



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

July 7, 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:

Attached for filing in connection with the above-referenced docket are the following documents requested by the Commission:

- Henry Revised Exhibits I and II with all supporting schedules (including Feasel Revised Exhibit I and supporting schedules) reflecting the agreements reached in the Partial Settlement Agreement and Stipulation dated July 1, 2020
- Revised billing analysis exhibits of Public Staff witness Junis in support of the agreed-upon revenue requirements

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

Attachments

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

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Jul 07 2020

INDEX TO HENRY REVISED EXHIBIT I

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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)
Revised

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$67,947,463 [2]	4.21% [1]	2.11%	\$2,860,588 [8]
2.	Equity	50.00%	67,947,462 [2]	7.29% [6]	3.65%	4,955,827 [9]
3.	Total	<u>100.00%</u>	<u>\$135,894,925</u> [3]		<u>5.75%</u>	<u>\$7,816,415</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$67,947,463 [4]	4.21% [1]	2.11%	\$2,860,588 [8]
5.	Equity	50.00%	67,947,462 [4]	11.83% [6]	5.92%	8,035,162 [11]
6.	Total	<u>100.00%</u>	<u>\$135,894,925</u> [3]		<u>8.02%</u>	<u>\$10,895,750</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$67,947,463 [5]	4.21% [1]	2.11%	\$2,860,588 [8]
8.	Equity	50.00%	67,947,462 [5]	9.40% [1]	4.70%	6,387,061 [8]
9.	Total	<u>100.00%</u>	<u>\$135,894,925</u> [3]		<u>6.81%</u>	<u>\$9,247,649</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)
Revised

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$30,183,839 [2]	4.21% [1]	2.11%	\$1,270,740 [8]
2.	Equity	50.00%	30,183,840 [2]	7.40% [6]	3.70%	2,232,193 [9]
3.	Total	<u>100.00%</u>	<u>\$60,367,679 [3]</u>		<u>5.81%</u>	<u>\$3,502,933 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$30,183,839 [4]	4.21% [1]	2.11%	\$1,270,740 [8]
5.	Equity	50.00%	30,183,840 [4]	11.33% [6]	5.67%	3,420,211 [11]
6.	Total	<u>100.00%</u>	<u>\$60,367,679 [3]</u>		<u>7.77%</u>	<u>\$4,690,951 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$30,183,839 [5]	4.21% [1]	2.11%	\$1,270,740 [8]
8.	Equity	50.00%	30,183,840 [5]	9.40% [1]	4.70%	2,837,281 [8]
9.	Total	<u>100.00%</u>	<u>\$60,367,679 [3]</u>		<u>6.81%</u>	<u>\$4,108,021</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)
Revised

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%	\$1,671,979 [2]	4.21% [1]	2.11%	\$70,390 [8]
2.	Equity	50.00%	1,671,978 [2]	8.86% [6]	4.43%	148,137 [9]
3.	Total	<u>100.00%</u>	<u>\$3,343,957 [3]</u>		<u>6.54%</u>	<u>\$218,527 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$1,671,979 [4]	4.21% [1]	2.11%	\$70,390 [8]
5.	Equity	50.00%	1,671,978 [4]	14.10% [6]	7.05%	235,757 [11]
6.	Total	<u>100.00%</u>	<u>\$3,343,957 [3]</u>		<u>9.16%</u>	<u>\$306,147 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$1,671,979 [5]	4.21% [1]	2.11%	\$70,390 [8]
8.	Equity	50.00%	1,671,978 [5]	9.40% [1]	4.70%	157,166 [8]
9.	Total	<u>100.00%</u>	<u>\$3,343,957 [3]</u>		<u>6.81%</u>	<u>\$227,556</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)
Revised

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%	\$5,217,241 [2]	4.21% [1]	2.11%	\$219,646 [8]
2.	Equity	50.00%	5,217,242 [2]	10.03% [6]	5.02%	523,345 [9]
3.	Total	<u>100.00%</u>	<u>\$10,434,483 [3]</u>		<u>7.12%</u>	<u>\$742,991 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$5,217,241 [4]	4.21% [1]	2.11%	\$219,646 [8]
5.	Equity	50.00%	5,217,242 [4]	11.24% [6]	5.62%	586,242 [11]
6.	Total	<u>100.00%</u>	<u>\$10,434,483 [3]</u>		<u>7.73%</u>	<u>\$805,888 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$5,217,241 [5]	4.21% [1]	2.11%	\$219,646 [8]
8.	Equity	50.00%	5,217,242 [5]	9.40% [1]	4.70%	490,421 [8]
9.	Total	<u>100.00%</u>	<u>\$10,434,483 [3]</u>		<u>6.81%</u>	<u>\$710,067</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)
Revised

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$13,535,208 [2]	4.21% [1]	2.11%	\$569,832 [8]
2.	Equity	50.00%	13,535,208 [2]	5.89% [6]	2.95%	797,795 [9]
3.	Total	<u>100.00%</u>	<u>\$27,070,416 [3]</u>		<u>5.05%</u>	<u>\$1,367,627 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$13,535,208 [4]	4.21% [1]	2.11%	\$569,832 [8]
5.	Equity	50.00%	13,535,208 [4]	11.61% [6]	5.81%	1,571,176 [11]
6.	Total	<u>100.00%</u>	<u>\$27,070,416 [3]</u>		<u>7.91%</u>	<u>\$2,141,008 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$13,535,208 [5]	4.21% [1]	2.11%	\$569,832 [8]
8.	Equity	50.00%	13,535,208 [5]	9.40% [1]	4.70%	1,272,310 [8]
9.	Total	<u>100.00%</u>	<u>\$27,070,416 [3]</u>		<u>6.81%</u>	<u>\$1,842,142</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
Revised

Line No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [1] (c)
1.	Plant in service	\$540,941,907	(\$3,577,532)	\$537,364,375
2.	Accumulated depreciation	(152,305,884)	1,126,219	(151,179,665)
3.	Contributions in aid of construction	(205,484,249)	(2,574,894)	(208,059,143)
4.	Accumulated amortization of CIAC	78,822,205	1,217,310	80,039,515
5.	Acquisition adjustments	2,068,244	90,781	2,159,025
6.	Accum. amort. of acquisition adjustments	727,809	(35,015)	692,794
7.	Advances for construction	(4,330,411)	239,280	(4,091,131)
8.	Net plant in service	260,439,621	(3,513,851)	256,925,770
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	0	0
14.	Working capital allowance	6,714,144	(1,618,279)	5,095,865
15.	Original cost rate base	<u>\$241,737,004</u>	<u>(\$4,625,545)</u>	<u>\$237,111,459</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)
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	[9]
1.	Plant in service	\$299,149,243	(\$1,651,928) [1]	\$297,497,315	
2.	Accumulated depreciation	(90,870,793)	153,393 [2]	(90,717,400)	
3.	Contributions in aid of construction	(97,921,547)	(1,057,684) [3]	(98,979,231)	
4.	Accumulated amortization of CIAC	36,792,178	462,127 [4]	37,254,305	
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	(1,989,267)	146,066,843	
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	(528,046) [8]	3,141,263	
15.	Original cost rate base	\$138,427,689	(\$2,532,764)	\$135,894,925	

- [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)
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	[10]
1.	Plant in service	\$165,541,621	(\$126,714) [1]	\$165,414,907	
2.	Accumulated depreciation	(44,574,718)	(376,419) [2]	(44,951,137)	
3.	Contributions in aid of construction	(83,705,420)	(1,205,224) [3]	(84,910,644)	
4.	Accumulated amortization of CIAC	32,183,835	602,794 [4]	32,786,629	
5.	Acquisition adjustments	(4,002,509)	0	(4,002,509)	
6.	Accum. amort. of acquisition adjustments	3,072,969	23,899 [5]	3,096,868	
7.	Advances for construction	(1,446,924)	159,500 [6]	(1,287,424)	
8.	Net plant in service	67,068,854	(922,164)	66,146,690	
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	0 [8]	0	
14.	Working capital allowance	2,115,841	(1,031,957) [9]	1,083,884	
15.	Original cost rate base	\$62,098,685	(\$1,731,006)	\$60,367,679	

[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)
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	[9]
1.	Plant in service	\$12,954,594	\$69,835 [1]	\$13,024,429	
2.	Accumulated depreciation	(3,512,889)	(31,239) [2]	(3,544,128)	
3.	Contributions in aid of construction	(8,107,968)	(131,574) [3]	(8,239,542)	
4.	Accumulated amortization of CIAC	2,361,681	58,188 [4]	2,419,869	
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	(27,911)	3,590,957	
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	(20,540) [8]	125,295	
15.	Original cost rate base	\$3,397,386	(\$53,429)	\$3,343,957	

- [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)
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	[7]
1.	Plant in service	\$20,150,990	(\$113,208) [1]	\$20,037,782	
2.	Accumulated depreciation	(2,552,134)	(49,191) [2]	(2,601,325)	
3.	Contributions in aid of construction	(7,751,613)	(177,365) [3]	(7,928,978)	
4.	Accumulated amortization of CIAC	1,949,610	55,593 [4]	2,005,203	
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	(284,171)	11,526,682	
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	(33,651) [6]	123,895	
15.	Original cost rate base	\$10,741,754	(\$307,271)	\$10,434,483	

[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)
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	[8]
1.	Plant in service	\$43,145,459	(\$1,755,518) [1]	\$41,389,941	
2.	Accumulated depreciation	(10,795,350)	1,429,676 [2]	(9,365,674)	
3.	Contributions in aid of construction	(7,997,701)	(3,047) [3]	(8,000,748)	
4.	Accumulated amortization of CIAC	5,534,901	38,610 [4]	5,573,511	
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	(290,337)	29,594,599	
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	(4,085) [7]	621,528	
15.	Original cost rate base	\$27,071,490	(\$1,074)	\$27,070,416	

[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
Revised

<u>Line No.</u>	<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 post test year additions	(\$1,380,141) [1]	(\$250,590) [1]	\$23,886 [1]	(\$143,137) [1]	(\$1,827,550) [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>(\$1,651,928)</u></u>	<u><u>(\$126,714)</u></u>	<u><u>\$69,835</u></u>	<u><u>(\$113,208)</u></u>	<u><u>(\$1,755,518)</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)
Revised

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total (f) [2]
<u>Plant in service</u>							
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	69,081 [1]	18,241 [1]	5,272 [1]	3,359 [1]	15,271 [1]	111,224
3.	Total post test year additions per Company updates (L1 + L2)	8,072,540	4,267,042	123,671	309,355	2,517,507	15,290,115
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>(\$1,380,141)</u>	<u>(\$250,590)</u>	<u>\$23,886</u>	<u>(\$143,137)</u>	<u>(\$1,827,550)</u>	<u>(\$3,577,532)</u>
<u>Accumulated depreciation</u>							
6.	Updated post test year system additions per Company	801,925 [1]	(163,900) [1]	(25,490) [1]	(18,662) [1]	1,757,996 [1]	2,351,869
7.	Updated post test year IT additions per Company	(17,602) [1]	(4,648) [1]	(1,343) [1]	(856) [1]	(3,891) [1]	(28,340)
8.	Total post test year additions per Company updates (L6 + L7)	784,323	(168,548)	(26,833)	(19,518)	1,754,105	2,323,529
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>\$168,568</u>	<u>(\$356,334)</u>	<u>(\$27,541)</u>	<u>(\$46,783)</u>	<u>\$1,438,619</u>	<u>\$1,176,529</u>
<u>Depreciation expense</u>							
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	17,602 [1]	4,648 [1]	1,343 [1]	856 [1]	3,891 [1]	28,340
13.	Total post test year additions per Company updates (L11+ L12)	283,330	126,113	4,471	9,785	75,668	499,367
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>(\$109,823)</u>	<u>(\$61,673)</u>	<u>(\$2,747)</u>	<u>(\$5,890)</u>	<u>(\$82,479)</u>	<u>(\$262,612)</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
Revised

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
Revised

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.

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
Revised

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	\$168,568 [1]	(\$356,334) [1]	(\$27,541) [1]	(\$46,783) [1]	\$1,438,619 [1]
2	Adjustment to remove cost related to future customers	3,901 [2]	0 [2]	0 [2]	0 [2]	0 [2]
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>(39,064) [4]</u>	<u>(12,118) [4]</u>	<u>0 [4]</u>	<u>0 [4]</u>	<u>(3,029) [4]</u>
5	Total Public Staff adjustment (Sum of L1 thru L4)	<u>\$153,393</u>	<u>(\$376,419)</u>	<u>(\$31,239)</u>	<u>(\$49,191)</u>	<u>\$1,429,676</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
Revised

<u>Line No.</u>	<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>
	<u>Contributions in aid of construction</u>					
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>
	<u>Accumulated amortization of CIAC</u>					
2	Adjustment to include post test year additions	<u>\$462,127 [2]</u>	<u>\$602,794 [2]</u>	<u>\$58,188 [2]</u>	<u>\$55,593 [2]</u>	<u>\$38,610 [2]</u>
	<u>Amortization expense - CIAC</u>					
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
Revised

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> [1] (a)	<u>Aqua Sewer</u> [1] (b)	<u>Fairways Water</u> [1] (c)	<u>Fairways Sewer</u> [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$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><u>\$72,900</u></u>	<u><u>\$159,500</u></u>	<u><u>\$6,880</u></u>	<u><u>\$0</u></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
Revised

<u>Line No.</u>	<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
Revised

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	0.00% [3]	0.00% [3]	0.00% [3]	0.00% [3]	0.00% [3]
5.	Excess capacity to be removed (L3 x L4)	0	0	0	0	0
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	0.00% [3]	0.00% [3]	0.00% [3]	0.00% [3]	0.00% [3]
10.	Excess capacity to be removed (L8 x L9)	0	0	0	0	0
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	0.00% [3]	0.00% [3]	0.00% [3]	0.00% [3]	0.00% [3]
15.	Excess capacity to be removed (L13 x L14)	0	0	0	0	0
16.	Total excess capacity adjustment (L5 + L10 + L15)	0	0	0	0	0
17.	Amount per Company application	0	0	0	0	0
18.	Adjustment to excess capacity (L16 - L17)	\$0	\$0	\$0	\$0	\$0

[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)
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Line No.	Item	Amount	Depreciation / Amortization Rate Thru Sept/2011 [3]	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 Depreciation/ Amortization [10]	Depreciation/ Amortization Expense [11]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Carolina Meadows WWTP													
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	(1,690)	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	(1,982)	(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)	\$7,062,326			\$1,620,161			\$1,176,238			\$330,241	\$3,126,640	\$195,629

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

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	Amount	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	Total Depreciation/ Amortization	Depreciation/ Amortization
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
The Legacy at Jordan Lake WWTP												
41	\$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	225	5.00%	3,250	37	3.29%	6,750	50	2.77%	1,750	11	98	6
43	13,280	5.00%	2,250	1,494	3.29%	6,750	2,949	2.77%	1,750	644	5,087	368
44	99	5.00%	1,250	6	3.29%	6,750	22	2.77%	1,750	5	33	3
45	2,508	5.00%	0.375	47	3.29%	6,625	547	2.77%	1,750	122	716	69
46	8,747	5.00%	0.000	0	3.29%	6,000	1,727	2.77%	1,750	424	2,151	242
47	(5,350)	5.00%	0.000	0	3.29%	6,000	(1,056)	2.77%	1,750	(259)	(1,315)	(148)
48	236	5.00%	0.000	0	3.29%	5,000	39	2.77%	1,750	11	50	7
49	(184)	5.00%	0.000	0	3.29%	5,000	(30)	2.77%	1,750	(9)	(39)	(5)
50	236	5.00%	0.000	0	3.29%	5,000	39	2.77%	1,750	11	50	7
51	6,370	5.00%	0.000	0	3.29%	4,000	838	2.77%	1,750	309	1,147	176
52	(4,449)	5.00%	0.000	0	3.29%	4,000	(585)	2.77%	1,750	(216)	(801)	(123)
53	1,020	5.00%	0.000	0	3.29%	3,000	101	2.77%	1,750	49	150	28
54	2,194	5.00%	0.000	0	3.29%	3,000	217	2.77%	1,750	106	323	61
55	4,249	5.00%	0.000	0	3.29%	2,000	280	2.77%	1,750	206	486	118
56	(713)	5.00%	0.000	0	3.29%	2,000	(47)	2.77%	1,750	(35)	(82)	(20)
57	3,802	5.00%	0.000	0	3.29%	1,000	125	2.77%	1,750	184	309	105
58	(2,226)	5.00%	0.000	0	3.29%	1,000	(73)	2.77%	1,750	(108)	(181)	(62)
59	4,151 [2]	5.00%	0.000	0	0.00%	0.000	0	2.77%	1,750	201	201	115
60	(211) [2]	5.00%	0.000	0	0.00%	0.000	0	2.77%	1,750	(10)	(10)	(6)
61	120,755 [2]	5.00%	0.000	0	0.00%	0.000	0	2.77%	0.750	2,509	2,509	3,345
62	(45,602) [2]	5.00%	0.000	0	0.00%	0.000	0	2.77%	0.750	(947)	(947)	(1,263)
63	395 [2]	5.00%	0.000	0	0.00%	0.000	0	2.77%	0.125	1	1	11
64	1,534,238			304,334			321,535			72,272	698,141	42,498
65	(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	4,800	5.00%	2,250	540	2.80%	6,750	907	2.77%	1,750	233	1,680	133
67	\$417,949			\$66,643			\$110,556			\$18,160	\$195,359	\$11,577
Westfall Subdivision												
68	\$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	2,365	0.00%	0.000	0	3.29%	4,000	311	2.77%	1,750	115	426	66
70	(2,124)	0.00%	0.000	0	3.29%	4,000	(280)	2.77%	1,750	(103)	(383)	(59)
71	797	0.00%	0.000	0	3.29%	3,000	79	2.77%	1,750	39	118	22
72	(620)	0.00%	0.000	0	3.29%	3,000	(61)	2.77%	1,750	(30)	(91)	(17)
73	2,428	0.00%	0.000	0	3.29%	2,000	160	2.77%	1,750	118	278	67
74	(561)	0.00%	0.000	0	3.29%	2,000	(37)	2.77%	1,750	(27)	(64)	(16)
75	8,500	0.00%	0.000	0	3.29%	1,000	280	2.77%	1,750	412	692	235
76	(2,409)	0.00%	0.000	0	3.29%	1,000	(79)	2.77%	1,750	(117)	(196)	(67)
77	1,493 [2]	0.00%	0.000	0	0.00%	0.000	0	2.77%	1,750	72	72	41
78	44,626 [2]	0.00%	0.000	0	0.00%	0.000	0	2.77%	0.750	927	927	1,236
79	(22,600) [2]	0.00%	0.000	0	0.00%	0.000	0	2.77%	0.750	(470)	(470)	(626)
80	26,730 [2]	0.00%	0.000	0	0.00%	0.000	0	2.77%	0.125	93	93	740
81	(21,532) [2]	0.00%	0.000	0	0.00%	0.000	0	2.77%	0.125	(75)	(75)	(596)
82	1,246,000			0			199,238			59,556	258,794	34,513
83	(401,669)	0.00%	0.000	0	2.80%	5,000	(56,234)	2.77%	1,750	(19,471)	(75,705)	(11,126)
84	\$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
Revised

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>\$18,199,605 [1]</u>	<u>\$8,202,038 [1]</u>	<u>\$780,288 [1]</u>	<u>\$915,037 [1]</u>	<u>\$2,961,452 [1]</u>
2	Cash working capital (L1 / 8)	<u>2,274,951</u>	<u>1,025,255</u>	<u>97,536</u>	<u>114,380</u>	<u>370,182</u>
<u>Prepayments:</u>						
3	Unamortized tank painting	883,382 [2]	0	26,911 [2]	0	245,734 [2]
4	Unamortized rate case expense	173,674	45,858	13,254	8,445	38,392
5	Unamortized depreciation study	23,678 [2]	5,929 [2]	1,694 [2]	1,078 [2]	5,313 [2]
6	Unamortized repair tax credit	64,711 [2]	20,701 [2]	1,630 [2]	1,793 [2]	10,269 [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>1,145,445</u>	<u>72,488</u>	<u>43,489</u>	<u>11,316</u>	<u>299,708</u>
<u>Average tax accruals:</u>						
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)	3,141,263	1,083,884	125,295	123,895	621,528
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>(\$528,046)</u>	<u>(\$1,031,957)</u>	<u>(\$20,540)</u>	<u>(\$33,651)</u>	<u>(\$4,085)</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.

Aqua 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
Revised

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	Operations After Rate Increase
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Operating Revenues:							
2	Service revenues	\$60,885,183	\$387,508	\$61,272,691	\$6,781,468	\$68,054,159	\$3,251,204	\$64,523,895
3	Late payment fees	104,895	688	105,583	12,488	118,071	6,239	111,822
4	Miscellaneous revenues	1,270,926	0	1,270,926	0	1,270,926	0	1,270,926
5	Uncollectibles	(333,820)	(2,894)	(336,714)	(45,488)	(382,202)	(24,489)	(361,203)
	Total operating revenues	<u>61,927,184</u>	<u>385,302</u>	<u>62,312,486</u>	<u>6,748,468</u>	<u>69,060,954</u>	<u>3,232,954</u>	<u>65,545,440</u>
6	Operating Revenue Deductions:							
7	Salaries and wages	11,588,127	(798,959)	10,789,168	0	10,789,168	0	10,789,168
8	Employee pensions and benefits	4,019,627	(858,126)	3,161,501	0	3,161,501	0	3,161,501
9	Purchased water / sewer treatment	2,677,231	(49,499)	2,627,732	0	2,627,732	0	2,627,732
10	Sludge removal	775,214	(14,980)	760,234	0	760,234	0	760,234
11	Purchased power	3,752,176	126,316	3,878,492	0	3,878,492	0	3,878,492
12	Fuel for power production	27,308	(8,814)	18,494	0	18,494	0	18,494
13	Chemicals	1,330,863	0	1,330,863	0	1,330,863	0	1,330,863
14	Materials and supplies	495,240	40,674	535,914	0	535,914	0	535,914
15	Testing fees	1,075,298	(12,874)	1,062,424	0	1,062,424	0	1,062,424
16	Transportation	1,308,389	0	1,308,389	0	1,308,389	0	1,308,389
17	Contractual services - engineering	22,867	0	22,867	0	22,867	0	22,867
18	Contractual services - accounting	218,996	0	218,996	0	218,996	0	218,996
19	Contractual services - legal	374,118	(1,601)	372,517	0	372,517	0	372,517
20	Contractual services - management fees	0	0	0	0	0	0	0
21	Contractual services - other	4,684,830	(38,601)	4,646,229	0	4,646,229	0	4,646,229
22	Rent	295,836	0	295,836	0	295,836	0	295,836
23	Insurance	826,136	(102,934)	723,202	0	723,202	0	723,202
24	Advertising	0	0	0	0	0	0	0
25	Regulatory commission expense	534,014	(257,453)	276,561	0	276,561	0	276,561
26	Miscellaneous expense	1,857,635	(55,874)	1,801,761	0	1,801,761	0	1,801,761
27	Interest on customer deposits	30,734	0	30,734	0	30,734	0	30,734
28	Animalization & consumption adjustments	84,785	14,132	98,917	0	98,917	0	98,917
29	Contra-OH Allocations	(1,513,839)	1,239,160	(274,679)	0	(274,679)	0	(274,679)
30	Total O&M and G&A expense	34,465,585	(779,433)	33,686,152	0	33,686,152	0	33,686,152
31	Depreciation and amortization expense	11,242,084	(508,358)	10,733,726	0	10,733,726	0	10,733,726
32	Property taxes	678,027	0	678,027	0	678,027	0	678,027
33	Payroll taxes	961,840	(189,282)	772,558	0	772,558	0	772,558
34	Other taxes	288,922	0	288,922	0	288,922	0	288,922
35	Benefit costs - Pension	(1,251)	0	(1,251)	0	(1,251)	0	(1,251)
36	Regulatory fee	80,506	501	81,007	8,773	89,780	4,201	85,208
37	Deferred income tax	0	(121,271)	(121,271)	0	(121,271)	0	(121,271)
38	State income tax	224,337	52,717	277,054	168,491	445,545	80,719	357,773
39	Federal income tax	1,836,839	432,230	2,269,069	1,379,953	3,649,022	661,088	2,930,157
40	Total operating revenue deductions	<u>49,776,889</u>	<u>(1,112,896)</u>	<u>48,663,993</u>	<u>1,557,217</u>	<u>50,221,210</u>	<u>746,008</u>	<u>49,410,001</u>
	Net operating income for return	<u>\$12,150,295</u>	<u>\$1,498,198</u>	<u>\$13,648,493</u>	<u>\$5,191,251</u>	<u>\$18,839,744</u>	<u>\$2,486,946</u>	<u>\$16,135,439</u>

[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)
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		Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
Line No.	Item	Amount	Public	Amount	Net	Operations	Net	Operations		
		Per	Staff	Per	Company	After	Public Staff	After		
		Application	Adjustments	Public Staff	Increase	Rate Increase	Increase	Rate Increase		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
	Operating Revenues:									
1	Service revenues	\$36,203,519	\$355,983	\$36,559,502 [11]	\$4,015,088	\$40,574,590 [11]	\$1,866,160	\$38,425,662 [25]		
2	Late payment fees	62,257	611	62,868 [12]	6,904	69,772 [12]	3,209	66,077 [12]		
3	Miscellaneous revenues	759,977	0	759,977	0	759,977	0	759,977		
4	Uncollectibles	(170,580)	(1,974)	(172,554) [13]	(18,950)	(191,504) [13]	(8,808)	(181,362) [13]		
5	Total operating revenues	36,855,173	354,620	37,209,793	4,003,042	41,212,835	1,860,561	39,070,354		
	Operating Revenue Deductions:									
6	Salaries and wages	7,594,193	(564,826) [2]	7,029,367	0	7,029,367	0	7,029,367		
7	Employee pensions and benefits	2,659,692	(617,713) [2]	2,041,979	0	2,041,979	0	2,041,979		
8	Purchased water	1,850,078	(62,367) [3]	1,787,711	0	1,787,711	0	1,787,711		
9	Purchased power	2,265,224	103,762 [4]	2,368,986	0	2,368,986	0	2,368,986		
10	Fuel for power production	1,169	(2,740) [4]	(1,571)	0	(1,571)	0	(1,571)		
11	Chemicals	460,830	0	460,830	0	460,830	0	460,830		
12	Materials and supplies	361,116	17,405 [5]	378,521	0	378,521	0	378,521		
13	Testing fees	681,418	0	681,418	0	681,418	0	681,418		
14	Transportation	885,052	0	885,052	0	885,052	0	885,052		
15	Contractual services - engineering	9,986	0	9,986	0	9,986	0	9,986		
16	Contractual services - accounting	135,888	0	135,888	0	135,888	0	135,888		
17	Contractual services - legal	229,662	(994) [6]	228,668	0	228,668	0	228,668		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	2,199,753	(10,697) [7]	2,189,056	0	2,189,056	0	2,189,056		
20	Rent	209,235	0	209,235	0	209,235	0	209,235		
21	Insurance	526,560	(84,422) [2]	442,138	0	442,138	0	442,138		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	333,395	(161,623)	171,772 [14]	0	171,772	0	171,772		
24	Miscellaneous expense	1,122,849	(35,865) [2]	1,086,984	0	1,086,984	0	1,086,984		
25	Interest on customer deposits	23,936	0	23,936	0	23,936	0	23,936		
26	Animalization & consumption adjustments	31,538	26,731	58,269 [15]	0	58,269	0	58,269		
27	Contra-OH Allocations	(1,107,115)	906,206 [2]	(200,909)	0	(200,909)	0	(200,909)		
28	Total O&M and G&A expense	20,474,459	(487,143)	19,987,316	0	19,987,316	0	19,987,316		
29	Depreciation and amortization expense	7,000,969	(230,711) [9]	6,770,258	0	6,770,258	0	6,770,258		
30	Property taxes	534,225	0	534,225	0	534,225	0	534,225		
31	Payroll taxes	639,089	(145,104) [2]	493,985	0	493,985	0	493,985		
32	Other taxes	179,292	0	179,292	0	179,292	0	179,292		
33	Benefit costs - Pension	(504)	0	(504)	0	(504)	0	(504)		
34	Regulatory fee	47,912	461	48,373 [16]	5,204	53,577 [16]	2,418	50,791 [16]		
35	Deferred income tax	0	(75,322) [9]	(75,322)	0	(75,322)	0	(75,322)		
36	State income tax	119,378	39,029	158,407 [17]	99,945	258,352 [21]	46,453	204,860 [26]		
37	Federal income tax	977,708	319,641	1,297,349 [18]	818,558	2,115,907 [22]	380,455	1,677,804 [27]		
38	Total operating revenue deductions	29,972,528	(579,150)	29,393,378	923,707	30,317,085	429,326	29,822,704		
39	Net operating income for return	\$6,882,645	\$933,770	\$7,816,415	\$3,079,335	\$10,895,750	\$1,431,235	\$9,247,650		

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)
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		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]	\$786,623	\$16,394,264 [25]		
2	Late payment fees	18,799	14	18,813 [12]	1,862	20,675 [12]	949	19,762 [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]	(975)	(20,306) [13]		
5	Total operating revenues	15,626,734	12,418	15,639,152	1,544,387	17,183,539	786,597	16,425,749		
	Operating Revenue Deductions:									
6	Salaries and wages	2,556,286	(131,767) [2]	2,424,519	0	2,424,519	0	2,424,519		
7	Employee pensions and benefits	863,123	(166,668) [2]	696,455	0	696,455	0	696,455		
8	Purchased sewer treatment	557,499	12,868	570,367	0	570,367	0	570,367		
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	(263) [6]	64,081	0	64,081	0	64,081		
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	25,773 [2]	177,221	0	177,221	0	177,221		
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	(14,384) [2]	407,765	0	407,765	0	407,765		
26	Interest on customer deposits	683	0	683	0	683	0	683		
27	Animalization & consumption adjustments	55,950	(6,146)	49,804 [15]	0	49,804	0	49,804		
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	(125,264)	8,772,405	0	8,772,405	0	8,772,405		
30	Depreciation and amortization expense	2,588,086	(153,983) [8]	2,434,103	0	2,434,103	0	2,434,103		
31	Property taxes	17,637	0	17,637	0	17,637	0	17,637		
32	Payroll taxes	210,118	(5,034) [2]	205,084	0	205,084	0	205,084		
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]	1,022	21,353 [16]		
36	Deferred income tax	0	(19,888) [9]	(19,888)	0	(19,888)	0	(19,888)		
37	State income tax	60,217	11,588	71,805 [17]	38,559	110,364 [21]	19,639	91,444 [26]		
38	Federal income tax	493,174	94,907	588,081 [18]	315,802	903,883 [22]	160,847	748,928 [27]		
39	Total operating revenue deductions	12,333,876	(197,657)	12,136,219	356,369	12,492,588	181,508	12,317,727		
40	Net operating income for return	\$3,292,858	\$210,075	\$3,502,933	\$1,188,018	\$4,690,951	\$605,089	\$4,108,022		

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
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		Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
Line No.	Item	Amount	Public	Amount	Net	Operations	Net	Operations		
		Per Application	Staff Adjustments [1]	Per 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]	\$11,748	\$1,150,507 [24]		
2	Late payment fees	1,603	18	1,621 [11]	162	1,783 [11]	17	1,638 [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]	(26)	(2,570) [12]		
5	Total operating revenues	1,216,196	12,732	1,228,928	113,903	1,342,831	11,739	1,240,667		
	Operating Revenue Deductions:									
6	Salaries and wages	287,090	(19,414) [2]	267,676	0	267,676	0	267,676		
7	Employee pensions and benefits	94,306	(9,191) [2]	85,115	0	85,115	0	85,115		
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	(76) [5]	17,214	0	17,214	0	17,214		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	154,516	(3,167) [6]	151,349	0	151,349	0	151,349		
20	Rent	14,202	0	14,202	0	14,202	0	14,202		
21	Insurance	31,065	(14,436) [2]	16,629	0	16,629	0	16,629		
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	(1,365) [2]	61,683	0	61,683	0	61,683		
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	(47,500)	780,288	0	780,288	0	780,288		
29	Depreciation and amortization expense	135,547	(2,072) [7]	133,475	0	133,475	0	133,475		
30	Property taxes	30,683	0	30,683	0	30,683	0	30,683		
31	Payroll taxes	25,014	(10,714) [2]	14,300	0	14,300	0	14,300		
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]	15	1,613 [15]		
35	Deferred income tax	0	(5,748) [8]	(5,748)	0	(5,748)	0	(5,748)		
36	State income tax	11,546	(6,925)	4,621 [16]	2,844	7,465 [20]	294	4,915 [25]		
37	Federal income tax	94,077	(56,227)	37,850 [17]	23,291	61,141 [21]	2,400	40,250 [26]		
38	Total operating revenue deductions	1,139,570	(129,169)	1,010,401	26,283	1,036,684	2,709	1,013,110		
39	Net operating income for return	\$76,626	\$141,901	\$218,527	\$87,620	\$306,147	\$9,030	\$227,557		

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)
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Line No.	Item	Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
		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	\$2,201,038	(\$11,449)	\$2,189,589 [11]	\$81,898	\$2,271,487 [11]	(\$42,869)	\$2,146,720 [25]		
3	Late payment fees	2,848	(15)	2,833 [12]	106	2,939 [12]	(56)	2,777 [12]		
4	Miscellaneous revenues	40	0	40	0	40	0	40		
5	Uncollectibles	(6,438)	25	(6,413) [13]	(239)	(6,652) [13]	126	(6,287) [13]		
	Total operating revenues	2,197,488	(11,439)	2,186,049	81,765	2,267,814	(42,799)	2,143,250		
6	Operating Revenue Deductions:									
7	Salaries and wages	250,681	(15,100) [2]	235,581	0	235,581	0	235,581		
8	Employee pensions and benefits	84,255	(10,248) [2]	74,007	0	74,007	0	74,007		
9	Purchased sewer treatment	5,320	0	5,320	0	5,320	0	5,320		
10	Sludge removal	170,439	(444) [3]	169,995	0	169,995	0	169,995		
11	Purchased power	112,298	(4,309) [4]	107,989	0	107,989	0	107,989		
12	Fuel for power production	(374)	1,943 [4]	1,569	0	1,569	0	1,569		
13	Chemicals	28,526	0	28,526	0	28,526	0	28,526		
14	Materials and supplies	12,396	2,107 [5]	14,503	0	14,503	0	14,503		
15	Testing fees	14,853	(1,005) [3]	13,848	0	13,848	0	13,848		
16	Transportation	23,554	0	23,554	0	23,554	0	23,554		
17	Contractual services - engineering	207	0	207	0	207	0	207		
18	Contractual services - accounting	6,544	0	6,544	0	6,544	0	6,544		
19	Contractual services - legal	11,068	(48) [6]	11,020	0	11,020	0	11,020		
20	Contractual services - management fees	0	0	0	0	0	0	0		
21	Contractual services - other	148,209	(352) [7]	147,857	0	147,857	0	147,857		
22	Rent	8,916	0	8,916	0	8,916	0	8,916		
23	Insurance	21,827	42 [2]	21,869	0	21,869	0	21,869		
24	Advertising	0	0	0	0	0	0	0		
25	Regulatory commission expense	15,732	(7,380)	8,352 [14]	0	8,352	0	8,352		
26	Miscellaneous expense	54,868	(1,048) [2]	53,820	0	53,820	0	53,820		
27	Interest on customer deposits	8	0	8	0	8	0	8		
28	Animalization & consumption adjustments	3,543	(13,864)	(10,321) [15]	0	(10,321)	0	(10,321)		
29	Contra-OH Allocations	(15,643)	12,836 [2]	(2,807)	0	(2,807)	0	(2,807)		
30	Total O&M and G&A expense	957,227	(36,870)	920,357	0	920,357	0	920,357		
31	Depreciation and amortization expense	356,348	(13,824) [8]	342,524	0	342,524	0	342,524		
32	Property taxes	2,322	0	2,322	0	2,322	0	2,322		
33	Payroll taxes	18,895	(3,712) [2]	15,183	0	15,183	0	15,183		
34	Other taxes	8,619	0	8,619	0	8,619	0	8,619		
35	Benefit costs - Pension	(137)	0	(137)	0	(137)	0	(137)		
36	Regulatory fee	2,857	(15)	2,842 [16]	106	2,948 [16]	(56)	2,786 [16]		
37	Deferred income tax	0	(3,662) [9]	(3,662)	0	(3,662)	0	(3,662)		
38	State income tax	15,067	1,800	16,867 [17]	2,042	18,909 [21]	(1,068)	15,799 [26]		
	Federal income tax	123,400	14,743	138,143 [18]	16,720	154,863 [22]	(8,751)	129,392 [27]		
39	Total operating revenue deductions	1,484,598	(41,540)	1,443,058	18,868	1,461,926	(9,875)	1,433,183		
40	Net operating income for return	\$712,890	\$30,101	\$742,991	\$62,897	\$805,888	(\$32,924)	\$710,067		

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
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		Present Rates			Company Proposed Rates			Public Staff Recommended Rates					
Line No.	Item	Amount	Public	Amount	Net	Operations	Net	Operations					
		Per	Staff	Per	Company	After	Public Staff	After					
		Application	Adjustments	Public Staff	Increase	Increase	Increase	Increase					
		(a)	(b)	(c)	(d)	(e)	(f)	(g)					
	Operating Revenues:												
1	Service revenues	\$5,759,416	\$17,784	\$5,777,200	[10]	\$1,026,049	\$6,803,249	[10]	\$629,542	\$6,406,742	[24]		
2	Late payment fees	19,388	60	19,448	[11]	3,454	22,902	[11]	2,120	21,568	[11]		
3	Miscellaneous revenues	387,788	0	387,788		0	387,788		0	387,788			
4	Uncollectibles	(134,999)	(873)	(135,872)	[12]	(24,132)	(160,004)	[12]	(14,806)	(150,678)	[12]		
5	Total operating revenues	6,031,593	16,971	6,048,564		1,005,371	7,053,935		616,856	6,665,420			
	Operating Revenue Deductions:												
6	Salaries and wages	899,877	(67,852)	[2]	832,025	0	832,025		0	832,025			
7	Employee pensions and benefits	318,251	(54,306)	[2]	263,945	0	263,945		0	263,945			
8	Purchased water	264,334	0		264,334	0	264,334		0	264,334			
9	Purchased power	261,945	9,055	[3]	271,000	0	271,000		0	271,000			
10	Fuel for power production	901	(1,514)	[3]	(613)	0	(613)		0	(613)			
11	Chemicals	296,803	0		296,803	0	296,803		0	296,803			
12	Materials and supplies	23,009	11,210	[4]	34,219	0	34,219		0	34,219			
13	Testing fees	65,937	0		65,937	0	65,937		0	65,937			
14	Transportation	77,214	0		77,214	0	77,214		0	77,214			
15	Contractual services - engineering	966	0		966	0	966		0	966			
16	Contractual services - accounting	30,606	0		30,606	0	30,606		0	30,606			
17	Contractual services - legal	51,754	(220)	[5]	51,534	0	51,534		0	51,534			
18	Contractual services - management fees	0	0		0	0	0		0	0			
19	Contractual services - other	722,214	5,396	[6]	727,610	0	727,610		0	727,610			
20	Rent	20,732	0		20,732	0	20,732		0	20,732			
21	Insurance	95,236	(29,891)	[2]	65,345	0	65,345		0	65,345			
22	Advertising	0	0		0	0	0		0	0			
23	Regulatory commission expense	74,085	(36,113)		37,972	[13]	0		37,972	0			
24	Miscellaneous expense	194,721	(3,212)	[2]	191,509	0	191,509		0	191,509			
25	Interest on customer deposits	5,549	0		5,549	0	5,549		0	5,549			
26	Animalization & consumption adjustments	1,301	5,698		6,999	[14]	0		6,999	0			
27	Contra-OH Allocations	(96,993)	79,093	[2]	(17,900)	0	(17,900)		0	(17,900)			
28	Total O&M and G&A expense	3,308,442	(82,656)		3,225,786	0	3,225,786		0	3,225,786			
29	Depreciation and amortization expense	1,161,134	(107,768)	[7]	1,053,366	0	1,053,366		0	1,053,366			
30	Property taxes	93,160	0		93,160	0	93,160		0	93,160			
31	Payroll taxes	68,724	(24,718)	[2]	44,006	0	44,006		0	44,006			
32	Other taxes	40,396	0		40,396	0	40,396		0	40,396			
33	Benefit costs - Pension	11	0		11	0	11		0	11			
34	Regulatory fee	7,841	22		7,863	[15]	1,307		9,170	[15]	8,665	[15]	
35	Deferred income tax	0	(16,651)	[8]	(16,651)	0	(16,651)		0	(16,651)			
36	State income tax	18,129	7,225		25,354	[16]	25,101		50,455	[20]	15,401	40,755	[25]
37	Federal income tax	148,480	59,166		207,646	[17]	205,582		413,228	[21]	126,137	333,783	[26]
38	Total operating revenue deductions	4,846,317	(165,380)		4,680,937		231,990		4,912,927		142,340	4,823,277	
39	Net operating income for return	\$1,185,276	\$182,351		\$1,367,627		\$773,381		\$2,141,008		\$474,516	\$1,842,143	

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
Revised

- [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 5, 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)
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Revised

- [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 5, 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
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- [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 5, 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
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Page 2 of 2
Revised

- [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 5, 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
Revised

- [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 5, 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
Revised

Line No.	<u>Item</u>	<u>Aqua Water</u> [1] (a)	<u>Aqua Sewer</u> [1] (b)	<u>Fairways Water</u> [1] (c)	<u>Fairways Sewer</u> [1] (d)	<u>Brookwood Water</u> [1] (e)	<u>Total</u> [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
Revised

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	Remove legal fees for Sub 497 rate case	<u>(\$994)</u>	<u>(\$263)</u>	<u>(\$76)</u>	<u>(\$48)</u>	<u>(\$220)</u>	<u>(\$1,601) [3]</u>

[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
Revised

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	(15,000) [3]	0	0	0	0	(15,000)
4	Adjustment to include	46,398	0	46	0	14,702	61,146
5	Adjustment to contract services other (Sum of L1 thru L4)	<u>(\$10,697)</u>	<u>(\$29,781)</u>	<u>(\$3,167)</u>	<u>(\$352)</u>	<u>\$5,396</u>	<u>(\$38,601)</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
Revised

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment (b)	[1] 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)
Revised

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)
Revised

Line No.	Item	Annualization Factors				Consumption Factor [1]		
		Bills for Test Year 9/30/2017	[1]	Pro Forma Bills per Public Staff	[1]		Annualization 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%	-2.20%	
3.	Fairways water	56,499		57,900		2.48%	-8.13%	
4.	Fairways sewer	36,107		36,696		1.63%	-4.90%	
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)
Revised

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	(\$24,271)	\$24,045
2	Fuel for production	19,318 [1]	885	(444)	441
3	Sludge removal	590,239 [1]	27,033	(13,580)	13,453
4	Chemicals	520,589 [1]	23,843	(11,978)	11,865
5	Total - Aqua sewer	<u>\$2,185,075</u>	<u>\$100,077</u>	<u>(\$50,273)</u>	<u>\$49,804</u>
	<u>Fairways sewer</u>				
6	Purchased power	\$107,989 [2]	\$1,760	(\$5,378)	(\$3,618)
7	Fuel for production	1,569 [2]	26	(78)	(52)
8	Sludge removal	169,995 [2]	2,771	(8,466)	(5,695)
9	Chemicals	28,526 [2]	465	(1,421)	(956)
10	Total - Fairways sewer	<u>\$308,079</u>	<u>\$5,022</u>	<u>(\$15,343)</u>	<u>(\$10,321)</u>
	<u>Factors to be applied per Public Staff:</u>				
11	Aqua sewer		4.58% [4]	-2.20% [4]	
12	Fairways sewer		1.63% [4]	-4.90% [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
Revised

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
	<u>Depreciation expense</u>					
1	Adjustment to include post test year additions	(\$109,823) [1]	(\$61,673) [1]	(\$2,747) [1]	(\$5,890) [1]	(\$82,479) [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	0	0 [6]	0	0	0
4	Total adjustment to depreciation expense	<u>(129,897)</u>	<u>(53,669)</u>	<u>963</u>	<u>(3,476)</u>	<u>(76,533)</u>
	<u>CIAC amortization expense</u>					
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	0	0 [7]	0	0	0
7	Adjustment to tank painting	26,997	0	0	0	9,862 [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>(104,355)</u>	<u>(100,314)</u>	<u>(3,035)</u>	<u>(10,348)</u>	<u>(31,235)</u>
	<u>Amortization of acquisition adjustments</u>					
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>(\$230,711)</u></u>	<u><u>(\$153,983)</u></u>	<u><u>(\$2,072)</u></u>	<u><u>(\$13,824)</u></u>	<u><u>(\$107,768)</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)
Revised

Line No.	Item	Present Rates (a)	[1]	Company Proposed Rates (b)	[3]	Public Staff Recommended Rates (c)	[5]
1.	Operating revenue	<u>\$37,209,793</u>		<u>\$41,212,835</u>		<u>\$39,070,354</u>	
	Operating revenue deductions:						
2.	O&M and G&A expense	19,987,316		19,987,316		19,987,316	
3.	Depreciation and amortization expense	6,770,258		6,770,258		6,770,258	
4.	Property taxes	534,225		534,225		534,225	
5.	Payroll taxes	493,985		493,985		493,985	
6.	Other taxes	179,292		179,292		179,292	
7.	Benefit costs - Pension	(504)		(504)		(504)	
8.	Regulatory fee	48,373		53,577		50,791	
9.	Gross receipts tax	0		0		0	
10.	Interest expense	<u>2,860,588</u>	[2]	<u>2,860,588</u>	[4]	<u>2,860,588</u>	[6]
11.	Total deductions (Sum of L2 thru L10)	<u>30,873,532</u>		<u>30,878,736</u>		<u>30,875,950</u>	
12.	Taxable income (L1 - L11)	<u>6,336,261</u>		<u>10,334,099</u>		<u>8,194,404</u>	
13.	State income tax (L12 x 2.50%)	<u>158,407</u>		<u>258,352</u>		<u>204,860</u>	
14.	Federal taxable income (L12 - L13)	<u>6,177,854</u>		<u>10,075,747</u>		<u>7,989,544</u>	
15.	Federal income tax (L14 x 21.00%)	<u>1,297,349</u>		<u>2,115,907</u>		<u>1,677,804</u>	
16.	Excess deferred income tax amortization	<u>(75,322)</u>		<u>(75,322)</u>		<u>(75,322)</u>	
17.	Net amount (L12 - L13 - L15 - L16)	4,955,827		8,035,162		6,387,062	
18.	Add: interest expense	<u>2,860,588</u>	[2]	<u>2,860,588</u>	[4]	<u>2,860,588</u>	[6]
19.	Net income for return (L17 + L18)	<u>\$7,816,415</u>		<u>\$10,895,750</u>		<u>\$9,247,650</u>	

[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)
Revised

Line No.	Item	Present Rates (a)	[1]	Company Proposed Rates (b)	[3]	Public Staff Recommended Rates (c)	[5]
1.	Operating revenue	<u>\$15,639,152</u>		<u>\$17,183,539</u>		<u>\$16,425,749</u>	
	Operating revenue deductions:						
2.	O&M and G&A expense	8,772,405		8,772,405		8,772,405	
3.	Depreciation and amortization expense	2,434,103		2,434,103		2,434,103	
4.	Property taxes	17,637		17,637		17,637	
5.	Payroll taxes	205,084		205,084		205,084	
6.	Other taxes	47,134		47,134		47,134	
7.	Benefit costs - Pension	(474)		(474)		(474)	
8.	Regulatory fee	20,331		22,339		21,353	
9.	Gross receipts tax	0		0		0	
10.	Interest expense	<u>1,270,740</u>	[2]	<u>1,270,740</u>	[4]	<u>1,270,740</u>	[6]
11.	Total deductions (Sum of L2 thru L10)	<u>12,766,961</u>		<u>12,768,969</u>		<u>12,767,983</u>	
12.	Taxable income (L1 - L11)	<u>2,872,191</u>		<u>4,414,570</u>		<u>3,657,766</u>	
13.	State income tax (L12 x 2.50%)	<u>71,805</u>		<u>110,364</u>		<u>91,444</u>	
14.	Federal taxable income (L12 - L13)	<u>2,800,386</u>		<u>4,304,206</u>		<u>3,566,322</u>	
15.	Federal income tax (L14 x 21.00%)	<u>588,081</u>		<u>903,883</u>		<u>748,928</u>	
16.	Excess deferred income tax amortization	(19,888)		(19,888)		(19,888)	
17.	Net amount (L12 - L13 - L15 - L16)	2,232,193		3,420,211		2,837,282	
18.	Add: interest expense	<u>1,270,740</u>	[2]	<u>1,270,740</u>	[4]	<u>1,270,740</u>	[6]
19.	Net income for return (L17 + L18)	<u>\$3,502,933</u>		<u>\$4,690,951</u>		<u>\$4,108,022</u>	

[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)
Revised

Line No.	Item	Present Rates (a)	[1]	Company Proposed Rates (b)	[3]	Public Staff Recommended Rates (c)	[5]
1.	Operating revenue	<u>\$1,228,928</u>		<u>\$1,342,831</u>		<u>\$1,240,667</u>	
	Operating revenue deductions:						
2.	O&M and G&A expense	780,288		780,288		780,288	
3.	Depreciation and amortization expense	133,475		133,475		133,475	
4.	Property taxes	30,683		30,683		30,683	
5.	Payroll taxes	14,300		14,300		14,300	
6.	Other taxes	13,481		13,481		13,481	
7.	Benefit costs - Pension	(147)		(147)		(147)	
8.	Regulatory fee	1,598		1,746		1,613	
9.	Gross receipts tax	0		0		0	
10.	Interest expense	<u>70,390</u>	[2]	<u>70,390</u>	[4]	<u>70,390</u>	[6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,044,068</u>		<u>1,044,216</u>		<u>1,044,083</u>	
12.	Taxable income (L1 - L11)	<u>184,860</u>		<u>298,615</u>		<u>196,584</u>	
13.	State income tax (L12 x 2.50%)	<u>4,621</u>		<u>7,465</u>		<u>4,915</u>	
14.	Federal taxable income (L12 - L13)	<u>180,239</u>		<u>291,150</u>		<u>191,669</u>	
15.	Federal income tax (L14 x 21.00%)	<u>37,850</u>		<u>61,141</u>		<u>40,250</u>	
16.	Excess deferred income tax amortization	<u>(5,748)</u>		<u>(5,748)</u>		<u>(5,748)</u>	
17.	Net amount (L12 - L13 - L15 - L16)	148,137		235,757		157,167	
18.	Add: interest expense	<u>70,390</u>	[2]	<u>70,390</u>	[4]	<u>70,390</u>	[6]
19.	Net income for return (L17 + L18)	<u><u>\$218,527</u></u>		<u><u>\$306,147</u></u>		<u><u>\$227,557</u></u>	

[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)
Revised

Line No.	Item	Present Rates (a)	[1]	Company Proposed Rates (b)	[3]	Public Staff Recommended Rates (c)	[5]
1.	Operating revenue	<u>\$2,186,049</u>		<u>\$2,267,814</u>		<u>\$2,143,250</u>	
	Operating revenue deductions:						
2.	O&M and G&A expense	920,357		920,357		920,357	
3.	Depreciation and amortization expense	342,524		342,524		342,524	
4.	Property taxes	2,322		2,322		2,322	
5.	Payroll taxes	15,183		15,183		15,183	
6.	Other taxes	8,619		8,619		8,619	
7.	Benefit costs - Pension	(137)		(137)		(137)	
8.	Regulatory fee	2,842		2,948		2,786	
9.	Gross receipts tax	0		0		0	
10.	Interest expense	<u>219,646</u>	[2]	<u>219,646</u>	[4]	<u>219,646</u>	[6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,511,356</u>		<u>1,511,462</u>		<u>1,511,300</u>	
12.	Taxable income (L1 - L11)	<u>674,693</u>		<u>756,352</u>		<u>631,950</u>	
13.	State income tax (L12 x 2.50%)	<u>16,867</u>		<u>18,909</u>		<u>15,799</u>	
14.	Federal taxable income (L12 - L13)	<u>657,826</u>		<u>737,443</u>		<u>616,151</u>	
15.	Federal income tax (L14 x 21.00%)	<u>138,143</u>		<u>154,863</u>		<u>129,392</u>	
16.	Excess deferred income tax amortization	<u>(3,662)</u>		<u>(3,662)</u>		<u>(3,662)</u>	
17.	Net amount (L12 - L13 - L15 - L16)	523,345		586,242		490,421	
18.	Add: interest expense	<u>219,646</u>	[2]	<u>219,646</u>	[4]	<u>219,646</u>	[6]
19.	Net income for return (L17 + L18)	<u><u>\$742,991</u></u>		<u><u>\$805,888</u></u>		<u><u>\$710,067</u></u>	

[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)
Revised

<u>Line No.</u>	<u>Item</u>	<u>Present Rates</u> [1] (a)	<u>Company Proposed Rates</u> [3] (b)	<u>Public Staff Recommended Rates</u> [5] (c)
1.	Operating revenue	<u>\$6,048,564</u>	<u>\$7,053,935</u>	<u>\$6,665,420</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	3,225,786	3,225,786	3,225,786
3.	Depreciation and amortization expense	1,053,366	1,053,366	1,053,366
4.	Property taxes	93,160	93,160	93,160
5.	Payroll taxes	44,006	44,006	44,006
6.	Other taxes	40,396	40,396	40,396
7.	Benefit costs - Pension	11	11	11
8.	Regulatory fee	7,863	9,170	8,665
9.	Gross receipts tax	0	0	0
10.	Interest expense	<u>569,832</u> [2]	<u>569,832</u> [4]	<u>569,832</u> [6]
11.	Total deductions (Sum of L2 thru L10)	<u>5,034,420</u>	<u>5,035,727</u>	<u>5,035,222</u>
12.	Taxable income (L1 - L11)	<u>1,014,144</u>	<u>2,018,208</u>	<u>1,630,198</u>
13.	State income tax (L12 x 2.50%)	<u>25,354</u>	<u>50,455</u>	<u>40,755</u>
14.	Federal taxable income (L12 - L13)	<u>988,790</u>	<u>1,967,753</u>	<u>1,589,443</u>
15.	Federal income tax (L14 x 21.00%)	<u>207,646</u>	<u>413,228</u>	<u>333,783</u>
16.	Excess deferred income tax amortization	<u>(16,651)</u>	<u>(16,651)</u>	<u>(16,651)</u>
17.	Net amount (L12 - L13 - L15 - L16)	797,795	1,571,176	1,272,311
18.	Add: interest expense	<u>569,832</u> [2]	<u>569,832</u> [4]	<u>569,832</u> [6]
19.	Net income for return (L17 + L18)	<u><u>\$1,367,627</u></u>	<u><u>\$2,141,008</u></u>	<u><u>\$1,842,143</u></u>

[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
Revised

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 9.40%	(629,832)	(282,543)	(15,458)	(48,875)	(123,172)	(1,099,880)
5	Adjustment to post test year additions to plant in service	(223,380)	(82,346)	(788)	(17,660)	(232,767)	(556,941)
6	Adjustment to allocate vehicle purchased	(42,435)	18,194	7,491	4,877	11,873	0
7	Adjustment to post test year additions to A/D	13,852	(29,282)	(2,263)	(3,844)	118,220	96,683
8	Adjustment to remove A/D related to future customers	321	0	0	0	0	321
9	Adjustment to A/D for vehicle allocations	1,643	(655)	(304)	(198)	(486)	0
10	Adjustment to A/D for WSIC/SSIC in service date	(3,210)	(996)	0	0	(249)	(4,455)
11	Adjustment to post test year additions to CIAC	(106,527)	(126,451)	(13,679)	(19,319)	(383)	(266,359)
12	Adjustment to post test year additions to accumulated amortization - CIAC	37,976	49,535	4,782	4,568	3,173	100,034
13	Adjustment to post test year additions PAA	2,626	0	0	0	0	2,626
14	Adjustment for Mid South growth related PAA to 03/31/20	4,834	0	0	0	0	4,834
15	Adjustment to post test year additions accumulated amortization - PAA	(1,291)	1,964	0	0	(5)	668
16	Adjustment to update advances for construction to 03/31/20	5,991	13,107	565	0	0	19,663
17	Adjustment to ADIT - post test year additions	(7,133)	15,358	(553)	344	22,811	30,827
18	Adjustment to ADIT - unamortized rate case expense	622	1,639	(318)	254	8	2,205
19	Adjustment to ADIT - unamortized repair tax credit	(1,132)	(362)	(29)	(31)	(180)	(1,734)
20	Adjustment to ADIT - protected EDIT	6,190	1,634	472	301	1,368	9,965
21	Adjustment to update customer deposits to 03/31/20	184	66	18	0	99	367
22	Adjustment to remove excess capacity	0	0	0	0	0	0
23	Adjustment to cash working capital	(4,363)	(1,419)	(488)	(379)	(849)	(7,498)
24	Adjustment to tank painting	36,521	0	(307)	0	26,464	62,678
25	Adjustment to remove unamortized rate case expense	(12,276)	(3,090)	(881)	(560)	(2,744)	(19,551)
26	Adjustment to depreciation study	607	153	44	28	137	969
27	Adjustment to repair tax credit	2	6	(1)	(5)	4	6
28	Adjustment to remove JoCO unamortized transmission charge	0	(55,997)	0	0	0	(55,997)
29	Adjustment to remove JoCO transmission revenue deficit	0	(32,309)	0	0	0	(32,309)
30	Adjustment to remove deferred accounting on post test year additions	(148,651)	(65,111)	(229)	(7,461)	(54,484)	(275,936)
31	Adjustment to average tax accruals	(112)	(69)	1	(6)	(7)	(193)
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
Revised

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 capitalized 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	(146,782)	(53,895)	(4,235)	(4,191)	(13,172)	(222,275)
38	Adjustment to remove leave without pay	(3,330)	(1,223)	(96)	(95)	(299)	(5,043)
39	Adjustment to reflect actual standby and overtime salaries and wages	(26,624)	21,427	351	134	2,933	(1,779)
40	Adjustment to remove bonuses related to EPS	0	0	0	0	0	0
41	Adjustment to allocate executive compensation to shareholders	(116,023)	(30,489)	(8,706)	(5,560)	(26,161)	(186,939)
42	Adjustment to reflect allocation from Corp Serv & ACO	(57,504)	(14,642)	(4,169)	(2,604)	(13,132)	(92,051)
43	Adjustment to remove capitalized 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	(80,884)	(29,660)	(2,298)	(2,433)	(6,981)	(122,256)
45	Adjustment to reflect benefits allocated from Corporate Services	0	0	0	0	0	0
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	(994)	(263)	(76)	(48)	(220)	(1,601)
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	(15,020)	0	0	0	0	(15,020)
56	Adjustment to insurance	(84,532)	25,807	(14,455)	42	(29,930)	(103,068)
57	Adjustment regulatory commission expense	(161,833)	(40,777)	(11,628)	(7,390)	(36,160)	(257,788)
58	Adjustment to remove capitalized miscellaneous expense	(8,530)	(4,181)	(643)	(287)	(944)	(14,585)
59	Adjustment to remove 25% BOD compensation from miscellaneous exp.	(20,484)	(7,542)	(590)	(590)	(1,831)	(31,037)
60	Adjustment to remove 25% BOD expenses from miscellaneous expense	(374)	(957)	363	145	1,001	178
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	(6,154)	1,715	(13,882)	5,705	14,150
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	(145,293)	(5,041)	(10,728)	(3,717)	(24,750)	(189,529)
66	Adjustment to purchased water	(62,448)	0	0	0	0	(62,448)
67	Adjustment to contract services - other- Temporary labor	46,458	0	46	0	14,721	61,225
68	Adjustment to purchased sewer	0	12,885	0	0	0	12,885
69	Rounding difference	(11)	(18)	4	(2)	(1)	(28)
70	Revenue impact of Public Staff adjustments	(2,183,861)	(758,501)	(101,550)	(124,968)	(385,013)	(3,553,893)
71	Increase / (decrease) per Public Staff	<u>\$1,860,561</u>	<u>\$786,597</u>	<u>\$11,739</u>	<u>(\$42,799)</u>	<u>\$616,856</u>	<u>\$3,232,954</u>
66-a	Adjustment to purchased waste water treatment price increase						
66-b	Add back temporary labor used to fill vacancies						

[1] Calculated by the Public Staff.

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

INDEX TO FEASEL EXHIBIT I

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3	ADJUSTMENT TO AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT (PAA) AND ACQUISITION INCENTIVE ADJUSTMENT (AIA)	3
4	ADJUSTMENT TO SALARIES AND WAGES	4
5	ADJUSTMENT TO EMPLOYEE PENSIONS AND BENEFITS	5
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7	CALCULATION OF INSURANCE EXPENSE FOR NORTH CAROLINA	6-1
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AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
ADJUSTMENT TO ACCUMULATED DEFERRED INCOME TAX
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 1
Revised

Line No.	Item	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)
1	ADIT per application	<u>(\$7,472,043)</u>	<u>(\$15,202,768)</u>	<u>(\$3,366,677)</u>	<u>(\$1,233,642)</u>	<u>(\$374,842)</u>
2	Adjustment for unamortized rate case expense	19,943 [1]	7,564 [1]	97 [1]	3,088 [1]	(3,870) [1]
3	Adjustment to remove post test year additions in the application	643,192 [2]	726,484 [2]	430,644 [2]	73,462 [2]	13,552 [2]
4	Adjustment to add in updated post test year additions through March 31, 2020	(456,301) [3]	(813,286) [3]	(153,062) [3]	(69,279) [3]	(20,283) [3]
5	Adjustment for unamortized repair tax credit	(4,406) [4]	(13,773) [4]	(2,186) [4]	(382) [4]	(347) [4]
6	Adjustment for excess deferred income tax	19,888 [5]	75,322 [5]	16,651 [5]	3,662 [5]	5,748 [5]
7	Adjustment to ADIT (Sum of L2 thru L6)	<u>222,316</u>	<u>(17,689)</u>	<u>292,144</u>	<u>10,551</u>	<u>(5,200)</u>
8	ADIT per Public Staff (L1 + L7)	<u>(\$7,249,727)</u>	<u>(\$15,220,457)</u>	<u>(\$3,074,533)</u>	<u>(\$1,223,091)</u>	<u>(\$380,042)</u>

[1] Unamortized rate case expense amount provided by Public Staff Accountant Henry.

[2] W-1 Item 13, NC Rate Case - Item 13 Taxes 093019 Updated for PTY Adds.

[3] Company's response to data request 74 ADIT Follow-up, NC Rate Case - Item 13 Taxes 093019 with Support revised 04.20.2020.

[4] Net of tax amount provided by Public Staff Accountant Henry.

[5] Excess deferred income tax amount provided by Public Staff Accountant Henry.

AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
**ADJUSTMENT TO PLANT ACQUISITION ADJUSTMENT (PAA),
NET ACQUISITION INCENTIVE ADJUSTMENTS (AIA)
AND ACCUMULATED AMORTIZATION OF PAA**
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 2
Revised

Line No.	Item	Aqua Sewer [1] (a)	Aqua Water [1] (b)	Brookwood Water [1] (c)	Fairways Sewer [1] (d)	Fairways Water [1] (e)
1	Plant Acquisition Adjustment (PAA) per application	<u>(\$4,002,510)</u>	<u>\$6,102,179</u>	<u>(\$31,426)</u>	<u>\$0</u>	<u>\$0</u>
2	Adjustment to remove post test year PAA additions per application		(5,850)			
3	Adjustment to reflect AIA through March 31, 2020		58,831			
4	Adjustment for post test year PAA additions through March 31, 2020		37,800			
5	Adjustment to PAA (Sum of L2 thru L4)	<u>0</u>	<u>90,781</u>	<u>0</u>	<u>0</u>	<u>0</u>
6	Plant Acquisition Adjustment (PAA) per Public Staff (L1 + L5)	<u>(\$4,002,510)</u>	<u>\$6,192,960</u>	<u>(\$31,426)</u>	<u>\$0</u>	<u>\$0</u>
7	Accumulated Amortization of PAA per application	<u>\$3,072,970</u>	<u>(\$2,374,213)</u>	<u>\$29,053</u>	<u>\$0</u>	<u>\$0</u>
8	Adjustment to remove post test year accumulated ammortization of PAA per application		176			
9	Adjustment to remove accumulated amortization proforma per application	(3,072,969)	2,374,037	(29,053)		
10	Adjustment for post test year accumulated amortization of PAA per Public Staff		(253)			
11	Adjustment to add accumulated amortization calculated per Public Staff	<u>3,096,867</u>	<u>(2,432,816)</u>	<u>28,995</u>		
12	Adjustment to accumulated amortization of PAA (Sum of L8 thru L11)	<u>23,898</u>	<u>(58,856)</u>	<u>(58)</u>	<u>0</u>	<u>0</u>
13	Accumulated Amortization of PAA per Public Staff (L7 + L12)	<u>\$3,096,868</u>	<u>(\$2,433,069)</u>	<u>\$28,995</u>	<u>\$0</u>	<u>\$0</u>

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

AQUA NORTH CAROLINA, INC.

Docket No. W-218 Sub 526

**ADJUSTMENT TO AMORTIZATION OF PLANT ACQUISITION ADJUSTMENT (PAA)
AND ACQUISITION INCENTIVE ADJUSTMENT (AIA)**

For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 3
Revised

Line No.	Item	Aqua Sewer [1] (a)	Aqua Water [1] (b)	Brookwood Water [1] (c)	Fairways Sewer [1] (d)	Fairways Water [1] (e)
1	Amortization of Plant Acquisition Adjustment (PAA) and Acquisition Incentive Adjustment (AIA) for account 406000 per application	<u>\$ (95,151)</u>	<u>\$ 255,592</u>	<u>\$229</u>	<u>\$0</u>	<u>\$0</u>
2	Adjustment to reflect amortization expense of PAA and AIA through March 31, 2020	<u>-</u>	<u>3,541</u>	<u>-</u>	<u>-</u>	<u>-</u>
3	Adjustment to amortization of PAA and AIA for account 406000 (L3)	<u>0</u>	<u>3,541</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	Amortization of Plant Acquisition Adjustment (PAA) and Acquisition Incentive Adjustment (AIA) for account 406000 per Public Staff (L1 + L3)	<u>\$ (95,151)</u>	<u>\$ 259,133</u>	<u>\$229</u>	<u>\$0</u>	<u>\$0</u>

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

AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
ADJUSTMENT TO SALARIES AND WAGES
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 4
Revised

Line No.	Item	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)
1	Salaries and wages per application	<u>\$2,556,286</u>	<u>\$7,594,193</u>	<u>\$899,877</u>	<u>\$250,681</u>	<u>\$287,090</u>
2	Less capitalized time credit-labor	(53,048) [1]	(215,603) [1]	(18,216) [1]	(2,799) [1]	(2,625) [1]
3	Add transportation regular payroll expense		584 [1]	131 [1]		44 [1]
4	Adjustment to update salaries and wages through March 31, 2020	(53,825) [2]	(146,591) [2]	(13,155) [2]	(4,186) [2]	(4,229) [2]
5	Adjustment to remove leave without pay	(1,221) [3]	(3,326) [3]	(299) [3]	(95) [3]	(96) [3]
6	Adjustment to reflect actual OT pay for active employees	21,399 [4]	(26,589) [4]	2,929 [4]	134 [4]	351 [4]
7	Adjustment to allocate executive compensation to shareholders	(30,449) [5]	(115,872) [5]	(26,127) [5]	(5,553) [5]	(8,694) [5]
8	Adjustment to reflect allocation from Corporate Service for the active employees	(10,753) [5]	(40,896) [5]	(9,215) [5]	(1,965) [5]	(3,074) [5]
9	Adjustment to reflect allocation from Aqua Customer Operation (ACO) for the active employees	(3,870) [6]	(16,533) [6]	(3,900) [6]	(636) [6]	(1,090) [6]
10	Adjustment to salaries and wages (Sum of L2 thru L9)	<u>(131,767)</u>	<u>(564,826)</u>	<u>(67,852)</u>	<u>(15,100)</u>	<u>(19,413)</u>
11	Salaries and wages per Public Staff (L1 + L10)	<u><u>\$2,424,519</u></u>	<u><u>\$7,029,367</u></u>	<u><u>\$832,025</u></u>	<u><u>\$235,581</u></u>	<u><u>\$267,677</u></u>

- [1] Exhibit B1/B2 labor expense-summary by rate division and GL account.
[2] Calculated by the Public Staff based on Company's responses to data request 25, item 4.
[3] Calculated by the Public Staff based on Company's responses to data request 11, item 2.
[4] Calculated based on the Company's updated information.
[5] Calculated by the Public Staff based on Company's responses to data request 25, item 2.
[6] Calculated by the Public Staff based on Company's responses to data request 25, item 3.

AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
ADJUSTMENT TO EMPLOYEE PENSIONS AND BENEFITS
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 5
Revised

Line No.	Item	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)
1	Employee pensions and benefits per application	<u>\$863,123</u>	<u>\$2,659,692</u>	<u>\$318,251</u>	<u>\$84,255</u>	<u>\$94,306</u>
2	Less capitalized time credit-benefits	(132,232) [1]	(525,699) [1]	(46,264) [1]	(7,461) [1]	(6,539) [1]
3	Adjustment to update pensions and benefits through 3/31/2020	(29,621) [2]	(80,779) [2]	(6,972) [2]	(2,430) [2]	(2,295) [2]
5	Adjustment to remove unqualified benefit from Corporate Sundries	(4,815) [3]	(11,235) [3]	(1,070) [3]	(357) [3]	(357) [3]
6	Adjustment to pensions and benefits (Sum of L2 thru L5)	<u>(166,668)</u>	<u>(617,713)</u>	<u>(54,306)</u>	<u>(10,248)</u>	<u>(9,191)</u>
7	Employee Pension and benefits per Public Staff (L1 + L6)	<u><u>\$696,455</u></u>	<u><u>\$2,041,979</u></u>	<u><u>\$263,945</u></u>	<u><u>\$74,007</u></u>	<u><u>\$85,115</u></u>

[1] Exhibit B3-a benefit expense-summary by rate division/GL account.

[2] Calculated by the Public Staff based on Company's responses to data request 23, item 10 and item 11.

[3] Calculated by the Public Staff based on Company's responses to data request 78, item 2.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
ADJUSTMENT TO INSURANCE EXPENSE
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 6
Revised

Line No.	Item	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)	Total (f) [5]
1	Workers compensation premium	\$11,423 [1]	\$27,165 [1]	\$2,546 [1]	\$865 [1]	\$831 [1]	\$42,830
2	Automobile premium	3,552 [2]	13,451 [2]	2,973 [2]	654 [2]	1,026 [2]	21,656
3	General liability premium	12,906 [1]	30,694 [1]	2,877 [1]	977 [1]	939 [1]	48,393
4	Property insurance	36,163 [2]	79,832 [2]	15,319 [2]	6,334 [2]	1,978 [2]	139,626
5	Umbrella premium	37,408 [3]	99,101 [3]	16,622 [3]	5,193 [3]	4,392 [3]	162,717
6	Marsh fees	8,950 [1]	21,285 [1]	1,995 [1]	677 [1]	651 [1]	33,559
7	Executive risk	14,655 [1]	34,854 [1]	3,267 [1]	1,109 [1]	1,066 [1]	54,952
8	Pollution insurance	4,751 [4]	11,241 [4]	1,801 [4]	645 [4]	426 [4]	18,864
9	Cyber security	7,539 [2]	16,643 [2]	3,193 [2]	1,320 [2]	412 [2]	29,108
10	Claims handling expense	1,704 [3]	4,514 [3]	757 [3]	237 [3]	200 [3]	7,411
11	Total allocated costs (Sum of L1 thru L10)	139,051	338,780	51,350	18,011	11,921	559,116
12	Directly assigned costs:						
13	Workers compensation claims	20,985 [1]	49,906 [1]	4,678 [1]	1,588 [1]	1,527 [1]	78,684
14	Automobile claims	8,930 [2]	33,821 [2]	7,477 [2]	1,645 [2]	2,581 [2]	54,454
15	General liability claims	7,908 [1]	18,806 [1]	1,763 [1]	599 [1]	575 [1]	29,651
16	Surety bonds	347 [1]	825 [1]	77 [1]	26 [1]	25 [1]	1,300
17	Total insurance per Public Staff (Sum of L11 thru L16)	177,221	442,138	65,345	21,869	16,629	723,205
18	Insurance amount per application	<u>151,449</u>	<u>526,560</u>	<u>95,236</u>	<u>21,827</u>	<u>31,064</u>	<u>826,136</u>
19	Adjustment to insurance expense (L17 - L18)	<u>\$25,772</u>	<u>(\$84,422)</u>	<u>(\$29,891)</u>	<u>\$42</u>	<u>(\$14,435)</u>	<u>(\$102,931)</u>

[1] Column (f) times Aqua NC salaries expensed percentages for each rate division.

[2] Column (f) times Aqua NC net plant in service ratios for each rate division.

[3] Column (f) times weighted average of three allocation factors--property, wage, and customer for each rate division.

[4] Column (f) times Aqua NC revenue ratios for each rate division.

[5] Feasel Exhibit I, Schedule 6-1, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
CALCULATION OF INSURANCE
EXPENSE FOR NORTH CAROLINA
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 6-1
Revised

Line No.	Item	Total To Be Allocated [1] (a)	Percentage To NC (b)	Amount To NC [8] (c)	Percentage to Expenses In This Case (d)	Insurance Expense per Public Staff [13] (e)
1	Workers compensation premium	\$541,224	10.21% [2]	\$55,259	77.51% [12]	\$42,830
2	Automobile premium	169,032	16.53% [3]	27,941	77.51% [12]	21,656
3	General liability premium	525,444	9.21% [4]	48,393	100.00%	48,393
4	Property insurance	1,463,589	9.54% [5]	139,626	100.00%	139,626
5	Umbrella premium	1,805,292	9.01% [6]	162,717	100.00%	162,717
6	Marsh fees	364,380	9.21% [4]	33,559	100.00%	33,559
7	Executive risk	596,658	9.21% [4]	54,952	100.00%	54,952
8	Pollution insurance-PARLL	286,686	6.58% [7]	18,864	100.00%	18,864
9	Pollution insurance-CEL	31,263	0.00% [1]	0	100.00%	0
10	Cyber security	305,115	9.54% [5]	29,108	100.00%	29,108
11	Claims handling expense	82,225	9.01% [6]	7,411	100.00%	7,411
12	Total allocated costs (Sum of L1 thru L11)			577,830		559,116
13	Directly assigned costs:					
14	Workers compensation claims			101,517 [9]	77.51% [12]	78,684
15	Automobile claims			70,256 [10]	77.51% [12]	54,454
16	General liability claims			29,651 [11]	100.00%	29,651
17	Surety bonds			1,300 [1]	100.00%	1,300
18	Total insurance per Public Staff (Sum of L12 thru L17)			<u>\$780,554</u>		<u>\$723,205</u>

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

[2] Feasel Exhibit I, Schedule 6-1(a), Line 9, Column (a).

[3] Feasel Exhibit I, Schedule 6-1(a), Line 11, Column (a).

[4] Feasel Exhibit I, Schedule 6-1(a), Line 5, Column (a).

[5] Feasel Exhibit I, Schedule 6-1(a), Line 13, Column (a).

[6] weighted average of three allocation factors--property, wage, and customer: 1/3 x 9.75%+1/3 x 7.43%+1/3 x 9.54%.

[7] Feasel Exhibit I, Schedule 6-1(a), Line 15, Column (a).

[8] Column (a) times Column (b)., unless otherwise stated.

[9] Feasel Exhibit I, Schedule 6-1(b), Line 8, Column (a).

[10] Feasel Exhibit I, Schedule 6-1(b), Line 8, Column (b).

[11] Feasel Exhibit I, Schedule 6-1(b), Line 8, Column (c).

[12] Capitalization rate as shown on NCUC Form W-1, Item 10, Exhibit B1/B2-7, Line 28, Column (n).

[13] Column (c) times Column (d).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
CALCULATION OF AQUA NC
ALLOCATION FACTORS FOR INSURANCE
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 6-1(a)
Revised

Line No.	Item	Aqua NC (a)		Other (b)		Total Aqua America (c)	
Payroll factors							
1	Non Aqua Service Payroll amounts	\$10,481,910	[1]	\$95,541,009	[3]	\$106,022,919	[1]
2	Corporate Service and Sundries payroll	1,565,160	[1]	23,237,094	[3]	24,802,254	[1]
3	Corporate ACO payroll	673,433	[1]	6,594,653	[3]	7,268,086	[1]
4	Total payroll (L1 + L2 + L3)	\$12,720,503		\$125,372,756		\$138,093,259	
5	Payroll factor for general liability	9.21%	[2]	90.79%	[2]	100.00%	[4]
6	Total payroll (L4)	\$12,720,503		\$125,372,756		\$138,093,259	
7	Less: Ohio payroll	0	[1]	13,458,496	[3]	13,458,496	[1]
8	Total payroll excluding Ohio (L6 - L7)	\$12,720,503		\$111,914,260		\$124,634,763	
9	Payroll factor for workers compensation	10.21%	[2]	89.79%	[2]	100.00%	[4]
Automobile factor							
10	Number of automobiles	181	[1]	914	[3]	1,095	[1]
11	Automobile factor	16.53%	[2]	83.47%	[2]	100.00%	[4]
Property factor							
12	Property values	\$287,599,046	[1]	\$2,725,808,108	[3]	\$3,013,407,154	[1]
13	Property factor	9.54%	[2]	90.46%	[2]	100.00%	[4]
Pollution control factor							
14	Revenues used to calculate premium	\$54,415,454	[1]	\$772,744,535	[3]	\$827,159,989	[1]
15	Pollution control factor	6.58%	[2]	93.42%	[2]	100.00%	[4]

[1] Based on information provided by Company.

[2] Allocation percentage calculated based on amounts for Aqua America in Column (c).

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

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

Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
**CALCULATION OF AVERAGE CLAIMS
PAID FOR AQUA NC**
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 6-1(b)
Revised

<u>Line No.</u>	<u>Item</u>	<u>Workers Compensation</u> (a)	<u>Automobile</u> (b)	<u>General Liability</u> (c)
1	Claims paid in 2015	\$23,189 [1]	\$83,810 [1]	\$50,366 [1]
2	Claims paid in 2016	232,183 [1]	64,286 [1]	38,499 [1]
3	Claims paid in 2017	163,822 [1]	124,811 [1]	53 [1]
4	Claims paid in 2018	63,097 [1]	46,825 [1]	34,217 [1]
5	Claims paid in 2019	25,294 [1]	31,550 [1]	25,121 [1]
6	Total claims paid for 2015 thru 2019 (Sum of L1 thru L5)	507,585	351,282	148,256
7	Number of years	5	5	5
8	Five year average of claims paid (L6 / L7)	<u>\$101,517</u>	<u>\$70,256</u>	<u>\$29,651</u>

[1] Based on information provided by Company.

AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
ADJUSTMENT TO MISCELLANEOUS EXPENSE
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 7
Revised

Line No.	Item	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)
1	Miscellaneous expense per application	<u>\$422,149</u>	<u>\$1,122,849</u>	<u>\$194,721</u>	<u>\$54,868</u>	<u>\$63,048</u>
2	Less capitalized time credit-other-miscellaneous	(4,176) [1]	(8,519) [1]	(943) [1]	(287) [1]	(642) [1]
3	Adjustment to remove 25% BOD compensation from test year	(7,532) [2]	(20,457) [2]	(1,829) [2]	(589) [2]	(589) [2]
4	Adjustment to remove 25% BOD expenses from test year	(3,030) [2]	(8,229) [2]	(736) [2]	(237) [2]	(237) [2]
5	Adjustment to add BOD 3rd quarter 2019 retainer fees	2,766 [3]	10,474 [3]	2,315 [3]	510 [3]	800 [3]
6	Adjustment to remove 25% BOD 3rd quarter 2019 retainer fees (-25% * L5)	(692)	(2,619)	(579)	(128)	(200)
7	Adjustment to remove unqualified other expenses from Corporate Sundries	<u>(1,720) [4]</u>	<u>(6,515) [4]</u>	<u>(1,440) [4]</u>	<u>(317) [4]</u>	<u>(497) [4]</u>
8	Adjustment to miscellaneous expense (Sum of L2 thru L7)	<u>(14,383)</u>	<u>(35,864)</u>	<u>(3,211)</u>	<u>(1,047)</u>	<u>(1,365)</u>
9	Miscellaneous expense per Public Staff (L1 + L8)	<u>\$407,766</u>	<u>\$1,086,985</u>	<u>\$191,510</u>	<u>\$53,821</u>	<u>\$61,683</u>

[1] Exhibit B3-s miscellaneous expense-summary by rate division and GL account.

[2] Calculated by the Public Staff based on Company's responses to data request 14, item 1 and item 2.

[3] Information provided by the Company for the updated board of directors retainer fees in quarter 3 2019.

[4] Calculated by the Public Staff based on Company's responses to data request 78, item 2.

AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
ADJUSTMENT TO PAYROLL TAXES
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 8
Revised

Line No.	<u>Item</u>	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)
1	Payroll taxes per application	<u>\$210,118</u>	<u>\$639,090</u>	<u>\$68,724</u>	<u>\$18,895</u>	<u>\$25,014</u>
2	Adjustment to federal withholding taxes - FICA	(7,269) [1]	(146,190) [1]	(23,925) [1]	(3,697) [1]	(10,373) [1]
3	Adjustment to federal unemployment tax - FUTA	168 [1]	(865) [1]	(138) [1]	(19) [1]	(68) [1]
4	Adjustment to state unemployment tax - SUTA	2,067 [1]	1,950 [1]	(655) [1]	4 [1]	(273) [1]
5	Adjustment to payroll taxes (Sum of L2 thru L4)	<u>(5,034)</u>	<u>(145,105)</u>	<u>(24,718)</u>	<u>(3,712)</u>	<u>(10,714)</u>
6	Payroll taxes per Public Staff (L1 + L5)	<u>\$205,084</u>	<u>\$493,985</u>	<u>\$44,006</u>	<u>\$15,183</u>	<u>\$14,300</u>

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

AQUA NORTH CAROLINA, INC.
Docket No. W-218 Sub 526
ADJUSTMENT TO CONTRA-OH ALLOCATIONS
For the Test Year Ended September 30, 2019

Public Staff
Feasel Exhibit I
Schedule 9
Revised

Line No.	Item	Aqua Sewer (a)	Aqua Water (b)	Brookwood Water (c)	Fairways Sewer (d)	Fairways Water (e)
1	Contra-OH Allocations per application	<u>(\$279,899)</u>	<u>(\$1,107,115)</u>	<u>(\$96,993)</u>	<u>(\$15,643)</u>	<u>(\$14,189)</u>
2	Adjustment to remove the Cap-OH-Credit-Labor	53,048 [1]	215,603 [1]	18,216 [1]	2,799 [1]	2,625 [1]
3	Adjustment to remove the Cap-OH-Credit-Benefits	132,232 [1]	525,699 [1]	46,264 [1]	7,461 [1]	6,539 [1]
4	Adjustment to remove the Cap-OH-Credit-PR Tax	29,454 [1]	114,979 [1]	10,141 [1]	1,706 [1]	1,395 [1]
5	Adjustment to remove the Cap-OH-Credit-Other-Insurance	10,465 [1]	41,406 [1]	3,529 [1]	583 [1]	449 [1]
6	Adjustment to remove the Cap-OH-Credit-Other-Miscellaneous	4,176 [1]	8,519 [1]	943 [1]	287 [1]	642 [1]
7	Adjustment to Cap-OH-Credit (Sum of L2 thru L6)	<u>229,375</u>	<u>906,206</u>	<u>79,093</u>	<u>12,836</u>	<u>11,650</u>
8	Contra-OH Allocations per Public Staff (L1 + L7)	<u>(50,524)</u>	<u>(200,909)</u>	<u>(17,900)</u>	<u>(2,807)</u>	<u>(2,539)</u>

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

Aqua North Carolina, Inc.
Docket W-218 Sub 526

Aqua North Carolina, Inc. Water
Billing Analysis - Revenue, Water

Test Year Revenue at Present Rates, Total Period Volumes
Test Year Ending Mar 31, 2020

EXHIBIT Hw
Test Year updated 6 months

Col #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Class/Meter Size	Test Yr Units	Wghtd Test Year Rate	Test Year Revenue	Normlzd TY Units	ProFрма Prsnt Units	Rate Prior to Filing	PF Rev at Rate Prior	ProFрма Reco Units	PS Reco Rate	PF Rev at Reco Rate
1	All Measured Bills										
2	ANC Main Non-Tier										
3	<1"	655,706	\$ 19.32	\$ 12,668,117	661,004	661,004	\$ 19.25	\$ 12,724,327	661,004	\$ 15.05	\$ 9,948,110
4	1"	3,801	51.65	196,322	3,816	3,816	48.13	183,664	3,816	37.63	143,596
5	1.5"	220	128.63	28,298	228	228	96.25	21,945	228	75.25	17,157
6	2"	551	170.77	94,094	552	552	154.00	85,008	552	120.40	66,461
7	3"	24	288.75	6,930	24	24	288.75	6,930	24	225.75	5,418
8	4"	72	481.25	34,650	72	72	481.25	34,650	72	376.25	27,090
9	6"	12	962.50	11,550	12	12	962.50	11,550	12	752.50	9,030
10	Prpsd Tier <1"	81,173	19.25	1,562,580	81,504	81,504	19.25	1,568,952	81,504	15.05	1,226,635
11	Prpsd Tier 1"	464	48.13	22,332	468	468	48.13	22,525	468	37.63	17,611
12	Clear Meadow <1"	734	19.25	14,130	720	720	19.25	13,860	720	15.05	10,836
13	Timberlake etc <1"	1,361	19.25	26,199	1,368	1,368	19.25	26,334	1,368	15.05	20,588
14	Wimbledon, etc <1"	1,020	19.25	19,635	1,020	1,020	19.25	19,635	1,020	15.05	15,351
15		745,138		\$ 14,684,837	750,788	750,788		\$ 14,719,380	750,788		\$ 11,507,884
16											
17	Residential & Commercial Unmeasured Bills										
18	Flat Rate Res	2,313	\$ 39.66	\$ 91,734	2,304	2,304	\$ 39.66	\$ 91,377	2,304	\$ 45.65	\$ 105,178
19	FR Com billed Res	84	39.66	3,331	84	84	39.66	3,331	84	45.65	3,835
20	Flat Rate Com	48	67.42	3,236	48	48	67.42	3,236	48	75.61	3,629
21	Flat Rate Total	2,445		\$ 98,301	2,436	2,436		\$ 97,944	2,436		\$ 112,642
22											
23	Gallorage (kGals)										
24	Aqua Provided Water										
25	Main Non-Tier	2,726,574	\$ 5.83	\$ 15,895,925	2,738,082	2,691,809	\$ 5.83	\$ 15,693,244	2,691,809	\$ 7.65	\$ 20,592,336
26	Tier Block 1	602,584	5.83	3,513,065	605,294	595,065	5.83	3,469,228	595,065	7.65	4,552,246
27	Tier Block 2	(all Tier area data at Present Rates are shown in Block 1)									
28	Tier Block 3										
29	Tier Block 4										
30	Clear Meadow	2,718	5.83	15,844	2,666	2,621	5.83	15,279	2,621	7.65	20,049
31	Timberlake, etc	4,812	5.83	28,052	4,836	4,755	5.83	27,720	4,755	7.65	36,374
32	Wimbledon, etc	3,983	5.83	23,221	3,983	3,916	5.83	22,828	3,916	7.65	29,955
33	Aqua Subtot	3,340,670	\$ 5.83	\$ 19,476,107	3,354,862	3,298,165	\$ 5.83	\$ 19,228,300	3,298,165	7.65	\$ 25,230,960

Aqua North Carolina, Inc.
Docket W-218 Sub 526
Aqua North Carolina, Inc. Water
Billing Analysis - Revenue, Water
Test Year Revenue at Present Rates, Total Period Volumes
Test Year Ending Mar 31, 2020

EXHIBIT Hw
Test Year updated 6 months

[illegible]

Aqua North Carolina, Inc.
Docket W-218 Sub 526

EXHIBIT Hw
Test Yr Updated 6 months

Brookwood Water
Billing Analysis - Revenue, Water
Test Year Revenue at Present Rates, Total Period Volumes
Test Year Ending Mar 31, 2020

Col #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Line No.	Class/Meter Size	Test Yr Units	Wghtd Test Year Rate	Test Year Revenue	Normlzd TY Units	ProFrma Units	Rate Prior to Filing	PF Rev at Rate Prior	PS Reco Rate	PF Rev at Recommend
1	Residential & Commercial Measured									
2	Bills									
3	<1"	164,985	\$ 14.03	\$ 2,314,740	165,372	165,372	\$ 14.03	\$ 2,320,169	\$ 11.23	\$ 1,857,128
4	1"	650	35.08	22,802	684	684	35.08	23,995	28.08	19,207
5	1.5"	24	70.15	1,684	24	24	70.15	1,684	56.15	1,348
6	2"	348	112.24	39,060	348	348	112.24	39,060	89.84	31,264
7	3"	60	210.45	12,627	60	60	210.45	12,627	168.45	10,107
8	4"	12	350.75	4,209	12	12	350.75	4,209	280.75	3,369
9	6"	0	--	-	0	0	701.50	0	561.50	0
10	8"									
11	Base Total	166,079		\$ 2,395,121	166,500	166,500		\$ 2,401,743		\$ 1,922,422
12										
13										
14	Residential & Commercial Unmeasured									
15	Flat Rate Res	0	--	\$ -	0	0	\$ 33.17	\$ -	\$ 38.32	\$ -
16	Flat Rate Com	0	--	-	0	0	56.39	-	54.18	-
17									1.414	
18	Class/Meter Size									
19	Gallorage (kGals)									
20	Aqua Water	720,200	\$ 3.76	\$ 2,707,953	722,329	743,927	\$ 3.76	\$ 2,797,166	\$ 5.63	\$ 4,188,310
21	Purchased Water									
22	Fayetteville PWC	95,384	2.92	278,522	95,448	98,301	2.92	287,040	2.92	287,040
23	Town of Linden	1,728	4.98	8,604	1,819	1,873	4.98	9,328	5.23	9,796
24	Purchased Subtot	97,112		\$ 287,126	97,266	100,174		\$ 296,368		\$ 296,836
25	Usage Total	817,312		\$ 2,995,078	819,596	844,102		\$ 3,093,534		\$ 4,485,146
26										
27										
28	Total Service Revenue			\$ 5,390,199				\$ 5,495,277		\$ 6,407,568
29	SIC Revenue		471100	92,638				281,924		0
30										
31										
32	Total Billed Revenue			\$ 5,482,837				\$ 5,777,200		\$ 6,407,568

Test Year Ending Mar 31, 2020

Test Year updated 6 months

[illegible]

Test Year Ending Mar 31, 2020

Test Yr moved 6 months

Col #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(9)	(10)
Line	Test Yr	Wghtd Test	Test Year	Normlzd	ProFrma	Rate Prior	PF Rev at	ProFrma	PS Reco	PF Rev at	
No.	Class/Meter Size	Units	Year Rate	Revenue	TY Units	Prsnt Units	to Filing	Present Rate	Reco Units	Rate	Recommend
1	ANC Main										
2	Residential & Commercial Measured (all Com)										
3	Bills										
4	<1"	1,454	\$ 26.11	\$ 37,964	1,428	1,428	\$ 26.11	\$ 37,285	107,556	\$ 45.43	\$ 4,886,269
5	1"	553	65.28	36,100	564	564	65.28	36,818	660	113.58	74,963
6	1.5"	325	130.55	42,429	336	336	130.55	43,865	348	227.15	79,048
7	2"	439	208.88	91,698	444	444	208.88	92,743	444	363.44	161,367
8	3"	59	391.65	23,107	60	60	391.65	23,499	60	681.45	40,887
9	4"	36	652.75	23,499	36	36	652.75	23,499	36	1,135.75	40,887
10	6"	12	1,305.50	15,666	12	12	1,305.50	15,666	12	2,271.50	27,258
11	Main Base Total	2,878		\$ 270,463	2,880	2,880		\$ 273,375	109,116		\$ 5,310,679
12											
13	Gallnage (kGals)	67,172	8.92	\$ 599,174	68,766	68,395	\$ 8.92	\$ 610,079	577,934	\$ 6.15	\$ 3,554,296
14	Measured Base + Usage			\$ 869,637				\$ 883,454			\$ 8,864,975
15											
16	Residential & Commercial Unmeasured										
17	Flat Rate Res	184,017	72.04	\$ 13,256,585	188,100	188,100	\$ 72.04	\$ 13,550,724	80,072	\$ 76.18	\$ 6,099,885
18	Flat Rate Com	420	100.86	42,361	420	420	100.86	42,361	420	106.64	44,789
19	Flat Rate Total Bills	184,437		\$ 13,298,946	188,520	188,520		\$ 13,593,085	80,492		\$ 6,144,674
20										1.40	
21	Carolina Meadows (Com, Bulk)										
22	6" Bills	12	-	0	12	12	\$ -	\$ -	12	\$ 8,449.98	\$ 101,400
23	Gallnage (kGals)	18,157	8.92	\$ 161,963	18,157	18,059	8.92	161,089	18,059	\$ 6.15	111,064
24											

Billing Analysis - Revenue, Sewer

Test Year Revenue at Present Rates, Total Period Volumes

Test Year Ending Mar 31, 2020

Test Yr moved 6 months

Col #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(9)	(10)
Line No.	Test Yr Class/Meter Size	Wghtd Units	Test Year Rate	Test Year Revenue	Normlzd TY Units	ProFrma Prsnt Units	Rate Prior to Filing	PF Rev at Present Rate	ProFrma Reco Units	PS Reco Rate	PF Rev at Recommend
25	from Charlotte (Purchased Sewer Treatment) , Park South & Parkway Crossing (Res & Com)										
26	<1" Bills	11,841	\$ 26.11	309,169	11,844	11,844	\$ 26.11	\$ 309,247	11,844	\$ 45.43	\$ 538,073
27	2" Bills	84	208.88	17,546	84	84	208.88	17,546	84	363.44	30,529
28	4" Bills	12	652.75	7,833	12	12	652.75	7,833	12	1,135.75	13,629
29	Gallorage (kGals)	35,067	6.45	\$ 226,181	35,075	34,885	6.45	225,011	34,885	6.45	225,011
30											
31	from Carolina (BFC passed to treatment provider) Hwthrn Grn, Bvr Frms, Wldnd Frms										
32	<1"	0	--	0	0	0	\$ 47.94	\$ -	1,792	\$ 47.94	\$ 85,908
33	1"	12	119.85	1,438	12	12	119.85	\$ 1,438	12	119.85	1,438.20
33	1.5" (5 REUs)	12	239.70	2,876	12	12	239.70	\$ 2,876	12	239.70	2,876.40
34	8" (168.686 REUs)	12	8,086.81	97,042	12	12	8,086.81	97,042	12	8,086.81	97,042
35	Gallorage (kGals)	11,839	6.11	\$ 72,335	11,839	11,775	6.11	71,944	18,982	6.73	127,670
36											
37	Total Service Revenue			\$ 15,064,966				\$ 15,370,565	\$ 16,344,290		
38											
39	Availability (Billed Months)										
40	Gov's Club (Mnthly)	2,138	\$ 20.00	\$ 42,753	2,112	2,112	\$ 20.00	\$ 42,240	2,112	\$ 20.00	\$ 42,240
41	Gov's Village (Yrly)	32	12.50	396	32	32	12.50	400	32	12.50	400
42	Woodlake (Mnthly)	2,024	3.75	7,590	2,004	2,004	3.75	7,515	2,004	3.75	7,515
43	AvailabilityTotal	4,193		\$ 50,739	4,148	4,148		\$ 50,155	4,148		\$ 50,155
44											
45	SIC Revenue			61,024				186,921	0		
46											
47	Total Billed Revenue			\$ 15,176,729				\$ 15,607,641	\$ 16,394,445		
48	Public Staff recommends implementation of a metered sewer rate using the customers' ANC Water metered usage data through March 2020. Carolina Meadows Senior Care is recommended to be charged a BFC for 186 REUs per month.										

Test Yr moved 6 months

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Col # Line No.	Class/Meter Size	Test Yr Units	Wghtd Test Year Rate	Test Year Revenue	Normlzd TY Units	ProFrma Units	Rate Prior to Filing	PF Rev at Rate Prior	ProFrma Reco Units	PS Reco Rate	PF Rev at Recommend
1	Residential & Commercial Measured (Com)										
2	Bills										
3	<1"	227 \$	20.72	\$ 4,703	228	228	\$ 20.72	\$ 4,724	34,584	\$ 34.34	\$ 1,187,615
4	1"	60	51.80	3,108	60	60	51.80	3,108	216	85.85	18,544
5	1.5"	24	103.60	2,486	24	24	103.60	2,486	24	171.70	4,121
6	2"	48	165.76	7,956	48	48	165.76	7,956	60	274.72	16,483
7	3"	0 --		0	0	0	310.80	0	0	515.10	0
8	4"	0 --		0	0	0	518.00	0	0	858.50	0
9	6"	0 --		0	0	0	1,036.00	0	0	1,717.00	0
10											
11	Base Subtotal	359		\$ 18,254	360	360	\$ 2,206.68	\$ 18,275	34,884	\$ 3,657.2	\$ 1,226,762
12											
13	Gallonge (kGals)	4,523 \$	9.46	42,785	4,527	4,457	\$ 9.46	\$ 42,165	215,280	\$ 3.85	\$ 828,829
14	Measured Base + Gllnge			\$ 61,039				\$ 60,440			\$ 2,055,591
15	Avg Usg <1" Bill										
16											
17	Residential & Commercial Unmeasured									1.422	
18	Flat Rate Res Bills	36,169 \$	58.56	\$ 2,118,057	36,336	36,336	\$ 58.56	\$ 2,127,836	1,812	\$ 50.36	\$ 91,259
19	Flat Rate Com Bills	0 --		0	0	0	81.98	0	0	71.59	0
20	FR Imputed Usage (kGals)				7,542	7,542			7,542		
21											
22	Total Service Revenue			\$ 2,179,096				\$ 2,188,276			\$ 2,146,850
23	SIC Revenue			1,042				1,313			0
24											
25											
26	Total Billed Revenue			\$ 2,180,138				\$ 2,189,589			\$ 2,146,850
27	Public Staff recommends implementation of a metered sewer rate using the customers' Fairways Water metered usage data through March 2020.										