant  
13 additions that were reclassified by the Public Staff from 2019  
14 additions to 2018 additions in Aqua's May 1, 2019, WSIC/SSIC  
15 application. There were several construction projects that were  
16 booked to plant in service in the first quarter of 2019 that were  
17 actually completed and placed into service in 2018. These projects  
18 were reclassified to the appropriate months in 2018 in the  
19 WSIC/SSIC proceeding, which in effect increases the amount of  
20 accumulated depreciation calculated on Aqua's investment in each  
21 project item. I adjusted accumulated depreciation to include an  
22 additional amount of accumulated depreciation that should have

1           been recorded on the Company's books based on the change in the  
2           in service dates.

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

4   **Q.   PLEASE EXPLAIN YOUR ADJUSTMENT TO CIAC.**

5   A.   I have made an adjustment to CIAC as part of my adjustment to  
6       update rate base to March 31, 2020. I have increased CIAC by  
7       \$2,574,894 to include actual post-test year additions made on the  
8       Company's books from October 1, 2019, through March 31, 2020.

9                           **ACCUMULATED AMORTIZATION OF CIAC**

10  **Q.   PLEASE EXPLAIN YOUR ADJUSTMENT TO ACCUMULATED**  
11  **AMORTIZATION OF CIAC.**

12  A.   I have increased accumulated amortization of CIAC by \$54,693 to  
13       reflect the amortization associated with the CIAC additions from  
14       October 1, 2019, through March 31, 2020.

15                           **ADVANCES FOR CONSTRUCTION**

16  **Q.   WHAT ADJUSTMENTS HAVE YOU MADE TO ADVANCES FOR**  
17  **CONSTRUCTION?**

18  A.   I have adjusted advances for construction to reflect the balances as  
19       of March 31, 2020, as part of my adjustment to update rate base.

1

**CUSTOMER DEPOSITS**

2   **Q.   WHAT ADJUSTMENT HAVE YOU MADE TO CUSTOMER**  
3       **DEPOSITS?**

4   A.   I have adjusted customer deposits by \$4,463 to reflect the per book  
5       balance as of March 31, 2020.

6

**EXCESS CAPACITY ADJUSTMENT**

7   **Q.   PLEASE EXPLAIN YOUR ADJUSTMENTS FOR EXCESS**  
8       **CAPACITY.**

9   A.   Aqua did not make an excess capacity adjustment to rate base for  
10       the three wastewater treatment plants at Carolina Meadows, The  
11       Legacy at Jordan Lake, and Westfall Subdivision, as was approved  
12       by the Commission in the Sub 497 rate case. Therefore, I made an  
13       adjustment to remove from rate base an amount of excess capacity  
14       for the wastewater treatment plants.

15       My adjustment for excess capacity begins with the plant balances  
16       subject to excess capacity approved in the Sub 497 rate case  
17       proceeding. To this amount, I added plant additions and removed  
18       retirements recorded on the Company's books since the Sub 497  
19       rate case proceeding. Based on the recommendation of Public Staff  
20       witness Junis, I added back 50% of the Carolina Meadows  
21       wastewater treatment plant additions removed in the Sub 497 rate

1 case proceeding. Next, I depreciated the updated plant in service  
2 through March 31, 2020.

3 Finally, I applied Public Staff witness Junis' excess capacity  
4 percentages of 33.03%, 19.67%, and 18.44% to remove from rate  
5 base the percentage of plant in service, accumulated depreciation  
6 and CIAC related to excess capacity for the wastewater treatment  
7 plants at Carolina Meadows, The Legacy at Jordan Lake, and  
8 Westfall Subdivision, respectively.

9 **WORKING CAPITAL ALLOWANCE**

10 **Q. PLEASE DESCRIBE YOUR ADJUSTMENT TO THE WORKING**  
11 **CAPITAL ALLOWANCE.**

12 A. I have made the following adjustments to the working capital  
13 allowance:

14 **Cash working capital**

15 I have calculated cash working capital as one-eighth of operating and  
16 maintenance expenses, excluding purchased water and sewer  
17 costs.

18 **Prepayments**

19 I have made several adjustments to the level of prepayments  
20 included by the Company on its application.

1        Unamortized Tank Painting – I adjusted the unamortized balances  
2        for tank painting for Aqua NC Water, Fairways Water, and  
3        Brookwood Water to reflect the balances as of September 30, 2020,  
4        the date by which a final order should be issued by the Commission.

5        Unamortized Rate Case Expense – As discussed below under  
6        regulatory commission expense, the Public Staff is recommending  
7        no rate base treatment for the unamortized balance of rate case  
8        expense. My adjustment to prepayments removes the Company's  
9        calculation of unamortized rate case expense from rate base.

10       Unamortized Depreciation Study – I adjusted the unamortized  
11       balances for the depreciation study to reflect the balances as of  
12       September 30, 2020, the date by which a final order should be issued  
13       by the Commission.

14       Unamortized Repair Tax Credit Study – I adjusted the unamortized  
15       balances for the repair tax credit study to reflect the balances as of  
16       September 30, 2020, the date by which a final order should be issued  
17       by the Commission.

18       Unamortized Johnston County Transmission Fee – The Public Staff  
19       is recommending that the Commission deny Aqua's proposal to treat  
20       the \$785,000 Johnston County transmission fee as a regulatory  
21       asset retroactive to the Sub 497 Order for reasons discussed in detail  
22       in joint testimony filed by Public Staff witness Junis and myself in this

1 proceeding. Therefore, I have removed the unamortized balance of  
2 the Johnston County transmission fee from rate base in order to  
3 reflect the Commission final order in the Sub 497 rate case  
4 proceeding.

5 Unamortized Johnston County Transmission Revenue Deficit – My  
6 adjustment to remove the unamortized Johnston County  
7 transmission revenue deficit from rate base is consistent with my  
8 adjustment to remove the unamortized Johnston County  
9 transmission fee from rate base, as discussed above.

10 Deferral Accounting for Post-Year Plant Additions – The Public Staff  
11 has concluded that Aqua's proposal for deferral accounting  
12 treatment of post-test plant additions should be denied for reasons  
13 discussed in detail in joint testimony filed by Public Staff witness  
14 Junis and myself in this proceeding. Based on the recommendation  
15 discussed in the joint testimony, I removed Aqua's proposed deferral  
16 accounting on post-test year additions from rate base.

17 **Tax Accruals**

18 I have calculated average tax accruals as one-fifth of unemployment  
19 taxes and regulatory fee plus one-half of property taxes.



1

**LATE PAYMENT FEES**

2     **Q.     PLEASE EXPLAIN YOUR ADJUSTMENTS TO LATE PAYMENT**  
3     **FEES.**

4     A.     I have adjusted the late payment fee percentages for each of the rate  
5           entities to reflect the per books levels of late payment fees and  
6           service revenues for the test year. I then applied these percentages  
7           to my adjusted levels of service revenues under present, Company  
8           proposed, and Public Staff recommended rates to derive my  
9           recommended levels of late payment fees.

10

**UNCOLLECTIBLES**

11    **Q.     PLEASE EXPLAIN YOUR ADJUSTMENTS TO UNCOLLECTIBLES.**

12    A.     I have adjusted the uncollectibles percentages for each of the rate  
13           entities to reflect the per books levels of uncollectibles, late payment  
14           fees, and service revenues for the test year. I then applied these  
15           percentages to my adjusted levels of service revenues and late  
16           payment fees under present, Company proposed, and Public Staff  
17           recommended rates to derive my recommended levels of  
18           uncollectibles.

19

**MATERIALS AND SUPPLIES**

20    **Q.     PLEASE EXPLAIN YOUR ADJUSTMENT TO MATERIALS AND**  
21    **SUPPLIES.**

1 A. Based on updated information provided by the Company as of March  
2 31, 2020, I have adjusted materials and supplies to include additional  
3 expenses that are expected to be realized by the Company going  
4 forward.

5 **CONTRACT SERVICES - LEGAL**

6 **Q. WHAT ADJUSTMENTS HAVE YOU MADE TO CONTRACT**  
7 **SERVICES - LEGAL EXPENSES IN THIS CASE?**

8 A. I have made an adjustment to contract services – legal to remove  
9 legal fees associated with the Sub 497 rate case proceeding. A  
10 representative level of legal fees was included in rate case expense  
11 in that proceeding, therefore any additional legal costs from that  
12 proceeding should not be recovered from ratepayers.

13 **CONTRACT SERVICES - OTHER**

14 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO CONTRACT**  
15 **SERVICES-OTHER**

16 A. Contract services – other has been adjusted to remove pump  
17 maintenance and corporate sundry expenses based on the  
18 recommendations of Public Staff witnesses Darden and Feasel,  
19 respectively. Next, I remove accrued expenses that occurred outside  
20 the test year from contract services – other.

1

**REGULATORY COMMISSION EXPENSE**

2

**Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO REGULATORY  
COMMISSION EXPENSE.**

3

4

A. In this proceeding, Aqua applied for rate case expenses totaling  
\$1,044,560 to be amortized over two years, resulting in an annual  
expense of \$522,280. Included in the total rate case expenses is  
\$419,435 of unamortized rate case cost from Aqua's prior rate case  
proceeding, Docket No. W-218, Sub 497 (Sub 497), and \$625,125  
of estimated rate case costs for this current proceeding.

5

6

7

8

9

10

The estimated expenses for this current proceeding include legal  
fees totaling \$390,625, consultant fees totaling \$50,000, service  
company capitalized time totaling \$71,000, and other rate case  
expenses totaling \$113,500, of which \$100,000 is for postage and  
printing notices to customers.

11

12

13

14

15

For this proceeding, I have included actual rate case expenses  
incurred to date based on costs provided by the Company in  
response to Public Staff data requests. I adjusted the actual amount  
of rate case expense to include an additional amount for printing and  
mailing notices to customers based on invoices provided by the  
Company for costs incurred to send the first notice to customers. My  
adjusted rate case expense for this proceeding is \$410,246, which is  
less than the Company estimated rate case expense of \$625,125. I

16

17

18

19

20

21

22

1 recommend that the rate case expense for this current proceeding  
2 be updated to actual amounts incurred through the hearing date after  
3 review of supporting documentation provided by the Company.

4 The Public Staff has amortized over three years the rate case  
5 expenses of Aqua for this proceeding, and reamortized the  
6 unamortized balance of Aqua's rate case expenses for prior Aqua  
7 rate cases over the same period.

8 The Public Staff has reevaluated the past practice of the water and/or  
9 wastewater utility's unamortized rate case expense balance being  
10 included in rate base upon which the utility earns a return. The Public  
11 Staff sees no reason for this practice to continue. The Public Staff  
12 recommends in this rate case proceeding and all future water and/or  
13 wastewater utility general rate cases that the unamortized rate case  
14 expense balance not be included in rate base with the utility earning  
15 a return. The unamortized balance would continue to be amortized  
16 in the Commission approved revenue requirement, thereby allowing  
17 the Company recovery of the expenses, but not allowing the utility to  
18 earn a profit on the rate case expenses.

19 This change will provide Commission regulated water and/or  
20 wastewater utilities the same rate case expense treatment as the  
21 Commission regulated electric and natural gas utilities which do not  
22 earn a return on their unamortized rate case expense balances. The

1 customers will pay the Company's rate case expenses, but it is  
2 unreasonable for customers to pay the utility a return on equity for  
3 regularly occurring expenses that by their nature and magnitude  
4 should just be normalized, not treated as a regulatory asset.

5 **ANNUALIZATION ADJUSTMENT**

6 **Q. WOULD YOU EXPLAIN YOUR ANNUALIZATION ADJUSTMENT?**

7 A. Since Public Staff witness Junis has updated revenues to reflect the  
8 number of customers as of March 31, 2020, it is necessary to adjust  
9 the growth-related expenses incurred during the test year to this  
10 updated level of customers. The end result is a level of expense that  
11 corresponds to the level of customers included in the revenue  
12 calculation.

13 Based on information provided by Public Staff witness Junis, I have  
14 calculated annualization factors of 1.40% for Aqua NC Water  
15 operations, 4.58% for Aqua NC Sewer operations, 2.48% for  
16 Fairways Water operations, 1.63% for Fairways Sewer operations,  
17 and 0.57% for Brookwood Water operations.

18 I have applied these annualization factors to my adjusted levels of  
19 purchased power, chemicals, and fuel for production for both water  
20 and sewer operations. I also applied the annualization factors to  
21 sludge removal for sewer operations.

1

**CONSUMPTION ADJUSTMENT**

2   **Q.   PLEASE   EXPLAIN   YOUR   CALCULATION   OF   THE**  
3       **CONSUMPTION ADJUSTMENT.**

4    A.   Since Public Staff witness Junis has made an adjustment to the level  
5       of consumption in calculating water revenues, it is necessary to  
6       adjust consumption-related expenses to reflect the Public Staff's  
7       adjusted level of consumption. The end result is a level of expense  
8       that corresponds to the level of consumption included in revenues.

9       Based on information provided by Public Staff witness Junis, his  
10      adjustment to consumption resulted in an increase/decrease from  
11      the amount of gallons sold during the test year of 0.65% for Aqua NC  
12      Water operations, (5.22%) for Aqua NC Sewer operations, (8.13%)  
13      for Fairways Water operations, (11.52%) for Fairways Sewer  
14      operations, and 0.66% for Brookwood Water operations.

15     I have applied these consumption factors to my adjusted levels of  
16     purchased power, chemicals, and fuel for production for both water  
17     and sewer operations. I also applied the consumption factors to  
18     sludge removal for sewer operations.

19

**DEPRECIATION EXPENSE**

20   **Q.   WHAT ADJUSTMENTS HAVE YOU MADE TO DEPRECIATION**  
21    **AND AMORTIZATION EXPENSE?**

1 A. I have made adjustments to depreciation expense to reflect Public  
2 Staff adjustments to plant in service for post-test year additions,  
3 adjustment to excess capacity and allocation of purchased vehicles.

4 **CIAC AMORTIZATION EXPENSE**

5 **Q. WHAT ADJUSTMENTS HAVE YOU MADE TO CIAC**  
6 **AMORTIZATION EXPENSE?**

7 A. I have adjusted CIAC amortization expense to reflect my  
8 adjustments to CIAC for post-test year additions and an adjustment  
9 for excess capacity. CIAC has also been adjusted for tank painting  
10 amortization, Johnston County transmission fee revenue deficit and  
11 deferral accounting for post-test plant additions.

12 **PAA AMORTIZATION EXPENSE**

13 **Q. WHAT ADJUSTMENTS HAVE YOU MADE TO PAA**  
14 **AMORTIZATION EXPENSE?**

15 A. I have adjusted PAA amortization expense to reflect post-test year  
16 additions as of March 31, 2020.

17 **REGULATORY FEE**

18 **Q. WHAT ADJUSTMENT HAVE YOU MADE TO THE REGULATORY**  
19 **FEE?**

1 A. I have calculated the regulatory fee using the statutory rate of 0.13%  
2 applied to total operating revenues under present, Company  
3 proposed, and Public Staff recommended rates.

4 **STATE INCOME TAXES**

5 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO STATE INCOME**  
6 **TAXES.**

7 A. State income tax was calculated based on the adjusted levels of  
8 revenues and expenses, and the State income tax rate of 2.5%.

9 **FEDERAL INCOME TAXES**

10 **Q. WHAT ADJUSTMENTS HAVE YOU MADE TO FEDERAL INCOME**  
11 **TAXES?**

12 A. Federal income tax is based on the statutory corporate rate of 21%  
13 for the level of income presented after all Public Staff adjustments.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes, it does.



## **QUALIFICATIONS AND EXPERIENCE**

### **WINDLEY E. HENRY**

I am a graduate of the University of North Carolina at Wilmington with a Bachelor of Science degree in Accountancy. I am a Certified Public Accountant licensed in the State of North Carolina. Prior to joining the Public Staff, I was employed by the Seymour Johnson Federal Credit Union. My duties there involved supervision of the accounting department and preparing financial reports. I joined the Public Staff as a Staff Accountant on July 16, 1990. Since joining the Public Staff, I have presented testimony and exhibits in numerous cases before this Commission involving water, sewer, and natural gas utilities.



---

**INDEX TO HENRY EXHIBIT I**

---

<u>Line No.</u>	<u>Title</u>	<u>Schedule Number</u>
1	RETURN ON ORIGINAL COST RATE BASE - AQUA WATER OPERATIONS	1(a)
2	RETURN ON ORIGINAL COST RATE BASE - AQUA SEWER OPERATIONS	1(b)
3	RETURN ON ORIGINAL COST RATE BASE - FAIRWAYS WATER OPERATIONS	1(c)
4	RETURN ON ORIGINAL COST RATE BASE - FAIRWAYS SEWER OPERATIONS	1(d)
5	RETURN ON ORIGINAL COST RATE BASE - BROOKWOOD WATER OPERATIONS	1(e)
6	ORIGINAL COST RATE BASE - COMBINED OPERATIONS	2
7	ORIGINAL COST RATE BASE - AQUA WATER OPERATIONS	2(a)
8	ORIGINAL COST RATE BASE - AQUA SEWER OPERATIONS	2(b)
9	ORIGINAL COST RATE BASE - FAIRWAYS WATER OPERATIONS	2(c)
10	ORIGINAL COST RATE BASE - FAIRWAYS SEWER OPERATIONS	2(d)
11	ORIGINAL COST RATE BASE - BROOKWOOD WATER OPERATIONS	2(e)
12	ADJUSTMENT TO PLANT IN SERVICE	2-1
13	CALCULATION OF ADJUSTMENT TO POST TEST YEAR ADDITIONS	2-1(a)
14	CALCULATION OF PLANT RELATED TO FUTURE CUSTOMERS	2-1(b)
15	ADJUSTMENT TO ALLOCATE VEHICLES PURCHASED	2-1(c)
16	ADJUSTMENT TO ACCUMULATED DEPRECIATION	2-2
17	ADJUSTMENT TO CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC), ACCUMULATED AMORTIZATION AND AMORTIZATION EXPENSE	2-3
18	ADJUSTMENT TO ADVANCES FOR CONSTRUCTION	2-4
	ADJUSTMENT TO CUSTOMER DEPOSITS	2-5
19	CALCULATION OF EXCESS CAPACITY	2-6
20	CALCULATION OF NET PLANT IN SERVICE FOR EXCESS CAPACITY SYSTEMS	2-6(a)
21	ADJUSTMENT TO WORKING CAPITAL	2-7
22	NET OPERATING INCOME FOR RETURN - COMBINED OPERATIONS	3
23	NET OPERATING INCOME FOR RETURN - AQUA WATER OPERATIONS	3(a) Page 1
24	FOOTNOTES TO SCHEDULE 3(a)	3(a) Page 2
25	NET OPERATING INCOME FOR RETURN - AQUA SEWER OPERATIONS	3(b) Page 1
26	FOOTNOTES TO SCHEDULE 3(b)	3(b) Page 2
27	NET OPERATING INCOME FOR RETURN - FAIRWAYS WATER OPERATIONS	3(c) Page 1
28	FOOTNOTES TO SCHEDULE 3(c)	3(c) Page 2
29	NET OPERATING INCOME FOR RETURN - FAIRWAYS SEWER OPERATIONS	3(d) Page 1
30	FOOTNOTES TO SCHEDULE 3(d)	3(d) Page 2
31	NET OPERATING INCOME FOR RETURN - BROOKWOOD WATER OPERATIONS	3(e) Page 1
32	FOOTNOTES TO SCHEDULE 3(e)	3(e) Page 2
33	ADJUSTMENT TO MATERIALS AND SUPPLIES	3-1
34	ADJUSTMENT TO CONTRACTUAL SERVICES - LEGAL	3-2
35	ADJUSTMENT TO CONTRACTUAL SERVICES - OTHER	3-3
36	CALCULATION OF REGULATORY COMMISSION EXPENSE	3-4
37	CALCULATION OF ANNUALIZATION AND CONSUMPTION ADJUSTMENTS - WATER OPERATIONS	3-5(a)
38	CALCULATION OF ANNUALIZATION AND CONSUMPTION FACTORS CALCULATION OF ANNUALIZATION AND CONSUMPTION ADJUSTMENTS - SEWER OPERATIONS	3-5(a)(1)
39		3-5(b)
40	CALCULATION OF DEPRECIATION AND AMORTIZATION EXPENSE	3-6
41	CALCULATION OF INCOME TAXES - AQUA WATER OPERATIONS	3-7(a)
42	CALCULATION OF INCOME TAXES - AQUA SEWER OPERATIONS	3-7(b)
43	CALCULATION OF INCOME TAXES - FAIRWAYS WATER OPERATIONS	3-7(c)
44	CALCULATION OF INCOME TAXES - FAIRWAYS SEWER OPERATIONS	3-7(d)
45	CALCULATION OF INCOME TAXES - BROOKWOOD WATER OPERATIONS	3-7(e)

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
RETURN ON ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**AQUA WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 1(a)

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$67,169,168 [2]	4.21% [1]	2.11%	\$2,827,822 [8]
2.	Equity	50.00%	67,169,167 [2]	8.46% [6]	4.23%	5,684,298 [9]
3.	Total	<u>100.00%</u>	<u>\$134,338,335 [3]</u>		<u>6.34%</u>	<u>\$8,512,120 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$67,169,168 [4]	4.21% [1]	2.11%	\$2,827,822 [8]
5.	Equity	50.00%	67,169,167 [4]	13.05% [6]	6.53%	8,763,633 [11]
6.	Total	<u>100.00%</u>	<u>\$134,338,335 [3]</u>		<u>8.63%</u>	<u>\$11,591,455 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$67,169,168 [5]	4.21% [1]	2.11%	\$2,827,822 [8]
8.	Equity	50.00%	67,169,167 [5]	8.90% [1]	4.45%	5,978,056 [8]
9.	Total	<u>100.00%</u>	<u>\$134,338,335 [3]</u>		<u>6.56%</u>	<u>\$8,805,878</u>

- [1] Provided by Public Staff Financial Analyst Hinton.  
[2] Column (a) x Line 3, Column (b).  
[3] Henry Exhibit I, Schedule 2(a), Line 15, Column (c).  
[4] Column (a) x Line 6, Column (b).  
[5] Column (a) x Line 9, Column (b).  
[6] Column (e) divided by Column (b).  
[7] Column (a) x Column (c).  
[8] Column (b) x Column (c).  
[9] Line 3 - Line 1, Column (e).  
[10] Henry Exhibit I, Schedule 3(a), Line 39, Column (c).  
[11] Line 6 - Line 4, Column (e).  
[12] Henry Exhibit I, Schedule 3(a), Line 39, Column (e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 363  
RETURN ON ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**AQUA SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 1(b)

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [4] (d)	Net Operating Income [5] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$29,213,888 [2]	4.21% [1]	2.11%	\$1,229,905 [8]
2.	Equity	50.00%	29,213,887 [2]	7.68% [6]	3.84%	2,242,867 [9]
3.	Total	<u>100.00%</u>	<u>\$58,427,775</u> [3]		<u>5.95%</u>	<u>\$3,472,772</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$29,213,888 [4]	4.21% [1]	2.11%	\$1,229,905 [8]
5.	Equity	50.00%	29,213,887 [4]	11.74% [6]	5.87%	3,430,884 [11]
6.	Total	<u>100.00%</u>	<u>\$58,427,775</u> [3]		<u>7.98%</u>	<u>\$4,660,789</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$29,213,888 [5]	4.21% [1]	2.11%	\$1,229,905 [8]
8.	Equity	50.00%	29,213,887 [5]	8.90% [1]	4.45%	2,600,036 [8]
9.	Total	<u>100.00%</u>	<u>\$58,427,775</u> [3]		<u>6.56%</u>	<u>\$3,829,941</u>

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 363  
RETURN ON ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**FAIRWAYS WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 1(c)

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$1,660,878 [2]	4.21% [1]	2.11%	\$69,923 [8]
2.	Equity	50.00%	1,660,877 [2]	13.16% [6]	6.58%	218,599 [9]
3.	Total	<u>100.00%</u>	<u>\$3,321,755</u> [3]		<u>8.69%</u>	<u>\$288,522</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$1,660,878 [4]	4.21% [1]	2.11%	\$69,923 [8]
5.	Equity	50.00%	1,660,877 [4]	18.44% [6]	9.22%	306,218 [11]
6.	Total	<u>100.00%</u>	<u>\$3,321,755</u> [3]		<u>11.33%</u>	<u>\$376,141</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$1,660,878 [5]	4.21% [1]	2.11%	\$69,923 [8]
8.	Equity	50.00%	1,660,877 [5]	8.90% [1]	4.45%	147,818 [8]
9.	Total	<u>100.00%</u>	<u>\$3,321,755</u> [3]		<u>6.56%</u>	<u>\$217,741</u>

- [1] Provided by Public Staff Financial Analyst Hinton.  
[2] Column (a) x Line 3, Column (b).  
[3] Henry Exhibit I, Schedule 2(c), Line 15, Column (c).  
[4] Column (a) x Line 6, Column (b).  
[5] Column (a) x Line 9, Column (b).  
[6] Column (e) divided by Column (b).  
[7] Column (a) x Column (c).  
[8] Column (b) x Column (c).  
[9] Line 3 - Line 1, Column (e).  
[10] Henry Exhibit I, Schedule 3(c), Line 39, Column (c).  
[11] Line 6 - Line 4, Column (e).  
[12] Henry Exhibit I, Schedule 3(c), Line 39, Column (e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 363  
RETURN ON ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**FAIRWAYS SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 1(d)

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$5,199,603 [2]	4.21% [1]	2.11%	\$218,903 [8]
2.	Equity	50.00%	5,199,602 [2]	11.05% [6]	5.53%	574,579 [9]
3.	Total	<u>100.00%</u>	<u>\$10,399,205 [3]</u>		<u>7.63%</u>	<u>\$793,482 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$5,199,603 [4]	4.21% [1]	2.11%	\$218,903 [8]
5.	Equity	50.00%	5,199,602 [4]	12.26% [6]	6.13%	637,477 [11]
6.	Total	<u>100.00%</u>	<u>\$10,399,205 [3]</u>		<u>8.24%</u>	<u>\$856,380 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$5,199,603 [5]	4.21% [1]	2.11%	\$218,903 [8]
8.	Equity	50.00%	5,199,602 [5]	8.90% [1]	4.45%	462,765 [8]
9.	Total	<u>100.00%</u>	<u>\$10,399,205 [3]</u>		<u>6.56%</u>	<u>\$681,668</u>

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 363  
RETURN ON ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**BROOKWOOD WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 1(e)

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$12,508,701 [2]	4.21% [1]	2.11%	\$526,616 [8]
2.	Equity	50.00%	12,508,701 [2]	8.66% [6]	4.33%	1,083,147 [9]
3.	Total	<u>100.00%</u>	<u>\$25,017,402 [3]</u>		<u>6.44%</u>	<u>\$1,609,763 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$12,508,701 [4]	4.21% [1]	2.11%	\$526,616 [8]
5.	Equity	50.00%	12,508,701 [4]	14.84% [6]	7.42%	1,856,527 [11]
6.	Total	<u>100.00%</u>	<u>\$25,017,402 [3]</u>		<u>9.53%</u>	<u>\$2,383,143 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$12,508,701 [5]	4.21% [1]	2.11%	\$526,616 [8]
8.	Equity	50.00%	12,508,701 [5]	8.90% [1]	4.45%	1,113,274 [8]
9.	Total	<u>100.00%</u>	<u>\$25,017,402 [3]</u>		<u>6.56%</u>	<u>\$1,639,890</u>

- [1] Provided by Public Staff Financial Analyst Hinton.  
[2] Column (a) x Line 3, Column (b).  
[3] Henry Exhibit I, Schedule 2(e), Line 15, Column (c).  
[4] Column (a) x Line 6, Column (b).  
[5] Column (a) x Line 9, Column (b).  
[6] Column (e) divided by Column (b).  
[7] Column (a) x Column (c).  
[8] Column (b) x Column (c).  
[9] Line 3 - Line 1, Column (e).  
[10] Henry Exhibit I, Schedule 3(e), Line 39, Column (c).  
[11] Line 6 - Line 4, Column (e).  
[12] Henry Exhibit I, Schedule 3(e), Line 39, Column (e).



**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**COMBINED OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 2

<u>Line No.</u>	<u>Item</u>	Amount Per <u>Application</u> [1]	Public Staff <u>Adjustments</u> [1]	Amount Per <u>Public Staff</u> [1]
		(a)	(b)	(c)
1.	Plant in service	\$540,941,907	(\$2,528,544)	\$538,413,363
2.	Accumulated depreciation	(152,305,884)	(1,936,854)	(154,242,738)
3.	Contributions in aid of construction	(205,484,249)	(2,574,894)	(208,059,143)
4.	Accumulated amortization of CIAC	78,822,205	54,693	78,876,898
5.	Acquisition adjustments	2,068,244	90,781	2,159,025
6.	Accum. amort. of acquisition adjustments	727,809	(72,151)	655,658
7.	Advances for construction	<u>(4,330,411)</u>	<u>239,280</u>	<u>(4,091,131)</u>
8.	Net plant in service	260,439,621	(6,727,689)	253,711,932
9.	Customer deposits	(363,819)	4,463	(359,356)
10.	Unclaimed refunds and cost-free capital	(193,255)	0	(193,255)
11.	Accumulated deferred income taxes	(27,649,972)	502,122	(27,147,850)
12.	Materials and supplies inventory	2,790,285	0	2,790,285
13.	Excess capacity adjustment	0	(1,465,673)	(1,465,673)
14.	Working capital allowance	<u>6,714,144</u>	<u>(2,545,754)</u>	<u>4,168,390</u>
15.	Original cost rate base	<u>\$241,737,004</u>	<u>(\$10,232,531)</u>	<u>\$231,504,473</u>

[1] Sum of amounts from Henry Exhibit I, Schedules 2(a) through 2(e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**AQUA WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 2(a)

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> (b)	<u>Amount Per Public Staff</u> (c) [9]
1.	Plant in service	\$299,149,243	(\$1,000,401) [1]	\$298,148,842
2.	Accumulated depreciation	(90,870,793)	(1,060,737) [2]	(91,931,530)
3.	Contributions in aid of construction	(97,921,547)	(1,057,684) [3]	(98,979,231)
4.	Accumulated amortization of CIAC	36,792,178	19,585 [4]	36,811,763
5.	Acquisition adjustments	6,102,179	90,781 [5]	6,192,960
6.	Accum. amort. of acquisition adjustments	(2,374,213)	(58,856) [5]	(2,433,069)
7.	Advances for construction	(2,820,937)	72,900 [6]	(2,748,037)
8.	Net plant in service	148,056,110	(2,994,412)	145,061,698
9.	Customer deposits	(283,682)	2,238 [7]	(281,444)
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)
11.	Accumulated deferred income taxes	(15,202,768)	(17,689) [5]	(15,220,457)
12.	Materials and supplies inventory	2,235,302	0	2,235,302
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	3,669,309	(1,079,491) [8]	2,589,818
15.	Original cost rate base	<u>\$138,427,689</u>	<u>(\$4,089,354)</u>	<u>\$134,338,335</u>

[1] Henry Exhibit I, Schedule 2-1, Line 3, Column (a).

[2] Henry Exhibit I, Schedule 2-2, Line 5, Column (a).

[3] Henry Exhibit I, Schedule 2-3, Line 1, Column (a).

[4] Henry Exhibit I, Schedule 2-3, Line 2, Column (a).

[5] Provided by Public Staff Accountant Feasel.

[6] Henry Exhibit I, Schedule 2-4, Line 5, Column (a).

[7] Henry Exhibit I, Schedule 2-5, Line 1, Column (a).

[8] Henry Exhibit I, Schedule 2-7, Line 17, Column (a).

[9] Column (a) plus Column (b).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**AQUA SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 2(b)

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	[10]
1.	Plant in service	\$165,541,621	\$45,320 [1]	\$165,586,941	
2.	Accumulated depreciation	(44,574,718)	(371,759) [2]	(44,946,477)	
3.	Contributions in aid of construction	(83,705,420)	(1,205,224) [3]	(84,910,644)	
4.	Accumulated amortization of CIAC	32,183,835	27,375 [4]	32,211,210	
5.	Acquisition adjustments	(4,002,509)	0	(4,002,509)	
6.	Accum. amort. of acquisition adjustments	3,072,969	(13,237) [5]	3,059,732	
7.	Advances for construction	(1,446,924)	159,500 [6]	(1,287,424)	
8.	Net plant in service	67,068,854	(1,358,025)	65,710,829	
9.	Customer deposits	(7,927)	799 [7]	(7,128)	
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)	
11.	Accumulated deferred income taxes	(7,472,043)	222,316 [5]	(7,249,727)	
12.	Materials and supplies inventory	400,302	0	400,302	
13.	Excess capacity adjustment	0	(1,465,673) [8]	(1,465,673)	
14.	Working capital allowance	2,115,841	(1,070,327) [9]	1,045,514	
15.	Original cost rate base	\$62,098,685	(\$3,670,910)	\$58,427,775	

[1] Henry Exhibit I, Schedule 2-1, Line 3, Column (b).

[2] Henry Exhibit I, Schedule 2-2, Line 5, Column (b).

[3] Henry Exhibit I, Schedule 2-3, Line 1, Column (b).

[4] Henry Exhibit I, Schedule 2-3, Line 2, Column (b).

[5] Provided by Public Staff Accountant Feasel.

[6] Henry Exhibit I, Schedule 2-4, Line 5, Column (b).

[7] Henry Exhibit I, Schedule 2-5, Line 1, Column (b).

[8] Henry Exhibit I, Schedule 2-6, Line 18, Column (c).

[9] Henry Exhibit I, Schedule 2-7, Line 17, Column (b).

[10] Column (a) plus Column (b).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**FAIRWAYS WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 2(c)

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [9]
1.	Plant in service	\$12,954,594	\$119,557 [1]	\$13,074,151
2.	Accumulated depreciation	(3,512,889)	(21,547) [2]	(3,534,436)
3.	Contributions in aid of construction	(8,107,968)	(131,574) [3]	(8,239,542)
4.	Accumulated amortization of CIAC	2,361,681	2,863 [4]	2,364,544
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	(76,550)	6,880 [5]	(69,670)
8.	Net plant in service	3,618,868	(23,821)	3,595,047
9.	Customer deposits	(6,153)	222 [6]	(5,931)
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339)
11.	Accumulated deferred income taxes	(374,842)	(5,200) [7]	(380,042)
12.	Materials and supplies inventory	21,017	0	21,017
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	145,835	(46,832) [8]	99,003
15.	Original cost rate base	\$3,397,386	(\$75,631)	\$3,321,755

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

[2] Henry Exhibit I, Schedule 2-2, Line 5, Column (c).

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

[4] Henry Exhibit I, Schedule 2-3, Line 2, Column (c).

[5] Henry Exhibit I, Schedule 2-4, Line 5, Column (c).

[6] Henry Exhibit I, Schedule 2-5, Line 1, Column (c).

[7] Provided by Public Staff Accountant Feasel.

[8] Henry Exhibit I, Schedule 2-7, Line 17, Column (c).

[9] Column (a) plus Column (b).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**FAIRWAYS SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 2(d)

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [7]
1.	Plant in service	\$20,150,990	(\$81,529) [1]	\$20,069,461
2.	Accumulated depreciation	(2,552,134)	(47,530) [2]	(2,599,664)
3.	Contributions in aid of construction	(7,751,613)	(177,365) [3]	(7,928,978)
4.	Accumulated amortization of CIAC	1,949,610	4,738 [4]	1,954,348
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	14,000	0	14,000
8.	Net plant in service	11,810,853	(301,686)	11,509,167
9.	Customer deposits	(92)	0	(92)
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,233,642)	10,551 [5]	(1,223,091)
12.	Materials and supplies inventory	7,306	0	7,306
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	157,546	(51,414) [6]	106,132
15.	Original cost rate base	\$10,741,754	(\$342,549)	\$10,399,205

[1] Henry Exhibit I, Schedule 2-1, Line 3, Column (d).

[2] Henry Exhibit I, Schedule 2-2, Line 5, Column (d).

[3] Henry Exhibit I, Schedule 2-3, Line 1, Column (d).

[4] Henry Exhibit I, Schedule 2-3, Line 2, Column (d).

[5] Provided by Public Staff Accountant Feasel.

[6] Henry Exhibit I, Schedule 2-7, Line 17, Column (d).

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ORIGINAL COST RATE BASE  
For The Test Year Ended September 30, 2019  
**BROOKWOOD WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 2(e)

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> (b)	<u>Amount Per Public Staff</u> (c) [8]
1.	Plant in service	\$43,145,459	(\$1,611,492) [1]	\$41,533,967
2.	Accumulated depreciation	(10,795,350)	(435,281) [2]	(11,230,631)
3.	Contributions in aid of construction	(7,997,701)	(3,047) [3]	(8,000,748)
4.	Accumulated amortization of CIAC	5,534,901	132 [4]	5,535,033
5.	Acquisition adjustments	(31,426)	0	(31,426)
6.	Accum. amort. of acquisition adjustments	29,053	(58) [5]	28,995
7.	Advances for construction	0	0	0
8.	Net plant in service	29,884,936	(2,049,746)	27,835,190
9.	Customer deposits	(65,965)	1,204 [6]	(64,761)
10.	Unclaimed refunds and cost-free capital	(132,775)	0	(132,775)
11.	Accumulated deferred income taxes	(3,366,677)	292,144 [5]	(3,074,533)
12.	Materials and supplies inventory	126,358	0	126,358
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	625,613	(297,690) [7]	327,923
15.	Original cost rate base	<u>\$27,071,490</u>	<u>(\$2,054,088)</u>	<u>\$25,017,402</u>

[1] Henry Exhibit I, Schedule 2-1, Line 3, Column (e).

[2] Henry Exhibit I, Schedule 2-2, Line 5, Column (e).

[3] Henry Exhibit I, Schedule 2-3, Line 1, Column (e).

[4] Henry Exhibit I, Schedule 2-3, Line 2, Column (e).

[5] Provided by Public Staff Accountant Feasel.

[6] Henry Exhibit I, Schedule 2-5, Line 1, Column (e).

[7] Henry Exhibit I, Schedule 2-7, Line 17, Column (e).

[8] Column (a) plus Column (b).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO PLANT IN SERVICE  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-1

Line No.	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to post test year additions	(\$728,614) [1]	(\$78,556) [1]	\$73,608 [1]	(\$111,458) [1]	(\$1,683,524) [1]
2	Adjustment to allocate purchased vehicles	<u>(271,787) [2]</u>	<u>123,876 [2]</u>	<u>45,949 [2]</u>	<u>29,929 [2]</u>	<u>72,032 [2]</u>
3	Adjustment to plant in service (L1 + L2)	<u><u>(\$1,000,401)</u></u>	<u><u>\$45,320</u></u>	<u><u>\$119,557</u></u>	<u><u>(\$81,529)</u></u>	<u><u>(\$1,611,492)</u></u>

[1] Henry Exhibit I, Schedule 2-1(a), Line 5.

[2] Henry Exhibit I, Schedule 2-1(c), Line 1.

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF ADJUSTMENT TO  
POST TEST YEAR ADDITIONS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-1(a)

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total (f) [2]
<b><u>Plant in service</u></b>							
1.	Updated post test year system additions per Company	\$8,003,459 [1]	\$4,248,801 [1]	\$118,399 [1]	\$305,996 [1]	\$2,502,236 [1]	\$15,178,891
2.	Updated post test year IT additions per Company	720,608 [1]	190,275 [1]	54,994 [1]	35,038 [1]	159,297 [1]	1,160,212
3.	Total post test year additions per Company updates (L1 + L2)	8,724,067	4,439,076	173,393	341,034	2,661,533	16,339,103
4.	Amount per Company application	9,452,681	4,517,632	99,785	452,492	4,345,057	18,867,647
5.	Adjustment to post test year additions (L3 - L4)	<u>(\$728,614)</u>	<u>(\$78,556)</u>	<u>\$73,608</u>	<u>(\$111,458)</u>	<u>(\$1,683,524)</u>	<u>(\$2,528,544)</u>
<b><u>Accumulated depreciation</u></b>							
6.	Updated post test year system additions per Company	(265,728) [1]	(121,465) [1]	(3,128) [1]	(8,929) [1]	(71,777) [1]	(471,027)
7.	Updated post test year IT additions per Company	(183,611) [1]	(48,482) [1]	(14,012) [1]	(8,928) [1]	(40,589) [1]	(295,622)
8.	Total post test year additions per Company updates (L6 + L7)	(449,339)	(169,947)	(17,140)	(17,857)	(112,366)	(766,649)
9.	Amount per Company application	615,755	187,786	708	27,265	315,486	1,147,000
10.	Adjustment to accumulated depreciation (L8 - L9)	<u>(\$1,065,094)</u>	<u>(\$357,733)</u>	<u>(\$17,848)</u>	<u>(\$45,122)</u>	<u>(\$427,852)</u>	<u>(\$1,913,649)</u>
<b><u>Depreciation expense</u></b>							
11.	Updated post test year system additions per Company	265,728 [1]	121,465 [1]	3,128 [1]	8,929 [1]	71,777 [1]	471,027
12.	Updated post test year IT additions per Company	183,611 [1]	48,482 [1]	14,012 [1]	8,928 [1]	40,589 [1]	295,622
13.	Total post test year additions per Company updates (L11+ L12)	449,339	169,947	17,140	17,857	112,366	766,649
14.	Amount per Company application	393,153	187,786	7,218	15,675	158,147	761,979
15.	Adjustment to depreciation expense (L13 - L14)	<u>\$56,186</u>	<u>(\$17,839)</u>	<u>\$9,922</u>	<u>\$2,182</u>	<u>(\$45,781)</u>	<u>\$4,670</u>

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

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



**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF PLANT RELATED TO  
FUTURE CUSTOMERS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-1(b)  
Page 1 of 2

Line No.	Item	Number of Lots [1] (a)	Price per Contract [2] (b)	Total Purchase Price [3] (c)	Customers as of 09/30/19 [1] (d)	Plant in Use as of 09/30/19 [4] (e)	Adjustment to Plant in Service [5] (f)	Year System Acquired [1] (g)	Accumulated Depreciation [6] (h)
1	Auburn Hills	40	\$300	\$12,000	38	\$11,400	(\$600)	2001	\$462
2	Bailey's Landing	45	300	13,500	44	13,200	(300)	2006	171
3	Banks Point	87	350	30,450	87	30,450	0	2006	0
4	Bayleaf Farms	25	300	7,500	22	6,600	(900)	2002	657
5	Beacon Pointe	49	350	17,150	47	16,450	(700)	2001	539
6	Brayton Park	65	300	19,500	65	19,500	0	2005	0
7	Cane Creek	44	400	17,600	44	17,600	0	2006	0
8	Castelli	22	350	7,700	21	7,350	(350)	2007	186
9	Cedar Hollow	96	300	28,800	91	27,300	(1,500)	2004	975
10	Copper Trace	35	400	14,000	24	9,600	(4,400)	2005	2,684
11	Creekwood	64	300	19,200	59	17,700	(1,500)	2004	975
12	Crescent Ridge	97	300	29,100	95	28,500	(600)	2006	342
13	Devonshire	32	300	9,600	30	9,000	(600)	2004	390
14	Elliott Landing	86	300	25,800	86	25,800	0	2006	0
15	Forest Pointe	59	300	17,700	42	12,600	(5,100)	2003	3,519
16	Heather Glen	37	300	11,100	36	10,800	(300)	2000	243
17	Henson Farms	103	425	43,775	91	38,675	(5,100)	2002	3,723
18	Henson Forest	144	425	61,200	141	59,925	(1,275)	2008	625
19	Hickory Creek (Surry County)	80	450	36,000	60	27,000	(9,000)	2001	6,930
20	Keltic Meadows III	34	300	10,200	27	8,100	(2,100)	2000	1,701
21	La Ventana	47	300	14,100	44	13,200	(900)	2001	693
22	Linville	46	150	6,900	42	6,300	(600)	2005	366
23	Mial Plantation	40	300	12,000	40	12,000	0	2001	0
24	Milton Acres	32	400	12,800	24	9,600	(3,200)	2002	2,336
25	Northfield	10	300	3,000	5	1,500	(1,500)	2004	975
26	Ogburn Farms	65	300	19,500	62	18,600	(900)	2005	549
27	Old Farm Crossing	36	300	10,800	34	10,200	(600)	2006	342
28	Plantation Point	382	300	114,600	382	114,600	0	2007	0
29	River Chase	39	300	11,700	38	11,400	(300)	2005	183
30	Southern Meadows	44	350	15,400	43	15,050	(350)	2005	214
31	Southern Woods	29	300	8,700	26	7,800	(900)	1997	837
32	Stamey's Walk	48	400	19,200	46	18,400	(800)	2006	456
33	Stanley Acres	56	400	22,400	44	17,600	(4,800)	2004	3,120
34	Sunset Bay	33	400	13,200	25	10,000	(3,200)	2003	2,208
35	The Barony	29	175	5,075	23	4,025	(1,050)	2005	641

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF PLANT RELATED TO  
FUTURE CUSTOMERS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-1(b)  
Page 2 of 2

Line No.	Item	Number of Lots [1] (a)	Price per Contract [2] (b)	Total Purchase Price [3] (c)	Customers as of 9/30/2019 [1] (d)	Plant in Use as of 9/30/2019 [4] (e)	Adjustment to Plant in Service [5] (f)	Year System Acquired [1] (g)	Accumulated Depreciation [6] (h)
36	The Highlands at Lake Norman	36	400	14,400	23	9,200	(5,200)	2003	3,588
37	The Summit at Lake Norman	47	400	18,800	18	7,200	(11,600)	2001	8,932
38	Turner Downs	185	350	64,750	185	64,750	0	2006	0
39	Tuscany at Henson Meadows	13	425	5,525	9	3,825	(1,700)	2005	1,037
40	Upchurch Place (Upchurch Farms)	39	300	11,700	39	11,700	0	2004	0
41	Upchurch Place (Upchurch Farms)	23	300	6,900	23	6,900	0	2009	0
42	Vintage Acres	32	350	11,200	32	11,200	0	2006	0
43	Wild Wing	49	350	17,150	36	12,600	(4,550)	2001	3,504
44	Williard Oaks	46	400	18,400	44	17,600	(800)	2001	616
45	Wyntree	21	350	7,350	19	6,650	(700)	2003	483
46	Total - Aqua water Per Public Staff			<u>\$897,425</u>	<u>2,456</u>	<u>\$819,450</u>	<u>(77,975)</u>		<u>55,202</u>
47	Amount per application						<u>(77,975)</u>		<u>51,301</u>
48	Adjustment amount (L46 - L47)						<u>\$0</u>		<u>\$3,901</u>

[1] Based on information provided by Company.

[2] Based on contract between Company and developer.

[3] Column (a) multiplied by Column (b).

[4] Column (b) multiplied by Column (d).

[5] Column (e) minus Column (c).

[6] Column (f) multiplied by composite depreciation rate of 4% times years since acquired from year of system acquisition through March 31, 2020, using half year convention.

Public Staff  
Henry Exhibit I  
Schedule 2-1(c)

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
1.	Adjustment to allocate purchased vehicles	<u>(\$271,787)</u>	<u>\$123,876</u>	<u>\$45,949</u>	<u>\$29,929</u>	<u>\$72,032</u>	<u>(\$0)</u>
2.	Adjustment to allocate accumulated depreciation of purchased vehicles	<u>\$19,988</u>	<u>(\$7,967)</u>	<u>(\$3,699)</u>	<u>(\$2,408)</u>	<u>(\$5,914)</u>	<u>\$0</u>
3.	Adjustment to allocate depreciation expense of purchased vehicles	<u>(\$20,074)</u>	<u>\$8,004</u>	<u>\$3,710</u>	<u>\$2,414</u>	<u>\$5,946</u>	<u>\$0</u>
[1]	Allocated using customer ratio from Exhibit B1/B2-6.						

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO ACCUMULATED DEPRECIATION  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-2

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Adjustment to post test year additions	(\$1,065,094) [1]	(\$357,733) [1]	(\$17,848) [1]	(\$45,122) [1]	(\$427,852) [1]
2	Adjustment to remove cost related to future customers	3,901 [2]	0	0	0	0
3	Adjustment for vehicle allocations	19,988 [3]	(7,967) [3]	(3,699) [3]	(2,408) [3]	(5,914) [3]
4	Adjustment for WSIC/SSIC in service date	<u>(19,532) [4]</u>	<u>(6,059) [4]</u>	<u>0</u>	<u>0</u>	<u>(1,515) [4]</u>
5	Total Public Staff adjustment (Sum of L1 thru L4)	<u><u>(\$1,060,737)</u></u>	<u><u>(\$371,759)</u></u>	<u><u>(\$21,547)</u></u>	<u><u>(\$47,530)</u></u>	<u><u>(\$435,281)</u></u>

[1] Henry Exhibit I, Schedule 2-1(a), Line 10.

[2] Henry Exhibit I, Schedule 2-1(b), Column (h), Line 48.

[3] Henry Exhibit I, Schedule 2-1(c), Line 2.

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO CONTRIBUTIONS IN AID OF  
CONSTRUCTION (CIAC), ACCUMULATED  
AMORTIZATION AND AMORTIZATION EXPENSE  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-3

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
	<b><u>Contributions in aid of construction</u></b>					
1	Adjustment to include post test year additions	<u>(\$1,057,684) [1]</u>	<u>(\$1,205,224) [1]</u>	<u>(\$131,574) [1]</u>	<u>(\$177,365) [1]</u>	<u>(\$3,047) [1]</u>
	<b><u>Accumulated amortization of CIAC</u></b>					
2	Adjustment to include post test year additions	<u>\$19,585 [2]</u>	<u>\$27,375 [2]</u>	<u>\$2,863 [2]</u>	<u>\$4,738 [2]</u>	<u>\$132 [2]</u>
	<b><u>Amortization expense - CIAC</u></b>					
3	Adjustment to include post test year additions	<u>(\$19,585) [2]</u>	<u>(\$27,375) [2]</u>	<u>(\$2,863) [2]</u>	<u>(\$4,738) [2]</u>	<u>(\$132) [2]</u>

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

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-4

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)
		[1]	[1]	[1]	[1]
1	#252050 - CAC-WIP Non Cash	(\$3,105,537)	(\$1,645,624)	(\$98,050)	\$14,000
2	#252080 - CAC-WIP Cash	357,500	358,200	28,380	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,748,037)</u>	<u>(1,287,424)</u>	<u>(69,670)</u>	<u>14,000</u>
4	Amount per Company application	<u>(2,820,937)</u>	<u>(1,446,924)</u>	<u>(76,550)</u>	<u>14,000</u>
5	Adjustment to advances for construction (L5 - L4)	<u>\$72,900</u>	<u>\$159,500</u>	<u>\$6,880</u>	<u>\$0</u>

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO CUSTOMER DEPOSITS  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-5

Line No.	<u>Item</u>	<u>Aqua Water (a)</u>	<u>Aqua Sewer (b)</u>	<u>Fairways Water (c)</u>	<u>Fairways Sewer (d)</u>	<u>Brookwood Water (e)</u>
1	Adjustment to update to March 31, 2020	<u>\$2,238</u> [1]	<u>\$799</u> [1]	<u>\$222</u> [1]	<u>\$0</u> [1]	<u>\$1,204</u> [1]

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF EXCESS CAPACITY**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-6

Line No.	Item	Plant, net of CIAC (a)	Accumulated Depreciation (b)	Plant, net of Accum. Depr. & CIAC [14] (c)	Depreciation Expense (d)	CIAC Amortization Expense (e)
<u>Aqua - sewer operations:</u>						
1.	Carolina Meadows WWTP plant cost	\$7,128,926 [1]	(\$3,139,192) [8]	\$3,989,734	\$197,474 [15]	\$0
2.	Carolina Meadows WWTP CIAC	(66,600) [2]	12,552 [9]	(54,048)	0	(1,845) [18]
3.	Plant, net of CIAC (L1 + L2)	7,062,326	(3,126,640)	3,935,686	197,474	(1,845)
4.	Excess capacity percentage	33.03% [3]	33.03% [3]	33.03% [3]	33.03% [3]	33.03% [3]
5.	Excess capacity to be removed (L3 x L4)	2,332,686	(1,032,729)	1,299,957	65,225	(609)
6.	The Legacy at Jordan Lake WWTP plant cost	1,534,238 [4]	(698,141) [10]	836,097	42,498 [16]	0
7.	The Legacy at Jordan Lake WWTP CIAC	(1,116,289) [5]	502,782 [11]	(613,507)	0	(30,921) [19]
8.	Plant, net of CIAC (L6 + L7)	417,949	(195,359)	222,590	42,498	(30,921)
9.	Excess capacity percentage	19.67% [3]	19.67% [3]	19.67% [3]	19.67% [3]	19.67% [3]
10.	Excess capacity to be removed (L8 x L9)	82,211	(38,427)	43,783	8,359	(6,082)
11.	Westfall Subdivision WWTP plant cost	1,246,000 [6]	(258,794) [12]	987,206	34,513 [17]	0
12.	Westfall Subdivision WWTP CIAC	(401,669) [7]	75,705 [13]	(325,964)	0	(11,126) [20]
13.	Plant, net of CIAC (L11 + L12)	844,331	(183,089)	661,242	34,513	(11,126)
14.	Excess capacity percentage	18.44% [3]	18.44% [3]	18.44% [3]	18.44% [3]	18.44% [3]
15.	Excess capacity to be removed (L13 x L14)	155,695	(33,762)	121,933	6,364	(2,052)
16.	Total excess capacity adjustment (L5 + L10 + L15)	2,570,592	(1,104,918)	1,465,673	79,948	(8,743)
17.	Amount per Company application	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
18.	Adjustment to excess capacity (L16 - L17)	<u>\$2,570,592</u>	<u>(\$1,104,918)</u>	<u>\$1,465,673</u>	<u>\$79,948</u>	<u>(\$8,743)</u>

[1] Henry Exhibit I, Schedule 2-6(a), Column (a), Line 39.

[2] Henry Exhibit I, Schedule 2-6(a), Column (a), Line 40.

[3] Provided by Public Staff Engineer Junis.

[4] Henry Exhibit I, Schedule 2-6(a), Column (a), Line 64.

[5] Henry Exhibit I, Schedule 2-6(a), Column (a), Line 65 plus Line 66.

[6] Henry Exhibit I, Schedule 2-6(a), Column (a), Line 82.

[7] Henry Exhibit I, Schedule 2-6(a), Column (a), Line 83.

[8] Henry Exhibit I, Schedule 2-6(a), Column (k), Line 39.

[9] Henry Exhibit I, Schedule 2-6(a), Column (k), Line 40.

[10] Henry Exhibit I, Schedule 2-6(a), Column (k), Line 64.

[11] Henry Exhibit I, Schedule 2-6(a), Column (k), Line 65 plus Line 66.

[12] Henry Exhibit I, Schedule 2-6(a), Column (k), Line 82.

[13] Henry Exhibit I, Schedule 2-6(a), Column (k), Line 83.

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

[15] Henry Exhibit I, Schedule 2-6(a), Column (l), Line 39.

[16] Henry Exhibit I, Schedule 2-6(a), Column (l), Line 64.

[17] Henry Exhibit I, Schedule 2-6(a), Column (l), Line 82.

[18] Henry Exhibit I, Schedule 2-6(a), Column (l), Line 40.

[19] Henry Exhibit I, Schedule 2-6(a), Column (l), Line 65 plus Line 66.

[20] Henry Exhibit I, Schedule 2-6(a), Column (l), Line 83.



**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF NET PLANT IN SERVICE**  
**FOR EXCESS CAPACITY SYSTEMS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-6(a)  
Page 1 of 2

Line No.	Item	Amount	Depreciation / Amortization Rate Thru Sept/2011 [1]	Years In Service Thru Sept/2011 [3]	Accumulated Depreciation/ Amortization [1] As Of Sept/2011 [4]	Depreciation/ Amortization Rate from Oct/2011 Thru Oct/2013 [5]	Years In Service from Oct/2011 Thru June/2018 [1]	Accumulated Depreciation/ Amortization from Oct/2011 Thru June/2018 [6]	Depreciation/ Amortization Rate from Jul/2018 Thru Mar/2020 [7]	Years In Service from Jul/2018 Thru Mar/2020 [8]	Accumulated Depreciation/ Amortization from Jul/2018 Thru Mar/2020 [9]	Total Accumulated Depreciation/ Amortization [10]	Depreciation/ Amortization Expense [11]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
<b><u>Carolina Meadows WWTP</u></b>													
1	1996 additions	\$919,341	4.00%	15.250	\$560,798	3.29%	6.750	\$204,163	2.77%	1.750	\$44,565	\$809,526	\$25,466
2	1999 additions	1,324,696	4.00%	12.250	649,101	3.29%	6.750	294,182	2.77%	1.750	64,215	1,007,498	36,694
3	1999 additions	233	4.00%	12.250	114	3.29%	6.750	52	2.77%	1.750	11	177	6
4	2000 additions	41,440	4.00%	11.250	18,648	3.29%	6.750	9,203	2.77%	1.750	2,009	29,860	1,148
5	2001 additions	30,069	4.00%	10.250	12,328	3.29%	6.750	6,678	2.77%	1.750	1,458	20,464	833
6	2001 additions	1,349	4.00%	10.250	553	3.29%	6.750	300	2.77%	1.750	65	918	37
7	2002 additions	9,116	4.00%	9.250	3,373	3.29%	6.750	2,024	2.77%	1.750	442	5,839	253
8	2003 additions	11,793	4.00%	8.250	3,892	3.29%	6.750	2,619	2.77%	1.750	572	7,083	327
9	2004 additions	3,320	4.00%	7.250	963	3.29%	6.750	737	2.77%	1.750	161	1,861	92
10	2005 additions	1,537	4.00%	6.250	384	3.29%	6.750	341	2.77%	1.750	75	800	43
11	2008 additions	2,827,352	4.00%	3.250	367,556	3.29%	6.750	627,884	2.77%	1.750	137,056	1,132,496	78,318
12	2009 additions	16,303	4.00%	2.250	1,467	3.29%	6.750	3,620	2.77%	1.750	790	5,877	452
13	2010 additions	22,155	4.00%	1.250	1,108	3.29%	6.750	4,920	2.77%	1.750	1,074	7,102	614
14	2010 additions	(3,693)	4.00%	1.250	(185)	3.29%	6.750	(820)	2.77%	1.750	(179)	(1,184)	(102)
15	2011 additions	328	4.00%	0.375	5	3.29%	6.625	71	2.77%	1.750	16	92	9
16	2011 additions	11,464	4.00%	0.375	172	3.29%	6.625	2,499	2.77%	1.750	556	3,227	318
17	2011 retirements	(7,708)	4.00%	0.375	(116)	3.29%	6.625	(1,680)	2.77%	1.750	(374)	(2,170)	(214)
18	2012 additions	23,665	4.00%	0.000	0	3.29%	6.000	4,671	2.77%	1.750	1,147	5,818	656
19	2012 retirements	(16,387)	4.00%	0.000	0	3.29%	6.000	(3,235)	2.77%	1.750	(794)	(4,029)	(454)
20	2013 additions	4,354	4.00%	0.000	0	3.29%	5.000	716	2.77%	1.750	211	927	121
21	2013 retirements	(190)	4.00%	0.000	0	3.29%	5.000	(31)	2.77%	1.750	(9)	(40)	(5)
22	2013 additions	88,543	4.00%	0.000	0	3.29%	5.000	14,565	2.77%	1.750	4,292	18,857	2,453
23	2013 retirements	(40,893)	4.00%	0.000	0	3.29%	5.000	(6,727)	2.77%	1.750	(1,962)	(8,709)	(1,133)
24	2014 additions	14,854	4.00%	0.000	0	3.29%	4.000	1,955	2.77%	1.750	720	2,675	411
25	2014 additions	(6,873)	4.00%	0.000	0	3.29%	4.000	(904)	2.77%	1.750	(333)	(1,237)	(190)
26	2015 additions	4,546	4.00%	0.000	0	3.29%	3.000	449	2.77%	1.750	220	669	126
27	2015 retirements	(100)	4.00%	0.000	0	3.29%	3.000	(10)	2.77%	1.750	(5)	(15)	(3)
28	2016 additions	40,714	4.00%	0.000	0	3.29%	2.000	2,679	2.77%	1.750	1,974	4,653	1,128
29	2016 retirements	(30,026)	4.00%	0.000	0	3.29%	2.000	(1,976)	2.77%	1.750	(1,456)	(3,432)	(832)
30	2017 additions	125,765	4.00%	0.000	0	3.29%	1.000	4,138	2.77%	1.750	6,096	10,234	3,484
31	2017 retirements	(39,985)	4.00%	0.000	0	3.29%	1.000	(1,316)	2.77%	1.750	(1,938)	(3,254)	(1,108)
32	2018 additions	1,690,439	4.00%	0.000	0	3.29%	0.250	13,904	2.77%	1.500	70,238	84,142	46,825
33	2018 retirements	(13,250)	4.00%	0.000	0	3.29%	0.250	(109)	2.77%	1.500	(551)	(660)	(367)
34	2018 additions	61,003 [2]	4.00%	0.000	0	0.00%	0.000	0	2.77%	1.750	2,957	2,957	1,690
35	2018 retirements	(2,483) [2]	4.00%	0.000	0	0.00%	0.000	0	2.77%	1.750	(120)	(120)	(69)
36	2019 additions	13,472 [2]	4.00%	0.000	0	0.00%	0.000	0	2.77%	0.750	280	280	373
37	2020 additions	3,095 [2]	4.00%	0.000	0	0.00%	0.000	0	2.77%	0.125	11	11	86
38	2020 retirements	(432) [2]	4.00%	0.000	0	0.00%	0.000	0	2.77%	0.125	(1)	(1)	(12)
39	Total plant (Sum of L1 thru L38)	7,128,926			1,620,161			1,185,562			333,469	3,139,192	197,474
40	2013 CIAC	(66,600)	2.66%	0.000	0	2.80%	5.000	(9,324)	2.77%	1.750	(3,228)	(12,552)	(1,845)
	Net plant (L39 + L40)	<u>\$7,062,326</u>			<u>\$1,620,161</u>			<u>\$1,176,238</u>			<u>\$330,241</u>	<u>\$3,126,640</u>	<u>\$195,629</u>

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF NET PLANT IN SERVICE**  
**FOR EXCESS CAPACITY SYSTEMS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-6(a)  
Page 2 of 2

		Depreciation / Amortization Rate Thru	Years In Service Thru	Accumulated Depreciation/ Amortization	Depreciation/ Amortization Rate	Years In Service	Accumulated Depreciation/ Amortization	Depreciation/ Amortization Rate	Years In Service	Accumulated Depreciation/ Amortization	Depreciation/ Amortization Rate	Years In Service	Accumulated Depreciation/ Amortization	Total Accumulated Depreciation/ Amortization	Depreciation/ Amortization Expense
	Amount	[1]	[3]	[1]	[4]	[5]	[1]	[6]	[7]	[8]	[9]	[10]	[11]	[10]	[11]
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
<b><u>The Legacy at Jordan Lake WWTP</u></b>															
41	2007 additions	\$1,424,706	5.00%	4,250	\$302,750	3.29%	6,750	\$316,392	2.77%	1,750	\$69,063	\$688,205	\$39,464		
42	2008 additions	225	5.00%	3,250	37	3.29%	6,750	50	2.77%	1,750	11	98	6		
43	2009 additions	13,280	5.00%	2,250	1,494	3.29%	6,750	2,949	2.77%	1,750	644	5,087	368		
44	2010 additions	99	5.00%	1,250	6	3.29%	6,750	22	2.77%	1,750	5	33	3		
45	2011 additions	2,508	5.00%	0.375	47	3.29%	6,625	547	2.77%	1,750	122	716	69		
46	2012 additions	8,747	5.00%	0.000	0	3.29%	6,000	1,727	2.77%	1,750	424	2,151	242		
47	2012 retires on 2007 additions	(5,350)	5.00%	0.000	0	3.29%	6,000	(1,056)	2.77%	1,750	(259)	(1,315)	(148)		
48	2013 additions	236	5.00%	0.000	0	3.29%	5,000	39	2.77%	1,750	11	50	7		
49	2013 retires on 2007 additions	(184)	5.00%	0.000	0	3.29%	5,000	(30)	2.77%	1,750	(9)	(39)	(5)		
50	2013 additions	236	5.00%	0.000	0	3.29%	5,000	39	2.77%	1,750	11	50	7		
51	2014 additions	6,370	5.00%	0.000	0	3.29%	4,000	838	2.77%	1,750	309	1,147	176		
52	2014 retires on 2007 additions	(4,449)	5.00%	0.000	0	3.29%	4,000	(585)	2.77%	1,750	(216)	(801)	(123)		
53	2015 additions	1,020	5.00%	0.000	0	3.29%	3,000	101	2.77%	1,750	49	150	28		
54	2015 retire correction on 2007 additions	2,194	5.00%	0.000	0	3.29%	3,000	217	2.77%	1,750	106	323	61		
55	2016 additions	4,249	5.00%	0.000	0	3.29%	2,000	280	2.77%	1,750	206	486	118		
56	2016 retires on 2007 additions	(713)	5.00%	0.000	0	3.29%	2,000	(47)	2.77%	1,750	(35)	(82)	(20)		
57	2017 additions	3,802	5.00%	0.000	0	3.29%	1,000	125	2.77%	1,750	184	309	105		
58	2017 retires on 2007 additions	(2,226)	5.00%	0.000	0	3.29%	1,000	(73)	2.77%	1,750	(108)	(181)	(62)		
59	2018 additions	4,151	[2]	5.00%	0.000	0	0.00%	0	2.77%	1,750	201	201	115		
60	2018 retirements	(211)	[2]	5.00%	0.000	0	0.00%	0	2.77%	1,750	(10)	(10)	(6)		
61	2019 additions	120,755	[2]	5.00%	0.000	0	0.00%	0	2.77%	0.750	2,509	2,509	3,345		
62	2019 retirements	(45,602)	[2]	5.00%	0.000	0	0.00%	0	2.77%	0.750	(947)	(947)	(1,263)		
63	2020 additions	395	[2]	5.00%	0.000	0	0.00%	0	2.77%	0.125	1	1	11		
64	Total plant (Sum of L41 thru L63)	1,534,238			304,334		321,535			72,272	698,141	42,498			
65	CIAC received in 2007	(1,121,089)	5.00%	4,250	(238,231)	2.80%	6,750	(211,886)	2.77%	1,750	(54,345)	(504,462)	(31,054)		
66	2009 CIAC	4,800	5.00%	2,250	540	2.80%	6,750	907	2.77%	1,750	233	1,680	133		
67	Net Plant (Sum of L64 thru L66)	\$417,949			\$66,643		\$110,556			\$18,160	\$195,359	\$11,577			
<b><u>Westfall Subdivision</u></b>															
68	2013 additions	\$1,208,907	0.00%	0.000	\$0	3.29%	5,000	\$ 198,865	2.77%	1,750	\$58,602	\$257,467	\$33,487		
69	2014 additions	2,365	0.00%	0.000	0	3.29%	4,000	311	2.77%	1,750	115	426	66		
70	2014 retirements	(2,124)	0.00%	0.000	0	3.29%	4,000	(280)	2.77%	1,750	(103)	(383)	(59)		
71	2015 additions	797	0.00%	0.000	0	3.29%	3,000	79	2.77%	1,750	39	118	22		
72	2015 retirements	(620)	0.00%	0.000	0	3.29%	3,000	(61)	2.77%	1,750	(30)	(91)	(17)		
73	2016 additions	2,428	0.00%	0.000	0	3.29%	2,000	160	2.77%	1,750	118	278	67		
74	2016 retirements	(561)	0.00%	0.000	0	3.29%	2,000	(37)	2.77%	1,750	(27)	(64)	(16)		
75	2017 additions	8,500	0.00%	0.000	0	3.29%	1,000	280	2.77%	1,750	412	692	235		
76	2017 retirements	(2,409)	0.00%	0.000	0	3.29%	1,000	(79)	2.77%	1,750	(117)	(196)	(67)		
77	2018 additions	1,493	[2]	0.00%	0	0.00%	0.000	0	2.77%	1,750	72	72	41		
78	2019 additions	44,626	[2]	0.00%	0	0.00%	0.000	0	2.77%	0.750	927	927	1,236		
79	2019 retirements	(22,600)	[2]	0.00%	0	0.00%	0.000	0	2.77%	0.750	(470)	(470)	(626)		
80	2020 additions	26,730	[2]	0.00%	0	0.00%	0.000	0	2.77%	0.125	93	93	740		
81	2020 retirements	(21,532)	[2]	0.00%	0	0.00%	0.000	0	2.77%	0.125	(75)	(75)	(596)		
82	Total plant (Sum of L68 thru L81)	1,246,000			0		199,238			59,556	258,794	34,513			
83	2013 CIAC additions	(401,669)	0.00%	0.000	0	2.80%	5,000	(56,234)	2.77%	1,750	(19,471)	(75,705)	(11,126)		
84	Net Plant (L82 + L83))	\$844,331			\$0		\$143,004			\$40,085	\$183,089	\$23,387			

[1] Amount included in prior rate case proceeding, Sub 497.

[2] Provided by the Company in response to Public Staff data request.

[3] Depreciation rates from Docket No. W-218, Sub 274.

[4] Column (a) multiplied by Column (b) multiplied by Column (c).

[5] Depreciation rates from Docket No. W-218, Sub 319.

[6] Column (a) multiplied by Column (e) multiplied by Column (f).

[7] Depreciation rates from Docket No. W-218, Sub 497.

[8] Years in service from July 2018 thru March 2020.

[9] Column (a) multiplied by Column (h) multiplied by Column (i).

[10] Column (d) plus Column (g) plus Column (j).

[11] Column (a) multiplied by Column (h).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**ADJUSTMENT TO WORKING CAPITAL**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 2-7

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Total O&M expenses excluding purchased water and sewer treatment	<u>\$17,159,360</u> [1]	<u>\$8,274,138</u> [1]	<u>\$676,947</u> [1]	<u>\$841,552</u> [1]	<u>\$2,622,112</u> [1]
2	Cash working capital (L1 / 8)	<u>2,144,920</u>	<u>1,034,267</u>	<u>84,618</u>	<u>105,194</u>	<u>327,764</u>
<b><u>Prepayments:</u></b>						
3	Unamortized tank painting	640,406 [2]	0	26,911 [2]	0	33,695 [2]
4	Unamortized rate case expense	0	0	0	0	0
5	Unamortized depreciation study	23,678 [2]	5,929 [2]	1,694 [2]	1,078 [2]	5,313 [2]
6	Unamortized repair tax credit	59,947 [2]	19,177 [2]	1,510 [2]	1,661 [2]	9,513 [2]
7	Unamortized JoCo transmission charge	0	0	0	0	0
8	JoCo transmission revenue deficit	0	0	0	0	0
9	Deferred accounting PTY additions	0	0	0	0	0
10	Total prepayments (Sum of L3 thru L9)	<u>724,031</u>	<u>25,106</u>	<u>30,115</u>	<u>2,739</u>	<u>48,521</u>
<b><u>Average tax accruals:</u></b>						
11	Unemployment tax	(2,345) [3]	(974) [3]	(68) [3]	(72) [3]	(209) [3]
12	Regulatory fee	(9,675) [4]	(4,066) [4]	(320) [4]	(568) [4]	(1,573) [4]
13	Property tax	(267,113) [5]	(8,819) [5]	(15,342) [5]	(1,161) [5]	(46,580) [5]
14	Total tax accruals (Sum of L11 thru L13)	<u>(279,133)</u>	<u>(13,859)</u>	<u>(15,730)</u>	<u>(1,801)</u>	<u>(48,362)</u>
15	Working capital per Public Staff (L2 + L10 + L14)	2,589,818	1,045,514	99,003	106,132	327,923
16	Amount per application	<u>3,669,309</u>	<u>2,115,841</u>	<u>145,835</u>	<u>157,546</u>	<u>625,613</u>
17	Adjustment to working capital (L15 - L16)	<u>(\$1,079,491)</u>	<u>(\$1,070,327)</u>	<u>(\$46,832)</u>	<u>(\$51,414)</u>	<u>(\$297,690)</u>

[1] Amounts per Public Staff under present rates from Column (c) of Net Operating Income for Return schedule.

[2] Based on review of information provided by Company, updated through September 2020.

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

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

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

**Acqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
NET OPERATING INCOME FOR A RETURN  
For The Test Year Ended September 30, 2019  
**COMBINED OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates	
		Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Net Company Increase	Operations After Rate Increase	Net Public Staff Increase
		(a)	[1] (b)	[1] (c)	[1] (d)	[1] (e)	[1] (f)
1	Operating Revenues:						
2	Service revenues	\$60,885,183	\$387,508	\$61,272,691	\$6,781,468	\$68,054,159	\$649,641
3	Late payment fees	104,895	688	105,583	12,488	118,071	1,034
4	Miscellaneous revenues	1,270,926	0	1,270,926	0	1,270,926	0
5	Uncollectibles	(333,820)	(2,894)	(336,714)	(45,488)	(382,202)	(2,690)
	Total operating revenues	61,927,184	385,302	62,312,486	6,748,468	69,060,954	647,985
6	Operating Revenue Deductions:						
7	Salaries and wages	11,588,127	(1,706,688)	9,881,439	0	9,881,439	0
8	Employee pensions and benefits	4,019,627	(1,076,302)	2,943,325	0	2,943,325	0
9	Purchased water / sewer treatment	2,677,231	(62,367)	2,614,864	0	2,614,864	0
10	Sludge removal	775,214	(14,980)	760,234	0	760,234	0
11	Purchased power	3,752,176	126,316	3,878,492	0	3,878,492	0
12	Fuel for power production	27,308	(8,814)	18,494	0	18,494	0
13	Chemicals	1,330,863	0	1,330,863	0	1,330,863	0
14	Materials and supplies	495,240	40,674	535,914	0	535,914	0
15	Testing fees	1,075,298	(12,874)	1,062,424	0	1,062,424	0
16	Transportation	1,308,389	0	1,308,389	0	1,308,389	0
17	Contractual services - engineering	22,867	0	22,867	0	22,867	0
18	Contractual services - accounting	218,996	0	218,996	0	218,996	0
19	Contractual services - legal	374,118	(4,803)	369,315	0	369,315	0
20	Contractual services - management fees	0	0	0	0	0	0
21	Contractual services - other	4,684,830	(155,511)	4,529,319	0	4,529,319	0
22	Rent	295,836	0	295,836	0	295,836	0
23	Insurance	826,136	(203,813)	622,323	0	622,323	0
24	Advertising	0	0	0	0	0	0
25	Regulatory commission expense	534,014	(257,453)	276,561	0	276,561	0
26	Miscellaneous expense	1,857,635	(103,550)	1,754,085	0	1,754,085	0
27	Interest on customer deposits	30,734	0	30,734	0	30,734	0
28	Animalization & consumption adjustments	84,785	(75,607)	9,178	0	9,178	0
29	Contra-OH Allocations	(1,513,839)	1,239,160	(274,679)	0	(274,679)	0
30	Total O&M and G&A expense	34,465,585	(2,276,612)	32,188,973	0	32,188,973	0
31	Depreciation and amortization expense	11,242,084	(362,838)	10,879,246	0	10,879,246	0
32	Property taxes	678,027	0	678,027	0	678,027	0
33	Payroll taxes	961,840	(207,672)	754,168	0	754,168	0
34	Other taxes	288,922	0	288,922	0	288,922	0
35	Benefit costs - Pension	(1,251)	0	(1,251)	0	(1,251)	0
36	Regulatory fee	80,506	501	81,007	8,773	89,780	842
37	Deferred income tax	0	(121,271)	(121,271)	0	(121,271)	0
38	State income tax	224,337	89,917	314,254	168,494	482,748	16,180
39	Federal income tax	1,836,839	736,915	2,573,754	1,379,952	3,953,706	132,502
	Total operating revenue deductions	49,776,889	(2,141,060)	47,635,829	1,557,219	49,193,048	149,524
40	Net operating income for return	\$12,150,295	\$2,526,362	\$14,676,657	\$5,191,249	\$19,867,906	\$498,461
							\$15,175,118

[1] Sum of Henry Exhibit I, Schedules 3(a) through 3(e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
NET OPERATING INCOME FOR A RETURN  
For The Test Year Ended September 30, 2019  
**AQUA WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3(a)  
Page 1 of 2

		Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
Line No.	Item	Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [10]	Net Company Increase [19]	Operations After Rate Increase [20]	Net Public Staff Increase [23]	Operations After Rate Increase [24]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Operating Revenues:							
2	Service revenues	\$36,203,519	\$355,983	\$36,559,502 [11]	\$4,015,088	\$40,574,590 [11]	\$383,025	\$36,942,527 [25]
3	Late payment fees	62,257	611	62,868 [12]	6,904	69,772 [12]	658	63,526 [12]
4	Miscellaneous revenues	759,977	0	759,977	0	759,977	0	759,977
5	Uncollectibles	(170,580)	(1,974)	(172,554) [13]	(18,950)	(191,504) [13]	(1,807)	(174,361) [13]
5	Total operating revenues	36,855,173	354,620	37,209,793	4,003,042	41,212,835	381,876	37,591,669
6	Operating Revenue Deductions:							
7	Salaries and wages	7,594,193	(1,277,396) [2]	6,316,797	0	6,316,797	0	6,316,797
8	Employee pensions and benefits	2,659,692	(746,189) [2]	1,913,503	0	1,913,503	0	1,913,503
9	Purchased water	1,850,078	(62,367) [3]	1,787,711	0	1,787,711	0	1,787,711
10	Purchased power	2,265,224	103,762 [4]	2,368,986	0	2,368,986	0	2,368,986
11	Fuel for power production	1,169	(2,740) [4]	(1,571)	0	(1,571)	0	(1,571)
12	Chemicals	460,830	0	460,830	0	460,830	0	460,830
13	Materials and supplies	361,116	17,405 [5]	378,521	0	378,521	0	378,521
14	Testing fees	681,418	0	681,418	0	681,418	0	681,418
15	Transportation	885,052	0	885,052	0	885,052	0	885,052
16	Contractual services - engineering	9,986	0	9,986	0	9,986	0	9,986
17	Contractual services - accounting	135,888	0	135,888	0	135,888	0	135,888
18	Contractual services - legal	229,662	(2,983) [6]	226,679	0	226,679	0	226,679
19	Contractual services - management fees	0	0	0	0	0	0	0
20	Contractual services - other	2,199,753	(112,859) [7]	2,086,894	0	2,086,894	0	2,086,894
21	Rent	209,235	0	209,235	0	209,235	0	209,235
22	Insurance	526,560	(148,167) [2]	378,393	0	378,393	0	378,393
23	Advertising	0	0	0	0	0	0	0
24	Regulatory commission expense	333,395	(161,623)	171,772 [14]	0	171,772	0	171,772
25	Miscellaneous expense	1,122,849	(67,168) [2]	1,055,681	0	1,055,681	0	1,055,681
26	Interest on customer deposits	23,936	0	23,936	0	23,936	0	23,936
27	Animalization & consumption adjustments	31,538	26,731	58,269 [15]	0	58,269	0	58,269
28	Contra-OH Allocations	(1,107,115)	906,206 [2]	(200,909)	0	(200,909)	0	(200,909)
29	Total O&M and G&A expense	20,474,459	(1,527,388)	18,947,071	0	18,947,071	0	18,947,071
30	Depreciation and amortization expense	7,000,969	(91,699) [9]	6,909,270	0	6,909,270	0	6,909,270
31	Property taxes	534,225	0	534,225	0	534,225	0	534,225
32	Payroll taxes	639,089	(156,864) [2]	482,225	0	482,225	0	482,225
33	Other taxes	179,292	0	179,292	0	179,292	0	179,292
34	Benefit costs - Pension	(504)	0	(504)	0	(504)	0	(504)
35	Regulatory fee	47,912	461	48,373 [16]	5,204	53,577 [16]	496	48,869 [16]
36	Deferred income tax	0	(75,322) [9]	(75,322)	0	(75,322)	0	(75,322)
37	State income tax	119,378	62,672	182,050 [17]	99,946	281,996 [21]	9,535	191,585 [26]
37	Federal income tax	977,708	513,286	1,490,994 [18]	818,557	2,309,551 [22]	78,087	1,569,081 [27]
38	Total operating revenue deductions	29,972,528	(1,274,855)	28,697,673	923,707	29,621,380	88,118	28,785,791
39	Net operating income for return	\$6,882,645	\$1,629,475	\$8,512,120	\$3,079,335	\$11,591,455	\$293,758	\$8,805,878

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
NET OPERATING INCOME FOR A RETURN  
For The Test Year Ended September 30, 2019  
**AQUA SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3(b)  
Page 1 of 2

		Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
Line No.	Item	Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [10]	Net Company Increase [19]	Operations After Rate Increase [20]	Net Public Staff Increase [23]	Operations After Rate Increase [24]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$15,595,198	\$12,443	\$15,607,641 [11]	\$1,544,438	\$17,152,079 [11]	\$464,326	\$16,071,967 [25]		
2	Late payment fees	18,799	14	18,813 [12]	1,862	20,675 [12]	560	19,373 [12]		
3	Miscellaneous revenues	32,029	0	32,029	0	32,029	0	32,029		
4	Uncollectibles	(19,292)	(39)	(19,331) [13]	(1,913)	(21,244) [13]	(576)	(19,907) [13]		
5	Total operating revenues	15,626,734	12,418	15,639,152	1,544,387	17,183,539	464,310	16,103,462		
Operating Revenue Deductions:										
6	Salaries and wages	2,556,286	68,535 [2]	2,624,821	0	2,624,821	0	2,624,821		
7	Employee pensions and benefits	863,123	(188,909) [2]	674,214	0	674,214	0	674,214		
8	Purchased sewer treatment	557,499	0	557,499	0	557,499	0	557,499		
9	Sludge removal	604,775	(14,536) [3]	590,239	0	590,239	0	590,239		
10	Purchased power	1,036,188	18,741 [4]	1,054,929	0	1,054,929	0	1,054,929		
11	Fuel for power production	26,392	(7,074) [4]	19,318	0	19,318	0	19,318		
12	Chemicals	520,589	0	520,589	0	520,589	0	520,589		
13	Materials and supplies	87,670	11,191 [5]	98,861	0	98,861	0	98,861		
14	Testing fees	293,263	(11,869) [3]	281,394	0	281,394	0	281,394		
15	Transportation	301,127	0	301,127	0	301,127	0	301,127		
16	Contractual services - engineering	11,385	0	11,385	0	11,385	0	11,385		
17	Contractual services - accounting	35,728	0	35,728	0	35,728	0	35,728		
18	Contractual services - legal	64,344	(788) [6]	63,556	0	63,556	0	63,556		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	1,460,138	(29,781) [7]	1,430,357	0	1,430,357	0	1,430,357		
21	Rent	42,751	0	42,751	0	42,751	0	42,751		
22	Insurance	151,448	601 [2]	152,049	0	152,049	0	152,049		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	86,080	(40,724)	45,356 [14]	0	45,356	0	45,356		
25	Miscellaneous expense	422,149	(25,636) [2]	396,513	0	396,513	0	396,513		
26	Interest on customer deposits	683	0	683	0	683	0	683		
27	Animalization & consumption adjustments	55,950	(75,158)	(19,208) [15]	0	(19,208)	0	(19,208)		
28	Contra-OH Allocations	(279,899)	229,375 [2]	(50,524)	0	(50,524)	0	(50,524)		
29	Total O&M and G&A expense	8,897,669	(66,032)	8,831,637	0	8,831,637	0	8,831,637		
30	Depreciation and amortization expense	2,588,086	(181,354) [8]	2,406,732	0	2,406,732	0	2,406,732		
31	Property taxes	17,637	0	17,637	0	17,637	0	17,637		
32	Payroll taxes	210,118	(9,916) [2]	200,202	0	200,202	0	200,202		
33	Other taxes	47,134	0	47,134	0	47,134	0	47,134		
34	Benefit costs - Pension	(474)	0	(474)	0	(474)	0	(474)		
35	Regulatory fee	20,315	16	20,331 [16]	2,008	22,339 [16]	604	20,935 [16]		
36	Deferred income tax	0	(19,888) [9]	(19,888)	0	(19,888)	0	(19,888)		
37	State income tax	60,217	11,934	72,151 [17]	38,560	110,711 [21]	11,593	83,744 [26]		
38	Federal income tax	493,174	97,744	590,918 [18]	315,802	906,720 [22]	94,944	685,862 [27]		
39	Total operating revenue deductions	12,333,876	(167,496)	12,166,380	356,370	12,522,750	107,141	12,273,521		
40	Net operating income for return	\$3,292,858	\$179,914	\$3,472,772	\$1,188,017	\$4,660,789	\$357,169	\$3,829,941		

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
NET OPERATING INCOME FOR A RETURN  
For The Test Year Ended September 30, 2019  
**FAIRWAYS WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3(c)  
Page 1 of 2

		Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
Line No.	Item	Amount Per	Public Staff	Amount Per	Net	Operations	Net	Operations		
		Application	Adjustments [1]	Public Staff [9]	Company Increase [18]	After Rate Increase [19]	Public Staff Increase [22]	After Rate Increase [23]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$1,126,012	\$12,747	\$1,138,759 [10]	\$113,995	\$1,252,754 [10]	(\$92,087)	\$1,046,672 [24]		
2	Late payment fees	1,603	18	1,621 [11]	162	1,783 [11]	(131)	1,490 [11]		
3	Miscellaneous revenues	91,092	0	91,092	0	91,092	0	91,092		
4	Uncollectibles	(2,511)	(33)	(2,544) [12]	(254)	(2,798) [12]	206	(2,338) [12]		
5	Total operating revenues	1,216,196	12,732	1,228,928	113,903	1,342,831	(92,012)	1,136,916		
Operating Revenue Deductions:										
6	Salaries and wages	287,090	(104,236) [2]	182,854	0	182,854	0	182,854		
7	Employee pensions and benefits	94,306	(24,059) [2]	70,247	0	70,247	0	70,247		
8	Purchased water	0	0	0	0	0	0	0		
9	Purchased power	76,521	(933) [3]	75,588	0	75,588	0	75,588		
10	Fuel for power production	(780)	571 [3]	(209)	0	(209)	0	(209)		
11	Chemicals	24,115	0	24,115	0	24,115	0	24,115		
12	Materials and supplies	11,049	(1,239) [4]	9,810	0	9,810	0	9,810		
13	Testing fees	19,827	0	19,827	0	19,827	0	19,827		
14	Transportation	21,442	0	21,442	0	21,442	0	21,442		
15	Contractual services - engineering	323	0	323	0	323	0	323		
16	Contractual services - accounting	10,230	0	10,230	0	10,230	0	10,230		
17	Contractual services - legal	17,290	(228) [5]	17,062	0	17,062	0	17,062		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	154,516	(3,213) [6]	151,303	0	151,303	0	151,303		
20	Rent	14,202	0	14,202	0	14,202	0	14,202		
21	Insurance	31,065	(16,863) [2]	14,202	0	14,202	0	14,202		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	24,722	(11,613)	13,109 [13]	0	13,109	0	13,109		
24	Miscellaneous expense	63,048	(2,391) [2]	60,657	0	60,657	0	60,657		
25	Interest on customer deposits	558	0	558	0	558	0	558		
26	Animalization & consumption adjustments	(7,547)	1,713	(5,834) [14]	0	(5,834)	0	(5,834)		
27	Contra-OH Allocations	(14,189)	11,650 [2]	(2,539)	0	(2,539)	0	(2,539)		
28	Total O&M and G&A expense	827,788	(150,841)	676,947	0	676,947	0	676,947		
29	Depreciation and amortization expense	135,547	10,597 [7]	146,144	0	146,144	0	146,144		
30	Property taxes	30,683	0	30,683	0	30,683	0	30,683		
31	Payroll taxes	25,014	(11,054) [2]	13,960	0	13,960	0	13,960		
32	Other taxes	13,481	0	13,481	0	13,481	0	13,481		
33	Benefit costs - Pension	(147)	0	(147)	0	(147)	0	(147)		
34	Regulatory fee	1,581	17	1,598 [15]	148	1,746 [15]	(120)	1,478 [15]		
35	Deferred income tax	0	(5,748) [8]	(5,748)	0	(5,748)	0	(5,748)		
36	State income tax	11,546	(4,638)	6,908 [16]	2,844	9,752 [20]	(2,297)	4,611 [25]		
37	Federal income tax	94,077	(37,497)	56,580 [17]	23,292	79,872 [21]	(18,815)	37,765 [26]		
38	Total operating revenue deductions	1,139,570	(199,164)	940,406	26,284	966,690	(21,232)	919,174		
39	Net operating income for return	\$76,626	\$211,896	\$288,522	\$87,619	\$376,141	(\$70,780)	\$217,742		

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
NET OPERATING INCOME FOR A RETURN  
For The Test Year Ended September 30, 2019  
**FAIRWAYS SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3(d)  
Page 1 of 2

		Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
Line No.	Item	Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [10]	Net Company Increase [19]	Operations After Rate Increase [20]	Net Public Staff Increase [23]	Operations After Rate Increase [24]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$2,201,038	(\$11,449)	\$2,189,589 [11]	\$81,898	\$2,271,487 [11]	(\$145,594)	\$2,043,995 [25]		
2	Late payment fees	2,848	(15)	2,833 [12]	106	2,939 [12]	(188)	2,645 [12]		
3	Miscellaneous revenues	40	0	40	0	40	0	40		
4	Uncollectibles	(6,438)	25	(6,413) [13]	(239)	(6,652) [13]	427	(5,986) [13]		
5	Total operating revenues	2,197,488	(11,439)	2,186,049	81,765	2,267,814	(145,355)	2,040,694		
Operating Revenue Deductions:										
6	Salaries and wages	250,681	(56,415) [2]	194,266	0	194,266	0	194,266		
7	Employee pensions and benefits	84,255	(18,429) [2]	65,826	0	65,826	0	65,826		
8	Purchased sewer treatment	5,320	0	5,320	0	5,320	0	5,320		
9	Sludge removal	170,439	(444) [3]	169,995	0	169,995	0	169,995		
10	Purchased power	112,298	(4,309) [4]	107,989	0	107,989	0	107,989		
11	Fuel for power production	(374)	1,943 [4]	1,569	0	1,569	0	1,569		
12	Chemicals	28,526	0	28,526	0	28,526	0	28,526		
13	Materials and supplies	12,396	2,107 [5]	14,503	0	14,503	0	14,503		
14	Testing fees	14,853	(1,005) [3]	13,848	0	13,848	0	13,848		
15	Transportation	23,554	0	23,554	0	23,554	0	23,554		
16	Contractual services - engineering	207	0	207	0	207	0	207		
17	Contractual services - accounting	6,544	0	6,544	0	6,544	0	6,544		
18	Contractual services - legal	11,068	(145) [6]	10,923	0	10,923	0	10,923		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	148,209	(352) [7]	147,857	0	147,857	0	147,857		
21	Rent	8,916	0	8,916	0	8,916	0	8,916		
22	Insurance	21,827	(2,170) [2]	19,657	0	19,657	0	19,657		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	15,732	(7,380)	8,352 [14]	0	8,352	0	8,352		
25	Miscellaneous expense	54,868	(2,001) [2]	52,867	0	52,867	0	52,867		
26	Interest on customer deposits	8	0	8	0	8	0	8		
27	Animalization & consumption adjustments	3,543	(34,591)	(31,048) [15]	0	(31,048)	0	(31,048)		
28	Contra-OH Allocations	(15,643)	12,836 [2]	(2,807)	0	(2,807)	0	(2,807)		
29	Total O&M and G&A expense	957,227	(110,355)	846,872	0	846,872	0	846,872		
30	Depreciation and amortization expense	356,348	(5,752) [8]	350,596	0	350,596	0	350,596		
31	Property taxes	2,322	0	2,322	0	2,322	0	2,322		
32	Payroll taxes	18,895	(4,073) [2]	14,822	0	14,822	0	14,822		
33	Other taxes	8,619	0	8,619	0	8,619	0	8,619		
34	Benefit costs - Pension	(137)	0	(137)	0	(137)	0	(137)		
35	Regulatory fee	2,857	(15)	2,842 [16]	106	2,948 [16]	(189)	2,653 [16]		
36	Deferred income tax	0	(3,662) [9]	(3,662)	0	(3,662)	0	(3,662)		
37	State income tax	15,067	3,463	18,530 [17]	2,042	20,572 [21]	(3,629)	14,901 [26]		
38	Federal income tax	123,400	28,363	151,763 [18]	16,719	168,482 [22]	(29,723)	122,040 [27]		
39	Total operating revenue deductions	1,484,598	(92,031)	1,392,567	18,867	1,411,434	(33,541)	1,359,026		
40	Net operating income for return	\$712,890	\$80,592	\$793,482	\$62,898	\$856,380	(\$111,814)	\$681,668		



**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
NET OPERATING INCOME FOR A RETURN  
For The Test Year Ended September 30, 2019  
**BROOKWOOD WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3(e)  
Page 1 of 2

		Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
Line No.	Item	Amount Per Application	Public Staff Adjustments [1]	Amount Per Public Staff [9]	Net Company Increase [18]	Operations After Rate Increase [19]	Net Public Staff Increase [22]	Operations After Rate Increase [23]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1	Operating Revenues:									
2	Service revenues	\$5,759,416	\$17,784	\$5,777,200 [10]	\$1,026,049	\$6,803,249 [10]	\$39,971	\$5,817,171 [24]		
3	Late payment fees	19,388	60	19,448 [11]	3,454	22,902 [11]	135	19,583 [11]		
4	Miscellaneous revenues	387,788	0	387,788	0	387,788	0	387,788		
5	Uncollectibles	(134,999)	(873)	(135,872) [12]	(24,132)	(160,004) [12]	(940)	(136,812) [12]		
6	Total operating revenues	6,031,593	16,971	6,048,564	1,005,371	7,053,935	39,166	6,087,730		
7	Operating Revenue Deductions:									
8	Salaries and wages	899,877	(337,176) [2]	562,701	0	562,701	0	562,701		
9	Employee pensions and benefits	318,251	(98,716) [2]	219,535	0	219,535	0	219,535		
10	Purchased water	264,334	0	264,334	0	264,334	0	264,334		
11	Purchased power	261,945	9,055 [3]	271,000	0	271,000	0	271,000		
12	Fuel for power production	901	(1,514) [3]	(613)	0	(613)	0	(613)		
13	Chemicals	296,803	0	296,803	0	296,803	0	296,803		
14	Materials and supplies	23,009	11,210 [4]	34,219	0	34,219	0	34,219		
15	Testing fees	65,937	0	65,937	0	65,937	0	65,937		
16	Transportation	77,214	0	77,214	0	77,214	0	77,214		
17	Contractual services - engineering	966	0	966	0	966	0	966		
18	Contractual services - accounting	30,606	0	30,606	0	30,606	0	30,606		
19	Contractual services - legal	51,754	(659) [5]	51,095	0	51,095	0	51,095		
20	Contractual services - management fees	0	0	0	0	0	0	0		
21	Contractual services - other	722,214	(9,306) [6]	712,908	0	712,908	0	712,908		
22	Rent	20,732	0	20,732	0	20,732	0	20,732		
23	Insurance	95,236	(37,214) [2]	58,022	0	58,022	0	58,022		
24	Advertising	0	0	0	0	0	0	0		
25	Regulatory commission expense	74,085	(36,113)	37,972 [13]	0	37,972	0	37,972		
26	Miscellaneous expense	194,721	(6,354) [2]	188,367	0	188,367	0	188,367		
27	Interest on customer deposits	5,549	0	5,549	0	5,549	0	5,549		
28	Animalization & consumption adjustments	1,301	5,698	6,999 [14]	0	6,999	0	6,999		
29	Contra-OH Allocations	(96,993)	79,093 [2]	(17,900)	0	(17,900)	0	(17,900)		
30	Total O&M and G&A expense	3,308,442	(421,996)	2,886,446	0	2,886,446	0	2,886,446		
31	Depreciation and amortization expense	1,161,134	(94,630) [7]	1,066,504	0	1,066,504	0	1,066,504		
32	Property taxes	93,160	0	93,160	0	93,160	0	93,160		
33	Payroll taxes	68,724	(25,765) [2]	42,959	0	42,959	0	42,959		
34	Other taxes	40,396	0	40,396	0	40,396	0	40,396		
35	Benefit costs - Pension	11	0	11	0	11	0	11		
36	Regulatory fee	7,841	22	7,863 [15]	1,307	9,170 [15]	51	7,914 [15]		
37	Deferred income tax	0	(16,651) [8]	(16,651)	0	(16,651)	0	(16,651)		
38	State income tax	18,129	16,486	34,615 [16]	25,102	59,717 [20]	978	35,593 [25]		
39	Federal income tax	148,480	135,019	283,499 [17]	205,582	489,081 [21]	8,009	291,508 [26]		
40	Total operating revenue deductions	4,846,317	(407,516)	4,438,801	231,991	4,670,792	9,038	4,447,839		
41	Net operating income for return	\$1,185,276	\$424,487	\$1,609,763	\$773,380	\$2,383,143	\$30,128	\$1,639,891		

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
FOOTNOTES TO SCHEDULE 3(a)  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3(a)  
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Engineer Franklin.
- [5] Henry Exhibit I, Schedule 3-1, Line 1, Column (a).
- [6] Henry Exhibit I, Schedule 3-2, Line 1, Column (a).
- [7] Henry Exhibit I, Schedule 3-3, Line 4, Column (a).
- [8] Henry Exhibit I, Schedule 3-6, Line 12, Column (a).
- [9] Provided by Public Staff Accountant Boswell.
- [10] Column (a) plus Column (b), unless footnoted otherwise.
- [11] Provided by Public Staff Engineer Junis.
- [12] Line 1 times late payment fee percentage of 0.17%.
- [13] Line 1 plus Line 2 times uncollectibles percentage of 0.47%.
- [14] Henry Exhibit I, Schedule 3-4, Line 9, Column (d).
- [15] Henry Exhibit I, Schedule 3-5(a), Line 3, Column (d).
- [16] Line 5 x 0.13%.
- [17] Henry Exhibit I, Schedule 3-7(a), Line 13, Column (a).
- [18] Henry Exhibit I, Schedule 3-7(a), Line 15, Column (a).
- [19] Column (e) minus Column (c), unless otherwise footnoted.
- [20] Column (c) plus Column (d), unless otherwise footnoted.
- [21] Henry Exhibit I, Schedule 3-7(a), Line 13, Column (b).
- [22] Henry Exhibit I, Schedule 3-7(a), Line 15, Column (b).
- [23] Column (g) minus Column (c), unless otherwise footnoted.
- [24] Column (c) plus Column (f), unless otherwise footnoted.
- [25] Revenue requirement as calculated by the Public Staff.
- [26] Henry Exhibit I, Schedule 3-7(a), Line 13, Column (c).
- [27] Henry Exhibit I, Schedule 3-7(a), Line 15, Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
FOOTNOTES TO SCHEDULE 3(b)  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3(b)  
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Engineer Franklin.
- [5] Henry Exhibit I, Schedule 3-1, Line 1, Column (b).
- [6] Henry Exhibit I, Schedule 3-2, Line 1, Column (b).
- [7] Henry Exhibit I, Schedule 3-3, Line 4, Column (b).
- [8] Henry Exhibit I, Schedule 3-6, Line 12, Column (b).
- [9] Provided by Public Staff Accountant Boswell.
- [10] Column (a) plus Column (b), unless footnoted otherwise.
- [11] Provided by Public Staff Engineer Junis.
- [12] Line 1 times late payment fee percentage of 0.12%.
- [13] Line 1 plus Line 2 times uncollectibles percentage of 0.12%.
- [14] Henry Exhibit I, Schedule 3-4, Line 9, Column (e).
- [15] Henry Exhibit I, Schedule 3-5(b), Line 5, Column (d).
- [16] Line 5 x 0.13%.
- [17] Henry Exhibit I, Schedule 3-7(b), Line 13, Column (a).
- [18] Henry Exhibit I, Schedule 3-7(b), Line 15, Column (a).
- [19] Column (e) minus Column (c), unless otherwise footnoted.
- [20] Column (c) plus Column (d), unless otherwise footnoted.
- [21] Henry Exhibit I, Schedule 3-7(b), Line 13, Column (b).
- [22] Henry Exhibit I, Schedule 3-7(b), Line 15, Column (b).
- [23] Column (g) minus Column (c), unless otherwise footnoted.
- [24] Column (c) plus Column (f), unless otherwise footnoted.
- [25] Revenue requirement as calculated by the Public Staff.
- [26] Henry Exhibit I, Schedule 3-7(b), Line 13, Column (c).
- [27] Henry Exhibit I, Schedule 3-7(b), Line 15, Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
FOOTNOTES TO SCHEDULE 3(c)  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3(c)  
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Henry Exhibit I, Schedule 3-1, Line 1, Column (c).
- [5] Henry Exhibit I, Schedule 3-2, Line 1, Column (c).
- [6] Henry Exhibit I, Schedule 3-3, Line 4, Column (c).
- [7] Henry Exhibit I, Schedule 3-6, Line 12, Column (c).
- [8] Provided by Public Staff Accountant Boswell.
- [9] Column (a) plus Column (b), unless footnoted otherwise.
- [10] Provided by Public Staff Engineer Junis.
- [11] Line 1 times late payment fee percentage of 0.14%.
- [12] Line 1 plus Line 2 times uncollectibles percentage of 0.22%.
- [13] Henry Exhibit I, Schedule 3-4, Line 9, Column (f).
- [14] Henry Exhibit I, Schedule 3-5(a), Line 6, Column (d).
- [15] Line 5 x 0.13%.
- [16] Henry Exhibit I, Schedule 3-7(c), Line 13, Column (a).
- [17] Henry Exhibit I, Schedule 3-7(c), Line 15, Column (a).
- [18] Column (e) minus Column (c), unless otherwise footnoted.
- [19] Column (c) plus Column (d), unless otherwise footnoted.
- [20] Henry Exhibit I, Schedule 3-7(c), Line 13, Column (b).
- [21] Henry Exhibit I, Schedule 3-7(c), Line 15, Column (b).
- [22] Column (g) minus Column (c), unless otherwise footnoted.
- [23] Column (c) plus Column (f), unless otherwise footnoted.
- [24] Revenue requirement as calculated by the Public Staff.
- [25] Henry Exhibit I, Schedule 3-7(c), Line 13, Column (c).
- [26] Henry Exhibit I, Schedule 3-7(c), Line 15, Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
FOOTNOTES TO SCHEDULE 3(d)  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3(d)  
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Engineer Franklin.
- [5] Henry Exhibit I, Schedule 3-1, Line 1, Column (d).
- [6] Henry Exhibit I, Schedule 3-2, Line 1, Column (d).
- [7] Henry Exhibit I, Schedule 3-3, Line 4, Column (d).
- [8] Henry Exhibit I, Schedule 3-6, Line 12, Column (d).
- [9] Provided by Public Staff Accountant Boswell.
- [10] Column (a) plus Column (b), unless footnoted otherwise.
- [11] Provided by Public Staff Engineer Junis.
- [12] Line 1 times late payment fee percentage of 0.13%.
- [13] Line 1 plus Line 2 times uncollectibles percentage of 0.29%.
- [14] Henry Exhibit I, Schedule 3-4, Line 9, Column (g).
- [15] Henry Exhibit I, Schedule 3-5(b), Line 10, Column (d).
- [16] Line 5 x 0.13%.
- [17] Henry Exhibit I, Schedule 3-7(d), Line 13, Column (a).
- [18] Henry Exhibit I, Schedule 3-7(d), Line 15, Column (a).
- [19] Column (e) minus Column (c), unless otherwise footnoted.
- [20] Column (c) plus Column (d), unless otherwise footnoted.
- [21] Henry Exhibit I, Schedule 3-7(d), Line 13, Column (b).
- [22] Henry Exhibit I, Schedule 3-7(d), Line 15, Column (b).
- [23] Column (g) minus Column (c), unless otherwise footnoted.
- [24] Column (c) plus Column (f), unless otherwise footnoted.
- [25] Revenue requirement as calculated by the Public Staff.
- [26] Henry Exhibit I, Schedule 3-7(d), Line 13, Column (c).
- [27] Henry Exhibit I, Schedule 3-7(d), Line 15, Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
FOOTNOTES TO SCHEDULE 3(e)  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3(e)  
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Henry Exhibit I, Schedule 3-1, Line 1, Column (e).
- [5] Henry Exhibit I, Schedule 3-2, Line 1, Column (e).
- [6] Henry Exhibit I, Schedule 3-3, Line 4, Column (e).
- [7] Henry Exhibit I, Schedule 3-6, Line 12, Column (e).
- [8] Provided by Public Staff Accountant Boswell.
- [9] Column (a) plus Column (b), unless footnoted otherwise.
- [10] Provided by Public Staff Engineer Junis.
- [11] Line 1 times late payment fee percentage of 0.34%.
- [12] Line 1 plus Line 2 times uncollectibles percentage of 0.235%.
- [13] Henry Exhibit I, Schedule 3-4, Line 9, Column (h).
- [14] Henry Exhibit I, Schedule 3-5(a), Line 10, Column (d).
- [15] Line 5 x 0.13%.
- [16] Henry Exhibit I, Schedule 3-7(e), Line 13, Column (a).
- [17] Henry Exhibit I, Schedule 3-7(e), Line 15, Column (a).
- [18] Column (e) minus Column (c), unless otherwise footnoted.
- [19] Column (c) plus Column (d), unless otherwise footnoted.
- [20] Henry Exhibit I, Schedule 3-7(e), Line 13, Column (b).
- [21] Henry Exhibit I, Schedule 3-7(e), Line 15, Column (b).
- [22] Column (g) minus Column (c), unless otherwise footnoted.
- [23] Column (c) plus Column (f), unless otherwise footnoted.
- [24] Revenue requirement as calculated by the Public Staff.
- [25] Henry Exhibit I, Schedule 3-7(e), Line 13, Column (c).
- [26] Henry Exhibit I, Schedule 3-7(e), Line 15, Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**MATERIALS AND SUPPLIES**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3-1

Line No.	<u>Item</u>	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total [2] (f)
1.	Adjustment to update materials and supplies.	<u>\$17,405</u>	<u>\$11,191</u>	<u>(\$1,239)</u>	<u>\$2,107</u>	<u>\$11,210</u>	<u>\$40,674</u>

[1] Per examination of Company financial records.

[2] Sum of Column (a) thru Column (e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO CONTRACTUAL  
SERVICES - LEGAL  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3-2

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	[1]	<u>Aqua Sewer</u> (b)	[1]	<u>Fairways Water</u> (c)	[1]	<u>Fairways Sewer</u> (d)	[1]	<u>Brookwood Water</u> (e)	[1]	<u>Total</u> (f)	[2]
1	Remove legal fees for Sub 497 rate case	<u>(\$2,983)</u>		<u>(\$788)</u>		<u>(\$228)</u>		<u>(\$145)</u>		<u>(\$659)</u>		<u>(\$4,803)</u>	[3]

[1] Column (f) amount allocated using customer ratios.

[2] Sum of Column (a) thru Column (e).

[3] Per examination of Company financial records.



**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
ADJUSTMENT TO CONTRACTUAL SERVICES-OTHER  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3-3

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total [4] (f)
1	Adjustment to pump maintenance	\$0	(\$18,666) [1]	\$0	\$1,695 [1]	\$0	(\$16,971)
2	Adjustment to remove corporate sundry expenses	(42,095) [2]	(11,115) [2]	(3,213) [2]	(2,047) [2]	(9,306) [2]	(67,776)
3	Adjustment to remove accrued expenses outside test year	<u>(70,764) [3]</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(70,764)</u>
4	Adjustment to contract services other (Sum of L1 thru L3)	<u>(\$112,859)</u>	<u>(\$29,781)</u>	<u>(\$3,213)</u>	<u>(\$352)</u>	<u>(\$9,306)</u>	<u>(\$155,511)</u>

[1] Provided by Public Staff Engineer Darden.

[2] Provided by Public Staff Accountant Feasel.

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

[4] Sum of Column (a) through Column (e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF REGULATORY COMMISSION EXPENSE**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3-4

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$625,125</u>	<u>(\$214,879)</u>	\$410,246 [2]					
2	Amortization period in years			<u>3</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>136,749</u>	<u>\$84,935</u> [4]	<u>22,427.00</u> [5]	<u>\$6,482</u> [6]	<u>\$4,130</u> [7]	<u>\$18,776</u> [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>273,497</u>	<u>169,869</u> [4]	<u>44,854.00</u> [5]	<u>12,964</u> [6]	<u>8,260</u> [7]	<u>37,551</u> [8]
5	Unamortized Sub 497 rate case expense	<u>\$419,435</u>	<u>\$0</u>	419,435 [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense from Sub 497 (L5 / L6)			<u>139,812</u>	<u>86,837</u> [4]	<u>22,929</u> [5]	<u>6,627</u> [6]	<u>4,222</u> [7]	<u>19,196</u> [8]
8	Unamortized balance of Sub 497 rate case expense (L5 - L7)			<u>279,623</u>	<u>173,674</u> [4]	<u>45,858.00</u> [5]	<u>13,254</u> [6]	<u>8,445</u> [7]	<u>38,392</u> [8]
9	Regulatory commission expense per Public Staff L3 + L7)				<u>\$171,772</u>	<u>\$45,356</u>	<u>\$13,109</u>	<u>\$8,352</u>	<u>\$37,972</u>
10	Unamortized regulatory commission expense per Public Staff L4 + L8)				<u>\$343,543</u>	<u>\$90,712</u>	<u>\$26,218</u>	<u>\$16,705</u>	<u>\$75,943</u>

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

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

[3] Calculated base on amount approved in Sub 497 rate case.

[4] Column (c) multiplied by ANC Water allocation factor of 62.11%.

[5] Column (c) multiplied by ANC Sewer allocation factor of 16.4%.

[6] Column (c) multiplied by Fairways Water allocation factor of 4.74%.

[7] Column (c) multiplied by Fairways Sewer allocation factor of 3.02%.

[8] Column (c) multiplied by Brookwood Water allocation factor of 13.73%.

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
CALCULATION OF ANNUALIZATION AND  
CONSUMPTION ADJUSTMENTS  
For The Test Year Ended September 30, 2019  
**WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-5(a)

Line No.	Item	As Adjusted (a)	Annualization Adjustment [4] (b)	Consumption Adjustment [6] (c)	Total Adjustment [8] (d)
	<u>Aqua water</u>				
1.	Purchased power	\$2,368,986 [1]	\$33,166	\$15,614	\$48,780
2.	Chemicals	460,830 [1]	6,452	3,037	9,489
3.	Total - Aqua water	<u>\$2,829,816</u>	<u>\$39,618</u>	<u>\$18,651</u>	<u>\$58,269</u>
	<u>Fairways water</u>				
4.	Purchased power	\$75,588 [2]	\$1,875	(\$6,298)	(\$4,423)
5.	Chemicals	24,115 [2]	598	(2,009)	(1,411)
6.	Total - Fairways water	<u>\$99,703</u>	<u>\$2,473</u>	<u>(\$8,307)</u>	<u>(\$5,834)</u>
	<u>Brookwood water</u>				
7.	Purchased power	\$271,000 [3]	\$1,545	\$1,799	\$3,344
8.	Fuel for power production	(613) [3]	(3)	(4)	(7)
9.	Chemicals	296,803 [3]	1,692	1,970	3,662
10.	Total - Brookwood water	<u>\$567,190</u>	<u>\$3,234</u>	<u>\$3,765</u>	<u>\$6,999</u>
	<u>Factors to be applied per Public Staff:</u>				
11.	Aqua water		1.40% [5]	0.65% [7]	
12.	Fairways water		2.48% [5]	-8.13% [7]	
13.	Brookwood water		0.57% [5]	0.66% [7]	

- [1] Henry Exhibit I, Schedule 3(a), Column (c).  
[2] Henry Exhibit I, Schedule 3(c), Column (c).  
[3] Henry Exhibit I, Schedule 3(e), Column (c).  
[4] Column (a) times annualization factor for rate entity listed in Lines 11 through 13.  
[5] Henry Exhibit I, Schedule 3-5(a)(1), Column (c).  
[6] Column (a) plus Column (b) times consumption factor for rate entity listed in Lines 11 through 13.  
[7] Henry Exhibit I, Schedule 3-5(a)(1), Column (d).  
[8] Column (b) plus Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF ANNUALIZATION  
AND CONSUMPTION FACTORS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3-5(a)(1)

Line No.	Item	Annualization Factors				Consumption Factor [1]
		Bills for Test Year	Pro Forma Bills per	Annualization		
		9/30/2017 [1]	Public Staff [1]	Factor [2]		
		(a)	(b)	(c)	(d)	
1.	Aqua water	747,548	758,029	1.40%	0.65%	
2.	Aqua sewer	198,960	208,076	4.58%	-5.22%	
3.	Fairways water	56,499	57,900	2.48%	-8.13%	
4.	Fairways sewer	36,107	36,696	1.63%	-11.52%	
5.	Brookwood water	165,549	166,500	0.57%	0.66%	

[1] Based on information provided by Public Staff Engineer Junis.

[2] [Column (b) minus Column (a)] divided by Column (a).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF ANNUALIZATION AND  
CONSUMPTION ADJUSTMENTS**  
For The Test Year Ended September 30, 2019  
**SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-5(b)

Line No.	Item	As Adjusted (a)	Annualization Adjustment [3] (b)	Consumption Adjustment [5] (c)	Total Adjustment [6] (d)
	<u>Aqua sewer</u>				
1	Purchased power	\$1,054,929 [1]	\$48,316	(\$57,589)	(\$9,273)
2	Fuel for production	19,318 [1]	885	(1,055)	(170)
3	Sludge removal	590,239 [1]	27,033	(32,222)	(5,189)
4	Chemicals	520,589 [1]	23,843	(28,419)	(4,576)
5	Total - Aqua sewer	<u>\$2,185,075</u>	<u>\$100,077</u>	<u>(\$119,285)</u>	<u>(\$19,208)</u>
	<u>Fairways sewer</u>				
6	Purchased power	\$107,989 [2]	\$1,760	(\$12,643)	(\$10,883)
7	Fuel for production	1,569 [2]	26	(184)	(158)
8	Sludge removal	169,995 [2]	2,771	(19,903)	(17,132)
9	Chemicals	28,526 [2]	465	(3,340)	(2,875)
10	Total - Fairways sewer	<u>\$308,079</u>	<u>\$5,022</u>	<u>(\$36,070)</u>	<u>(\$31,048)</u>
	<u>Factors to be applied per Public Staff:</u>				
11	Aqua sewer		4.58% [4]	-5.22% [4]	
12	Fairways sewer		1.63% [4]	-11.52% [4]	

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

[2] Henry Exhibit I, Schedule 3(d), Column (c).

[3] Column (a) times annualization factor for rate entity listed in Lines 11 and 12.

[4] Henry Exhibit I, Schedule 3-5(a)(1), Column (c), Lines 2 and 4, respectively.

[5] Column (a) plus Column (b) times consumption factor for rate entity listed in Lines 11 and 12.

[6] Column (b) plus Column (c).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF DEPRECIATION  
AND AMORTIZATION EXPENSE**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit I  
Schedule 3-6

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<b><u>Depreciation expense</u></b>						
1	Adjustment to include post test year additions	\$56,186 [1]	(\$17,839) [1]	\$9,922 [1]	\$2,182 [1]	(\$45,781) [1]
2	Adjustment for vehicle purchases	(20,074) [2]	8,004 [2]	3,710 [2]	2,414 [2]	5,946 [2]
3	Adjustment to excess capacity	<u>0</u>	<u>(79,948) [6]</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	Total adjustment to depreciation expense	<u>36,112</u>	<u>(89,783)</u>	<u>13,632</u>	<u>4,596</u>	<u>(39,835)</u>
<b><u>CIAC amortization expense</u></b>						
5	Adjustment to include post test year additions	(19,585) [3]	(27,375) [3]	(2,863) [3]	(4,738) [3]	(132) [3]
6	Adjustment to excess capacity	<u>0</u>	<u>8,743 [7]</u>	<u>0</u>	<u>0</u>	<u>0</u>
7	Adjustment to tank painting	0	0	0	0	(13,698) [9]
8	Adjustment to JoCo transmission fee revenue deficit	0	(23,984) [8]	0	0	0
9	Adjustment to PTY plant deferred accounting	<u>(111,767) [4]</u>	<u>(48,955) [4]</u>	<u>(172) [4]</u>	<u>(5,610) [4]</u>	<u>(40,965) [4]</u>
10	Total adjustment to CIAC amortization	<u>(131,352)</u>	<u>(91,571)</u>	<u>(3,035)</u>	<u>(10,348)</u>	<u>(54,795)</u>
<b><u>Amortization of acquisition adjustments</u></b>						
11	Adjustment to include post test year additions	<u>3,541 [5]</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12	Total Public Staff adjustment (L4 + L10 + L11)	<u><u>(\$91,699)</u></u>	<u><u>(\$181,354)</u></u>	<u><u>\$10,597</u></u>	<u><u>(\$5,752)</u></u>	<u><u>(\$94,630)</u></u>

[1] Henry Exhibit I, Schedule 2-1(a), Line 15.

[2] Henry Exhibit I, Schedule 2-1(c), Line 3.

[3] Henry Exhibit I, Schedule 2-3, Line 3.

[4] Adjustment to remove per application PTY deferred accounting amortization.

[5] Provided by Public Staff Accountant Feasel.

[6] Henry Exhibit I, Schedule 2-6, Line 18, Column (d).

[7] Henry Exhibit I, Schedule 2-6, Line 18, Column (e).

[8] Adjustment to remove per application transmission revenue deficit.

[9] Adjustment to remove fully amortized tank painting expense.

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF INCOME TAXES**  
For The Test Year Ended September 30, 2019  
**AQUA WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-7(a)

Line No.	Item	Present Rates (a)	Company Proposed Rates (b)	Public Staff Recommended Rates (c)
1.	Operating revenue	\$37,209,793	\$41,212,835	\$37,591,669
	Operating revenue deductions:			
2.	O&M and G&A expense	18,947,071	18,947,071	18,947,071
3.	Depreciation and amortization expense	6,909,270	6,909,270	6,909,270
4.	Property taxes	534,225	534,225	534,225
5.	Payroll taxes	482,225	482,225	482,225
6.	Other taxes	179,292	179,292	179,292
7.	Benefit costs - Pension	(504)	(504)	(504)
8.	Regulatory fee	48,373	53,577	48,869
9.	Gross receipts tax	0	0	0
10.	Interest expense	2,827,822 [2]	2,827,822 [4]	2,827,822 [6]
11.	Total deductions (Sum of L2 thru L10)	29,927,773	29,932,977	29,928,269
12.	Taxable income (L1 - L11)	7,282,020	11,279,858	7,663,400
13.	State income tax (L12 x 2.50%)	182,050	281,996	191,585
14.	Federal taxable income (L12 - L13)	7,099,970	10,997,862	7,471,815
15.	Federal income tax (L14 x 21.00%)	1,490,994	2,309,551	1,569,081
16.	Excess deferred income tax amortization	(75,322)	(75,322)	(75,322)
17.	Net amount (L12 - L13 - L15 - L16)	5,684,298	8,763,633	5,978,056
18.	Add: interest expense	2,827,822 [2]	2,827,822 [4]	2,827,822 [6]
19.	Net income for return (L17 + L18)	\$8,512,120	\$11,591,455	\$8,805,878

[1] Henry Exhibit I, Schedule 3(a), Column (c), unless footnoted otherwise.

[2] Henry Exhibit I, Schedule 1(a), Line 1, Column (e).

[3] Henry Exhibit I, Schedule 3(a), Column (e), unless footnoted otherwise.

[4] Henry Exhibit I, Schedule 1(a), Line 4, Column (e).

[5] Henry Exhibit I, Schedule 3(a), Column (g), unless footnoted otherwise.

[6] Henry Exhibit I, Schedule 1(a), Line 7, Column (e).

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF INCOME TAXES**  
For The Test Year Ended September 30, 2019  
**AQUA SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-7(b)

Line No.	Item	Present Rates (a)	Company Proposed Rates (b)	Public Staff Recommended Rates (c)
1.	Operating revenue	\$15,639,152	\$17,183,539	\$16,103,462
	Operating revenue deductions:			
2.	O&M and G&A expense	8,831,637	8,831,637	8,831,637
3.	Depreciation and amortization expense	2,406,732	2,406,732	2,406,732
4.	Property taxes	17,637	17,637	17,637
5.	Payroll taxes	200,202	200,202	200,202
6.	Other taxes	47,134	47,134	47,134
7.	Benefit costs - Pension	(474)	(474)	(474)
8.	Regulatory fee	20,331	22,339	20,935
9.	Gross receipts tax	0	0	0
10.	Interest expense	1,229,905 [2]	1,229,905 [4]	1,229,905 [6]
11.	Total deductions (Sum of L2 thru L10)	12,753,104	12,755,112	12,753,708
12.	Taxable income (L1 - L11)	2,886,048	4,428,427	3,349,754
13.	State income tax (L12 x 2.50%)	72,151	110,711	83,744
14.	Federal taxable income (L12 - L13)	2,813,897	4,317,716	3,266,010
15.	Federal income tax (L14 x 21.00%)	590,918	906,720	685,862
16.	Excess deferred income tax amortization	(19,888)	(19,888)	(19,888)
17.	Net amount (L12 - L13 - L15 - L16)	2,242,867	3,430,884	2,600,036
18.	Add: interest expense	1,229,905 [2]	1,229,905 [4]	1,229,905 [6]
19.	Net income for return (L17 + L18)	\$3,472,772	\$4,660,789	\$3,829,941

[1] Henry Exhibit I, Schedule 3(b), Column (c), unless footnoted otherwise.

[2] Henry Exhibit I, Schedule 1(b), Line 1, Column (e).

[3] Henry Exhibit I, Schedule 3(b), Column (e), unless footnoted otherwise.

[4] Henry Exhibit I, Schedule 1(b), Line 4, Column (e).

[5] Henry Exhibit I, Schedule 3(b), Column (g), unless footnoted otherwise.

[6] Henry Exhibit I, Schedule 1(b), Line 7, Column (e).



**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF INCOME TAXES**  
For The Test Year Ended September 30, 2019  
**FAIRWAYS WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-7(c)

Line No.	Item	Present Rates (a)	[1]	Company Proposed Rates (b)	[3]	Public Staff Recommended Rates (c)	[5]
1.	Operating revenue	\$1,228,928		\$1,342,831		\$1,136,916	
	Operating revenue deductions:						
2.	O&M and G&A expense	676,947		676,947		676,947	
3.	Depreciation and amortization expense	146,144		146,144		146,144	
4.	Property taxes	30,683		30,683		30,683	
5.	Payroll taxes	13,960		13,960		13,960	
6.	Other taxes	13,481		13,481		13,481	
7.	Benefit costs - Pension	(147)		(147)		(147)	
8.	Regulatory fee	1,598		1,746		1,478	
9.	Gross receipts tax	0		0		0	
10.	Interest expense	69,923	[2]	69,923	[4]	69,923	[6]
11.	Total deductions (Sum of L2 thru L10)	952,589		952,737		952,469	
12.	Taxable income (L1 - L11)	276,339		390,094		184,447	
13.	State income tax (L12 x 2.50%)	6,908		9,752		4,611	
14.	Federal taxable income (L12 - L13)	269,431		380,342		179,836	
15.	Federal income tax (L14 x 21.00%)	56,580		79,872		37,765	
16.	Excess deferred income tax amortization	(5,748)		(5,748)		(5,748)	
17.	Net amount (L12 - L13 - L15 - L16)	218,599		306,218		147,819	
18.	Add: interest expense	69,923	[2]	69,923	[4]	69,923	[6]
19.	Net income for return (L17 + L18)	\$288,522		\$376,141		\$217,742	

[1] Henry Exhibit I, Schedule 3(c), Column (c), unless footnoted otherwise.

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

[3] Henry Exhibit I, Schedule 3(c), Column (e), unless footnoted otherwise.

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

[5] Henry Exhibit I, Schedule 3(c), Column (g), unless footnoted otherwise.

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF INCOME TAXES**  
For The Test Year Ended September 30, 2019  
**FAIRWAYS SEWER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-7(d)

Line No.	Item	Present Rates (a)	[1]	Company Proposed Rates (b)	[3]	Public Staff Recommended Rates (c)	[5]
1.	Operating revenue	\$2,186,049		\$2,267,814		\$2,040,694	
	Operating revenue deductions:						
2.	O&M and G&A expense	846,872		846,872		846,872	
3.	Depreciation and amortization expense	350,596		350,596		350,596	
4.	Property taxes	2,322		2,322		2,322	
5.	Payroll taxes	14,822		14,822		14,822	
6.	Other taxes	8,619		8,619		8,619	
7.	Benefit costs - Pension	(137)		(137)		(137)	
8.	Regulatory fee	2,842		2,948		2,653	
9.	Gross receipts tax	0		0		0	
10.	Interest expense	218,903	[2]	218,903	[4]	218,903	[6]
11.	Total deductions (Sum of L2 thru L10)	1,444,839		1,444,945		1,444,650	
12.	Taxable income (L1 - L11)	741,210		822,869		596,044	
13.	State income tax (L12 x 2.50%)	18,530		20,572		14,901	
14.	Federal taxable income (L12 - L13)	722,680		802,297		581,143	
15.	Federal income tax (L14 x 21.00%)	151,763		168,482		122,040	
16.	Excess deferred income tax amortization	(3,662)		(3,662)		(3,662)	
17.	Net amount (L12 - L13 - L15 - L16)	574,579		637,477		462,765	
18.	Add: interest expense	218,903	[2]	218,903	[4]	218,903	[6]
19.	Net income for return (L17 + L18)	\$793,482		\$856,380		\$681,668	

[1] Henry Exhibit I, Schedule 3(d), Column (c), unless footnoted otherwise.

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

[3] Henry Exhibit I, Schedule 3(d), Column (e), unless footnoted otherwise.

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

[5] Henry Exhibit I, Schedule 3(d), Column (g), unless footnoted otherwise.

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF INCOME TAXES**  
For The Test Year Ended September 30, 2019  
**BROOKWOOD WATER OPERATIONS**

Public Staff  
Henry Exhibit I  
Schedule 3-7(e)

Line No.	Item	Present Rates (a)	Company Proposed Rates (b)	Public Staff Recommended Rates (c)
1.	Operating revenue	\$6,048,564	\$7,053,935	\$6,087,730
	Operating revenue deductions:			
2.	O&M and G&A expense	2,886,446	2,886,446	2,886,446
3.	Depreciation and amortization expense	1,066,504	1,066,504	1,066,504
4.	Property taxes	93,160	93,160	93,160
5.	Payroll taxes	42,959	42,959	42,959
6.	Other taxes	40,396	40,396	40,396
7.	Benefit costs - Pension	11	11	11
8.	Regulatory fee	7,863	9,170	7,914
9.	Gross receipts tax	0	0	0
10.	Interest expense	526,616 [2]	526,616 [4]	526,616 [6]
11.	Total deductions (Sum of L2 thru L10)	4,663,954	4,665,261	4,664,005
12.	Taxable income (L1 - L11)	1,384,610	2,388,674	1,423,725
13.	State income tax (L12 x 2.50%)	34,615	59,717	35,593
14.	Federal taxable income (L12 - L13)	1,349,995	2,328,957	1,388,132
15.	Federal income tax (L14 x 21.00%)	283,499	489,081	291,508
16.	Excess deferred income tax amortization	(16,651)	(16,651)	(16,651)
17.	Net amount (L12 - L13 - L15 - L16)	1,083,147	1,856,527	1,113,275
18.	Add: interest expense	526,616 [2]	526,616 [4]	526,616 [6]
19.	Net income for return (L17 + L18)	\$1,609,763	\$2,383,143	\$1,639,891

[1] Henry Exhibit I, Schedule 3(e), Column (c), unless footnoted otherwise.

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

[3] Henry Exhibit I, Schedule 3(e), Column (e), unless footnoted otherwise.

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

[5] Henry Exhibit I, Schedule 3(e), Column (g), unless footnoted otherwise.

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF GROSS REVENUE**  
**IMPACT OF PUBLIC STAFF ADJUSTMENTS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit II  
Schedule 1

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total [2] (f)
1	Increase / (decrease) in total revenues per Company	<u>\$4,044,422</u>	<u>\$1,545,098</u>	<u>\$113,289</u>	<u>\$82,169</u>	<u>\$1,001,869</u>	<u>\$6,786,847</u>
2	Difference in calculation of revenue requirement based on Company amounts	(1,550)	1,648	(454)	(894)	(2,293)	(3,543)
3	Adjust debt cost rate to 4.21%	(27,721)	(12,436)	(680)	(2,151)	(5,421)	(48,409)
4	Adjust return on equity to 8.90%	(1,079,712)	(484,359)	(26,499)	(83,784)	(211,153)	(1,885,507)
5	Adjustment to post test year additions to plant in service	(1,247)	(24,062)	15,745	(6,612)	(178,714)	(194,890)
6	Adjustment to allocate vehicle purchased	(41,552)	17,792	7,342	4,780	11,639	1
7	Adjustment to post test year additions to A/D	(84,064)	(28,234)	(1,409)	(3,561)	(33,769)	(151,037)
8	Adjustment to remove A/D related to future customers	308	0	0	0	0	308
9	Adjustment to A/D for vehicle allocations	1,578	(629)	(292)	(190)	(467)	0
10	Adjustment to A/D for WSIC/SSIC in service date	(1,542)	(478)	0	0	(120)	(2,140)
11	Adjustment to post test year additions to CIAC	(103,089)	(122,534)	(13,251)	(18,743)	(373)	(257,990)
12	Adjustment to post test year additions to accumulated amortization - CIAC	1,546	2,161	226	374	10	4,317
13	Adjustment to post test year additions PAA	2,522	0	0	0	0	2,522
14	Adjustment for Mid South growth related PAA to 03/31/20	4,643	0	0	0	0	4,643
15	Adjustment to post test year additions accumulated amortization - PAA	(1,100)	(1,045)	0	0	(5)	(2,150)
16	Adjustment to update advances for construction to 03/31/20	5,754	12,589	543	0	0	18,886
17	Adjustment to ADIT - post test year additions	(6,851)	14,751	(531)	330	21,908	29,607
18	Adjustment to ADIT - unamortized rate case expense	597	1,574	(305)	244	8	2,118
19	Adjustment to ADIT - unamortized repair tax credit	(1,087)	(348)	(27)	(30)	(173)	(1,665)
20	Adjustment to ADIT - protected EDIT	5,945	1,570	454	289	1,314	9,572
21	Adjustment to update customer deposits to 03/31/20	177	63	18	0	95	353
22	Adjustment to remove excess capacity	0	(186,977)	0	0	0	(186,977)
23	Adjustment to cash working capital	(14,454)	(651)	(1,488)	(1,089)	(4,163)	(21,845)
24	Adjustment to tank painting	(10,064)	0	(295)	0	(14,518)	(24,877)
25	Adjustment to remove unamortized rate case expense	(25,498)	(6,587)	(1,892)	(1,204)	(5,665)	(40,846)
26	Adjustment to depreciation study	583	146	42	27	131	929
27	Adjustment to repair tax credit	(374)	(115)	(11)	(15)	(56)	(571)
28	Adjustment to remove JoCO unamortized transmission charge	0	(53,782)	0	0	0	(53,782)
29	Adjustment to remove JoCO transmission revenue deficit	0	(31,981)	0	0	0	(31,981)
30	Adjustment to remove deferred accounting on post test year additions	(147,198)	(64,474)	(226)	(7,389)	(53,951)	(273,238)
31	Adjustment to average tax accruals	(108)	(67)	1	(6)	(7)	(187)
32	Adjustment to service revenues	(355,983)	(12,443)	(12,747)	11,449	(17,784)	(387,508)
33	Adjustment for late payment fees	(611)	(14)	(18)	15	(60)	(688)
34	Adjustment to uncollectibles and abatements	1,974	39	33	(25)	873	2,894

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 526  
**CALCULATION OF GROSS REVENUE**  
**IMPACT OF PUBLIC STAFF ADJUSTMENTS**  
For The Test Year Ended September 30, 2019

Public Staff  
Henry Exhibit II  
Schedule 1

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total [2] (f)
35	Adjustment to remove capitalize labor	(215,884)	(53,117)	(2,628)	(2,803)	(18,240)	(292,672)
36	Adjustment to add transportation regular payroll	585	0	44	0	131	760
37	Adjustment to update salaries and wages March 31, 2020	(167,891)	(61,645)	(4,843)	(4,794)	(15,067)	(254,240)
38	Adjustment to remove leave without pay	(143,671)	(52,753)	(4,144)	(4,103)	(12,893)	(217,564)
39	Adjustment to reflect actual standby and overtime salaries and wages	(250,125)	220,687	335	123	963	(28,017)
40	Adjustment to remove bonuses related to EPS	(79,336)	(23,977)	(4,536)	(3,299)	(13,672)	(124,820)
41	Adjustment to allocate executive compensation to shareholders	(232,046)	(60,976)	(17,411)	(11,119)	(52,322)	(373,874)
42	Adjustment to reflect allocation from Corp Serv & ACO	(190,691)	100,406	(71,189)	(30,493)	(226,516)	(418,483)
43	Adjustment to remove capitalize pensions and benefits	(526,383)	(132,404)	(6,548)	(7,471)	(46,324)	(719,130)
44	Adjustment to update pensions and benefits to March 31, 2020	(214,145)	(78,524)	(6,085)	(6,441)	(18,482)	(323,677)
45	Adjustment to reflect benefits allocated from Corporate Services	4,618	26,595	(11,100)	(4,183)	(32,967)	(17,037)
46	Adjustment to remove unqualified benefits from Corporate Sundries	(11,250)	(4,821)	(357)	(357)	(1,071)	(17,856)
47	Adjustment to fuel for production	(2,744)	(7,083)	572	1,946	(1,516)	(8,825)
48	Adjustment to sludge removal	0	(14,555)	0	(445)	0	(15,000)
49	Adjustment to purchased power	103,897	18,765	(934)	(4,315)	9,067	126,480
50	Adjustment to materials and supplies	17,428	11,206	(1,241)	2,110	11,225	40,728
51	Adjustment to testing	0	(11,869)	0	(1,005)	0	(12,874)
52	Adjustment to contractual services - legal	(2,983)	(788)	(228)	(145)	(659)	(4,803)
53	Adjustment to contractual services - other - pump maintenance	0	(18,690)	0	1,697	0	(16,993)
54	Adjustment to contractual services - other- corporate sundries	(42,150)	(11,129)	(3,217)	(2,050)	(9,318)	(67,864)
55	Adjustment to contract services - other- accrued expenses	(70,856)	0	0	0	0	(70,856)
56	Adjustment to insurance	(148,360)	602	(16,885)	(2,173)	(37,262)	(204,078)
57	Adjustment regulatory commission expense	(161,833)	(40,777)	(11,628)	(7,390)	(36,160)	(257,788)
58	Adjustment to remove capitalize miscellaneous expense	(8,530)	(4,181)	(643)	(287)	(944)	(14,585)
59	Adjustment to remove 50% BOD compensation from miscellaneous exp.	(40,966)	(15,084)	(1,180)	(1,180)	(3,662)	(62,072)
60	Adjustment to remove 50% BOD expenses from miscellaneous expense	(11,236)	(4,682)	(74)	(219)	(314)	(16,525)
61	Adjustment to remove unqualified misc exp. for Corporate Sundries	(6,523)	(1,722)	(498)	(317)	(1,442)	(10,502)
62	Adjustment to annualization and consumption	26,766	(75,256)	1,715	(34,636)	5,705	(75,706)
63	Adjustment to Contra-OH allocations	907,386	229,674	11,665	12,853	79,196	1,240,774
64	Adjustment to amortized EDIT	(97,916)	(25,854)	(7,472)	(4,760)	(21,646)	(157,649)
65	Adjustment to payroll taxes	(157,068)	(9,929)	(11,068)	(4,078)	(25,799)	(207,942)
66	Adjustment to purchased water	(62,448)	0	0	0	0	(62,448)
67	Rounding difference	(12)	(24)	(2)	(4)	0	(42)
68	Revenue impact of Public Staff adjustments	(3,662,546)	(1,080,788)	(205,301)	(227,524)	(962,703)	(6,138,861)
69	Increase / (decrease) per Public Staff	\$381,876	\$464,310	(\$92,012)	(\$145,355)	\$39,166	\$647,986

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