

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

DOCKET NO. W-218, SUB 573

In the Matter of  
Application by Aqua North ) **JOINT TESTIMONY OF**  
Carolina, Inc. of North Carolina ) **LYNN FEASEL AND**  
for Authority to Adjust and ) **CHARLES M. JUNIS**  
Increase Rates for Water and ) **PUBLIC STAFF – NORTH CAROLINA**  
Sewer Utility Service in All ) **UTILITIES COMMISSION**  
Service Areas in North Carolina ) **SUPPORTING PARTIAL**  
and Approval of a Water and ) **SETTLEMENT AGREEMENT**  
Sewer Investment Plan ) **AND STIPULATION**

**March 31, 2023**

1 **Q. What is the purpose of your testimony in support of the Partial**  
2 **Settlement Agreement and Stipulation in this proceeding?**

3 A. The purpose of our testimony is to support the Partial Settlement  
4 Agreement and Stipulation (Stipulation) filed on March 31, 2023,  
5 between Aqua North Carolina, LLC (Aqua or the Company) and the  
6 Public Staff (collectively, the Stipulating Parties) regarding certain  
7 issues related to the Company's pending application for a general  
8 rate increase and Water and Sewer Investment Plan (WSIP).

9 **Q. Please briefly describe the Stipulation.**

10 A. The Stipulation sets forth agreement between the Stipulating Parties  
11 regarding all operations and maintenance expenses for the Base  
12 Year and WSIP Rate Years, many base and WSIP Rate Year rate  
13 base items, capital structure and cost of debt, and certain  
14 Performance Based Metrics (PBMs). The revenue requirement  
15 impact for both settled items and unsettled items are reflected in  
16 Public Staff Settlement Exhibit 1.

17 In addition to the settled issues having a revenue requirement impact  
18 in the present case, the Stipulation also settles non-revenue  
19 requirement issues involving audit and reporting obligations.

20 The details of the agreements in these areas are set forth in the  
21 Stipulation.

1 **Q. What benefits does the Stipulation provide for ratepayers?**

2 A. From the perspective of the Public Staff, the most important benefit  
3 provided by the Stipulation is the significant reduction in the  
4 Company's proposed revenue increase in this proceeding for both  
5 the Base Year and Rate Years 1, 2, and 3. Additionally, a set of  
6 performance-based metrics has also been agreed to by the  
7 Stipulating Parties providing customer protections to ratepayers.

8 Based on the ratepayer benefit, as well as the other provisions of the  
9 Stipulation, the Public Staff believes the Stipulation is in the public  
10 interest and should be approved.

11 **Q. Are there any areas about which the Stipulating Parties did not  
12 reach agreement?**

13 A. Yes. The Stipulating Parties did not reach agreement regarding  
14 return on equity (ROE), PFOS/PFOA, SIP/SAP, Wakefield iron and  
15 manganese filtration project, customer assistance program, and  
16 certain other PBMs and related incentives and penalties. The Public  
17 Staff fully supports its filed positions on these particular issues.

18 **Q. Did the Public Staff prepare exhibits supporting its calculations  
19 of revenue requirement for the base and WSIP Rate Years as  
20 well as for the plant additions for the WSIP Rate Years based on  
21 the Stipulation?**

1 A. Yes. Public Staff Settlement Exhibit 1 presents the Public Staff's  
2 calculation of revenue requirements for the base and WSIP Rate  
3 Years based on the Stipulation and our recommendations regarding  
4 ROE and exclusion of certain plant additions related to PFOS/PFOA,  
5 SIP/SAP, and the Wakefield iron and manganese filtration project.  
6 Public Staff Settlement Exhibit 2 presents the estimated plant  
7 additions the Stipulating Parties have agreed to for the WSIP Rate  
8 Years. We note that it is not until the Commission makes a  
9 determination regarding the yet unresolved issues that the settled  
10 accounting and ratemaking adjustments can be finalized, and the  
11 resulting rate base, net operating income, return, and rate increase  
12 can be calculated and just and reasonable rates can be designed.

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

14 A. Yes.



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

Public Staff Settlement Exhibit 1  
Schedule 1(a)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$80,076,964 [2]	3.97% [1]	1.99%	\$3,179,055 [8]
2.	Equity	50.00%	80,076,965 [2]	8.64% [6]	4.32%	6,918,526 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$160,153,929 [3]</u>		<u>6.31%</u>	<u>\$10,097,581 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$80,076,964 [4]	3.97% [1]	1.99%	\$3,179,055 [8]
5.	Equity	50.00%	80,076,965 [4]	15.56% [6]	7.78%	12,463,426 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$160,153,929 [3]</u>		<u>9.77%</u>	<u>\$15,642,481 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$80,076,964 [5]	3.97% [1]	1.99%	\$3,179,055 [8]
8.	Equity	50.00%	80,076,965 [5]	9.30% [1]	4.65%	7,447,158 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$160,153,929 [3]</u>		<u>6.64%</u>	<u>\$10,626,213</u>

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

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For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1  
Schedule 1(b)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$34,656,080 [2]	3.97% [1]	1.99%	\$1,375,846 [8]
2.	Equity	50.00%	34,656,079 [2]	9.09% [6]	4.55%	3,151,712 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$69,312,159</u> [3]		<u>6.53%</u>	<u>\$4,527,558</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$34,656,080 [4]	3.97% [1]	1.99%	\$1,375,846 [8]
5.	Equity	50.00%	34,656,079 [4]	15.53% [6]	7.77%	5,382,786 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$69,312,159</u> [3]		<u>9.75%</u>	<u>\$6,758,632</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$34,656,080 [5]	3.97% [1]	1.99%	\$1,375,846 [8]
8.	Equity	50.00%	34,656,079 [5]	9.30% [1]	4.65%	3,223,015 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$69,312,159</u> [3]		<u>6.64%</u>	<u>\$4,598,861</u>

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

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Public Staff Settlement Exhibit 1  
Schedule 1(c)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [10] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$2,319,616 [2]	3.97% [1]	1.99%	\$92,089 [8]
2.	Equity	50.00%	2,319,617 [2]	0.81% [6]	0.41%	18,811 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$4,639,233 [3]</u>		<u>2.39%</u>	<u>\$110,900 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$2,319,616 [4]	3.97% [1]	1.99%	\$92,089 [8]
5.	Equity	50.00%	2,319,617 [4]	19.58% [6]	9.79%	454,124 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$4,639,233 [3]</u>		<u>11.78%</u>	<u>\$546,213 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$2,319,616 [5]	3.97% [1]	1.99%	\$92,089 [8]
8.	Equity	50.00%	2,319,617 [5]	9.30% [1]	4.65%	215,724 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$4,639,233 [3]</u>		<u>6.64%</u>	<u>\$307,813</u>

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



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Public Staff Settlement Exhibit 1  
Schedule 1(d)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$7,850,237 [2]	3.97% [1]	1.99%	\$311,654 [8]
2.	Equity	50.00%	7,850,237 [2]	2.90% [6]	1.45%	228,004 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$15,700,474 [3]</u>		<u>3.44%</u>	<u>\$539,658 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$7,850,237 [4]	3.97% [1]	1.99%	\$311,654 [8]
5.	Equity	50.00%	7,850,237 [4]	16.17% [6]	8.09%	1,269,328 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$15,700,474 [3]</u>		<u>10.07%</u>	<u>\$1,580,982 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$7,850,237 [5]	3.97% [1]	1.99%	\$311,654 [8]
8.	Equity	50.00%	7,850,237 [5]	9.30% [1]	4.65%	730,072 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$15,700,474 [3]</u>		<u>6.64%</u>	<u>\$1,041,726</u>

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

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Public Staff Settlement Exhibit 1  
Schedule 1(e)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [10] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$16,091,977 [2]	3.97% [1]	1.99%	\$638,851 [8]
2.	Equity	50.00%	16,091,977 [2]	5.36% [6]	2.68%	863,220 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$32,183,954 [3]</u>		<u>4.67%</u>	<u>\$1,502,071 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$16,091,977 [4]	3.97% [1]	1.99%	\$638,851 [8]
5.	Equity	50.00%	16,091,977 [4]	13.37% [6]	6.69%	2,151,913 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$32,183,954 [3]</u>		<u>8.67%</u>	<u>\$2,790,764 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$16,091,977 [5]	3.97% [1]	1.99%	\$638,851 [8]
8.	Equity	50.00%	16,091,977 [5]	9.30% [1]	4.65%	1,496,554 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$32,183,954 [3]</u>		<u>6.64%</u>	<u>\$2,135,405</u>

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 1(a)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$94,341,091 [2]	3.97% [1]	1.99%	\$3,745,341 [8]
2.	Equity	50.00%	94,341,091 [2]	11.15% [6]	5.58%	10,515,478 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$188,682,182 [3]</u>		<u>7.56%</u>	<u>\$14,260,819 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$94,341,091 [4]	3.97% [1]	1.99%	\$3,745,341 [8]
5.	Equity	50.00%	94,341,091 [4]	12.96% [6]	6.48%	12,226,605 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$188,682,182 [3]</u>		<u>8.47%</u>	<u>\$15,971,946 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$94,341,091 [5]	3.97% [1]	1.99%	\$3,745,341 [8]
8.	Equity	50.00%	94,341,091 [5]	9.30% [1]	4.65%	8,773,721 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$188,682,182 [3]</u>		<u>6.64%</u>	<u>\$12,519,062</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

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**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 1(b)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$45,469,151 [2]	3.97% [1]	1.99%	\$1,805,125 [8]
2.	Equity	50.00%	45,469,150 [2]	9.34% [6]	4.67%	4,245,497 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$90,938,301 [3]</u>		<u>6.66%</u>	<u>\$6,050,622 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$45,469,151 [4]	3.97% [1]	1.99%	\$1,805,125 [8]
5.	Equity	50.00%	45,469,150 [4]	10.79% [6]	5.40%	4,903,904 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$90,938,301 [3]</u>		<u>7.38%</u>	<u>\$6,709,029 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$45,469,151 [5]	3.97% [1]	1.99%	\$1,805,125 [8]
8.	Equity	50.00%	45,469,150 [5]	9.30% [1]	4.65%	4,228,631 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$90,938,301 [3]</u>		<u>6.64%</u>	<u>\$6,033,756</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

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**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 1(c)-RY1

**FAIRWAYS WATER OPERATIONS**

Line No.	Item	Capitalization	Original Cost	<u>Rate Year 1</u>	Overall Cost	Net Operating
		Ratio [1]	Rate Base	Embedded Cost	Rate [7]	Income
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$3,943,541 [2]	3.97% [1]	1.99%	\$156,559 [8]
2.	Equity	50.00%	3,943,540 [2]	7.75% [6]	3.88%	305,623 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$7,887,081 [3]</u>		<u>5.86%</u>	<u>\$462,182 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$3,943,541 [4]	3.97% [1]	1.99%	\$156,559 [8]
5.	Equity	50.00%	3,943,540 [4]	12.20% [6]	6.10%	480,966 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$7,887,081 [3]</u>		<u>8.09%</u>	<u>\$637,525 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$3,943,541 [5]	3.97% [1]	1.99%	\$156,559 [8]
8.	Equity	50.00%	3,943,540 [5]	9.30% [1]	4.65%	366,749 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$7,887,081 [3]</u>		<u>6.64%</u>	<u>\$523,308</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

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**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 1(d)-RY1

**FAIRWAYS SEWER OPERATIONS**

Line No.	Item	Capitalization	Original Cost	<u>Rate Year 1</u>	Overall Cost	Net Operating
		Ratio [1]	Rate Base	Embedded Cost	Rate [7]	Income
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$8,113,754 [2]	3.97% [1]	1.99%	\$322,116 [8]
2.	Equity	50.00%	8,113,755 [2]	14.86% [6]	7.43%	1,206,014 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$16,227,509 [3]</u>		<u>9.42%</u>	<u>\$1,528,130 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$8,113,754 [4]	3.97% [1]	1.99%	\$322,116 [8]
5.	Equity	50.00%	8,113,755 [4]	16.27% [6]	8.14%	1,320,473 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$16,227,509 [3]</u>		<u>10.12%</u>	<u>\$1,642,589 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$8,113,754 [5]	3.97% [1]	1.99%	\$322,116 [8]
8.	Equity	50.00%	8,113,755 [5]	9.30% [1]	4.65%	754,579 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$16,227,509 [3]</u>		<u>6.64%</u>	<u>\$1,076,695</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 1(e)-RY1

**BROOKWOOD WATER OPERATIONS**

Line No.	Item	Capitalization	Original Cost	<u>Rate Year 1</u>	Overall Cost	Net Operating
		Ratio [1]	Rate Base	Embedded Cost	Rate [7]	Income
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$20,779,260 [2]	3.97% [1]	1.99%	\$824,937 [8]
2.	Equity	50.00%	20,779,260 [2]	8.11% [6]	4.06%	1,685,587 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$41,558,520 [3]</u>		<u>6.04%</u>	<u>\$2,510,524 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$20,779,260 [4]	3.97% [1]	1.99%	\$824,937 [8]
5.	Equity	50.00%	20,779,260 [4]	10.61% [6]	5.31%	2,203,741 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$41,558,520 [3]</u>		<u>7.29%</u>	<u>\$3,028,678 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$20,779,260 [5]	3.97% [1]	1.99%	\$824,937 [8]
8.	Equity	50.00%	20,779,260 [5]	9.30% [1]	4.65%	1,932,471 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$41,558,520 [3]</u>		<u>6.64%</u>	<u>\$2,757,408</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 2 Ended December 31, 2024

Public Staff Settlement Exhibit 1

Schedule 1(a)-RY2

Line No.	Item	<b>Rate Year 2</b>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<b>Present rates:</b>						
1.	Debt	50.00%	\$100,004,174 [2]	3.97% [1]	1.99%	\$3,970,166 [8]
2.	Equity	50.00%	100,004,175 [2]	11.25% [6]	5.63%	11,247,169 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$200,008,349 [3]</u>		<u>7.61%</u>	<u>\$15,217,335 [10]</u>
<b>Company proposed rates:</b>						
4.	Debt	50.00%	\$100,004,174 [4]	3.97% [1]	1.99%	\$3,970,166 [8]
5.	Equity	50.00%	100,004,175 [4]	13.24% [6]	6.62%	13,239,054 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$200,008,349 [3]</u>		<u>8.61%</u>	<u>\$17,209,220 [12]</u>
<b>Public Staff recommended rates:</b>						
7.	Debt	50.00%	\$100,004,174 [5]	3.97% [1]	1.99%	\$3,970,166 [8]
8.	Equity	50.00%	100,004,175 [5]	9.30% [1]	4.65%	9,300,388 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$200,008,349 [3]</u>		<u>6.64%</u>	<u>\$13,270,554</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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



**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 2 Ended December 31, 2024

Public Staff Settlement Exhibit 1

Schedule 1(b)-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$51,250,104 [2]	3.97% [1]	1.99%	\$2,034,629 [8]
2.	Equity	50.00%	51,250,104 [2]	8.22% [6]	4.11%	4,213,888 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$102,500,208 [3]</u>		<u>6.10%</u>	<u>\$6,248,517 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$51,250,104 [4]	3.97% [1]	1.99%	\$2,034,629 [8]
5.	Equity	50.00%	51,250,104 [4]	9.89% [6]	4.95%	5,069,782 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$102,500,208 [3]</u>		<u>6.93%</u>	<u>\$7,104,411 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$51,250,104 [5]	3.97% [1]	1.99%	\$2,034,629 [8]
8.	Equity	50.00%	51,250,104 [5]	9.30% [1]	4.65%	4,766,260 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$102,500,208 [3]</u>		<u>6.64%</u>	<u>\$6,800,889</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 2 Ended December 31, 2024

Public Staff Settlement Exhibit 1

Schedule 1(c)-RY2

**FAIRWAYS WATER OPERATIONS**

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$4,188,615 [2]	3.97% [1]	1.99%	\$166,288 [8]
2.	Equity	50.00%	4,188,615 [2]	10.42% [6]	5.21%	436,400 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$8,377,230 [3]</u>		<u>7.20%</u>	<u>\$602,688 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$4,188,615 [4]	3.97% [1]	1.99%	\$166,288 [8]
5.	Equity	50.00%	4,188,615 [4]	12.45% [6]	6.23%	521,458 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$8,377,230 [3]</u>		<u>8.21%</u>	<u>\$687,746 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$4,188,615 [5]	3.97% [1]	1.99%	\$166,288 [8]
8.	Equity	50.00%	4,188,615 [5]	9.30% [1]	4.65%	389,541 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$8,377,230 [3]</u>		<u>6.64%</u>	<u>\$555,829</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 2 Ended December 31, 2024

Public Staff Settlement Exhibit 1

Schedule 1(d)-RY2

**FAIRWAYS SEWER OPERATIONS**

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$7,953,681 [2]	3.97% [1]	1.99%	\$315,761 [8]
2.	Equity	50.00%	7,953,681 [2]	16.28% [6]	8.14%	1,294,517 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$15,907,362 [3]</u>		<u>10.13%</u>	<u>\$1,610,278 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$7,953,681 [4]	3.97% [1]	1.99%	\$315,761 [8]
5.	Equity	50.00%	7,953,681 [4]	16.70% [6]	8.35%	1,328,643 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$15,907,362 [3]</u>		<u>10.34%</u>	<u>\$1,644,404 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$7,953,681 [5]	3.97% [1]	1.99%	\$315,761 [8]
8.	Equity	50.00%	7,953,681 [5]	9.30% [1]	4.65%	739,692 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$15,907,362 [3]</u>		<u>6.64%</u>	<u>\$1,055,453</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**RETURN ON ORIGINAL COST RATE BASE**

For The Rate Year 2 Ended December 31, 2024

Public Staff Settlement Exhibit 1

Schedule 1(e)-RY2

**BROOKWOOD WATER OPERATIONS**

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$22,327,942 [2]	3.97% [1]	1.99%	\$886,419 [8]
2.	Equity	50.00%	22,327,942 [2]	9.07% [6]	4.54%	2,025,429 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$44,655,884 [3]</u>		<u>6.52%</u>	<u>\$2,911,848 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$22,327,942 [4]	3.97% [1]	1.99%	\$886,419 [8]
5.	Equity	50.00%	22,327,942 [4]	10.58% [6]	5.29%	2,363,261 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$44,655,884 [3]</u>		<u>7.28%</u>	<u>\$3,249,680 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$22,327,942 [5]	3.97% [1]	1.99%	\$886,419 [8]
8.	Equity	50.00%	22,327,942 [5]	9.30% [1]	4.65%	2,076,499 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$44,655,884 [3]</u>		<u>6.64%</u>	<u>\$2,962,918</u>

[1] Provided by Public Staff witness Hinton.

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

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

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

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

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

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

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

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

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

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 1(a)-RY3

Line No.	Item	<b>Rate Year 3</b>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [7] (e)
<b>Present rates:</b>						
1.	Debt	50.00%	\$105,489,161 [2]	3.97% [1]	1.99%	\$4,187,920 [8]
2.	Equity	50.00%	105,489,161 [2]	11.91% [6]	5.96%	12,566,600 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$210,978,322</u> [3]		<u>7.94%</u>	<u>\$16,754,520</u> [10]
<b>Company proposed rates:</b>						
4.	Debt	50.00%	\$105,489,161 [4]	3.97% [1]	1.99%	\$4,187,920 [8]
5.	Equity	50.00%	105,489,161 [4]	13.98% [6]	6.99%	14,744,932 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$210,978,322</u> [3]		<u>8.98%</u>	<u>\$18,932,852</u> [12]
<b>Public Staff recommended rates:</b>						
7.	Debt	50.00%	\$105,489,161 [5]	3.97% [1]	1.99%	\$4,187,920 [8]
8.	Equity	50.00%	105,489,161 [5]	9.30% [1]	4.65%	9,810,492 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$210,978,322</u> [3]		<u>6.64%</u>	<u>\$13,998,412</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 1(b)-RY3

**AQUA SEWER OPERATIONS**

Line No.	Item	<b>Rate Year 3</b>				
		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%	\$52,560,079 [2]	3.97% [1]	1.99%	\$2,086,635 [8]
2.	Equity	50.00%	52,560,080 [2]	9.21% [6]	4.61%	4,840,979 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$105,120,159</u> [3]		<u>6.59%</u>	<u>\$6,927,614</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$52,560,079 [4]	3.97% [1]	1.99%	\$2,086,635 [8]
5.	Equity	50.00%	52,560,080 [4]	11.04% [6]	5.52%	5,800,435 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$105,120,159</u> [3]		<u>7.51%</u>	<u>\$7,887,070</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$52,560,079 [5]	3.97% [1]	1.99%	\$2,086,635 [8]
8.	Equity	50.00%	52,560,080 [5]	9.30% [1]	4.65%	4,888,087 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$105,120,159</u> [3]		<u>6.64%</u>	<u>\$6,974,722</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 1(c)-RY3

**FAIRWAYS WATER OPERATIONS**

Line No.	Item	<b>Rate Year 3</b>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$4,656,580 [2]	3.97% [1]	1.99%	\$184,866 [8]
2.	Equity	50.00%	4,656,580 [2]	10.55% [6]	5.28%	491,315 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$9,313,160 [3]</u>		<u>7.26%</u>	<u>\$676,181 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$4,656,580 [4]	3.97% [1]	1.99%	\$184,866 [8]
5.	Equity	50.00%	4,656,580 [4]	11.78% [6]	5.89%	548,753 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$9,313,160 [3]</u>		<u>7.88%</u>	<u>\$733,619 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$4,656,580 [5]	3.97% [1]	1.99%	\$184,866 [8]
8.	Equity	50.00%	4,656,580 [5]	9.30% [1]	4.65%	433,062 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$9,313,160 [3]</u>		<u>6.64%</u>	<u>\$617,928</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 1(d)-RY3

**FAIRWAYS SEWER OPERATIONS**

Line No.	Item	<b>Rate Year 3</b>				
		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%	\$8,727,514 [2]	3.97% [1]	1.99%	\$346,482 [8]
2.	Equity	50.00%	8,727,514 [2]	14.10% [6]	7.05%	1,230,246 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$17,455,028 [3]</u>		<u>9.04%</u>	<u>\$1,576,728 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$8,727,514 [4]	3.97% [1]	1.99%	\$346,482 [8]
5.	Equity	50.00%	8,727,514 [4]	15.16% [6]	7.58%	1,323,448 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$17,455,028 [3]</u>		<u>9.57%</u>	<u>\$1,669,930 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$8,727,514 [5]	3.97% [1]	1.99%	\$346,482 [8]
8.	Equity	50.00%	8,727,514 [5]	9.30% [1]	4.65%	811,659 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$17,455,028 [3]</u>		<u>6.64%</u>	<u>\$1,158,141</u>

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



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

Public Staff Settlement Exhibit 1  
Schedule 1(e)-RY3

**BROOKWOOD WATER OPERATIONS**

Line No.	Item	<b>Rate Year 3</b>				
		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%	\$23,869,400 [2]	3.97% [1]	1.99%	\$947,615 [8]
2.	Equity	50.00%	23,869,401 [2]	9.48% [6]	4.74%	2,262,265 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$47,738,801 [3]</u>		<u>6.73%</u>	<u>\$3,209,880 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$23,869,400 [4]	3.97% [1]	1.99%	\$947,615 [8]
5.	Equity	50.00%	23,869,401 [4]	10.77% [6]	5.39%	2,570,723 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$47,738,801 [3]</u>		<u>7.37%</u>	<u>\$3,518,338 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$23,869,400 [5]	3.97% [1]	1.99%	\$947,615 [8]
8.	Equity	50.00%	23,869,401 [5]	9.30% [1]	4.65%	2,219,854 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$47,738,801 [3]</u>		<u>6.64%</u>	<u>\$3,167,469</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2

Line No.	Item	Amount Per Application [1] (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [1] (c)
1.	Plant in service	\$662,627,488	(\$51,067,662)	\$611,559,826
2.	Accumulated depreciation	(168,110,793)	(3,990,527)	(172,101,320)
3.	Contributions in aid of construction	(219,348,798)	(2,194,617)	(221,543,415)
4.	Accumulated amortization of CIAC	93,090,963	(1,619,806)	91,471,157
5.	Acquisition adjustments	1,951,369	23,400	1,974,769
6.	Accum. amort. of acquisition adjustments	203,376	56,522	259,898
7.	Advances for construction	(3,744,691)	370,320	(3,374,371)
8.	Net plant in service	366,668,914	(58,422,369)	308,246,544
9.	Customer deposits	(280,618)	27,581	(253,037)
10.	Unclaimed refunds and cost-free capital	(193,255)	124,179	(69,076)
11.	Accumulated deferred income taxes	(37,434,098)	1,750,084	(35,684,014)
12.	Materials and supplies inventory	3,548,743	(104,699)	3,444,044
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	6,626,563	(321,274)	6,305,289
15.	Original cost rate base	<u>\$338,936,248</u>	<u>(\$56,946,499)</u>	<u>\$281,989,749</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(a)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [11] (c)
1.	Plant in service	355,578,457	(\$20,896,358) [1]	\$334,682,099
2.	Accumulated depreciation	(99,084,200)	(1,351,895) [2]	(100,436,095)
3.	Contributions in aid of construction	(102,549,100)	(1,370,206) [3]	(103,919,306)
4.	Accumulated amortization of CIAC	42,289,376	(612,341) [4]	41,677,035
5.	Acquisition adjustments	5,985,304	23,400 [5]	6,008,704
6.	Accum. amort. of acquisition adjustments	(3,182,927)	88,205 [6]	(3,094,722)
7.	Advances for construction	<u>(2,745,087)</u>	255,000 [7]	<u>(2,490,087)</u>
8.	Net plant in service	196,291,823	(23,864,194)	172,427,629
9.	Customer deposits	(218,900)	19,935 [8]	(198,965)
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)
11.	Accumulated deferred income taxes	(19,983,443)	817,889	(19,165,554)
12.	Materials and supplies inventory	2,951,946	(87,092) [9]	2,864,854
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	<u>4,533,901</u>	(261,354) [10]	<u>4,272,547</u>
15.	Original cost rate base	<u>\$183,528,745</u>	<u>(\$23,374,816)</u>	<u>\$160,153,929</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(b)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)
1.	Plant in service	\$204,286,509	(\$15,645,334) [1]	\$188,641,175
2.	Accumulated depreciation	(52,802,324)	(1,596,163) [2]	(54,398,487)
3.	Contributions in aid of construction	(91,744,047)	(749,771) [3]	(92,493,818)
4.	Accumulated amortization of CIAC	39,266,747	(809,475) [4]	38,457,272
5.	Acquisition adjustments	(4,002,509)	0	(4,002,509)
6.	Accum. amort. of acquisition adjustments	3,357,937	(31,759) [5]	3,326,178
7.	Advances for construction	(966,574)	105,000 [6]	(861,574)
8.	Net plant in service	97,395,739	(18,727,502)	78,668,237
9.	Customer deposits	(4,938)	436 [7]	(4,502)
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)
11.	Accumulated deferred income taxes	(11,547,230)	589,680	(10,957,550)
12.	Materials and supplies inventory	449,831	(13,271) [8]	436,560
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	1,227,155	(51,398) [9]	1,175,757
15.	Original cost rate base	<u>\$87,514,215</u>	<u>(\$18,202,056)</u>	<u>\$69,312,159</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(c)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [9] (c)
1.	Plant in service	17,877,676	(\$2,746,885) [1]	\$15,130,791
2.	Accumulated depreciation	(3,728,234)	(179,059) [2]	(3,907,293)
3.	Contributions in aid of construction	(8,657,705)	(54,450) [3]	(8,712,155)
4.	Accumulated amortization of CIAC	3,007,447	(75,866) [4]	2,931,581
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	(48,030)	10,320 [5]	(37,710)
8.	Net plant in service	8,451,154	(3,045,940)	5,405,213
9.	Customer deposits	(4,431)	290 [6]	(4,141)
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339)
11.	Accumulated deferred income taxes	(911,990)	(16,132)	(928,122)
12.	Materials and supplies inventory	28,284	(834) [7]	27,450
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	143,987	2,184 [8]	146,171
15.	Original cost rate base	<u>\$7,699,665</u>	<u>(\$3,060,432)</u>	<u>\$4,639,233</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(d)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [8] (c)
1.	Plant in service	\$33,467,272	(\$6,609,611) [1]	\$26,857,661
2.	Accumulated depreciation	(3,341,327)	(537,506) [2]	(3,878,833)
3.	Contributions in aid of construction	(8,387,127)	(11,000) [3]	(8,398,127)
4.	Accumulated amortization of CIAC	2,556,923	(70,955) [4]	2,485,968
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	15,000	0	15,000
8.	Net plant in service	24,310,741	(7,229,072)	17,081,669
9.	Customer deposits	(92)	(5) [5]	(97)
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,577,322)	47,013	(1,530,309)
12.	Materials and supplies inventory	8,739	(258) [6]	8,481
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	132,720	8,227 [7]	140,947
15.	Original cost rate base	<u>\$22,874,569</u>	<u>(\$7,174,095)</u>	<u>\$15,700,474</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(e)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)
1.	Plant in service	\$51,417,574	(\$5,169,474) [1]	\$46,248,100
2.	Accumulated depreciation	(9,154,708)	(325,904) [2]	(9,480,612)
3.	Contributions in aid of construction	(8,010,819)	(9,190) [3]	(8,020,009)
4.	Accumulated amortization of CIAC	5,970,470	(51,169) [4]	5,919,301
5.	Acquisition adjustments	(31,426)	0	(31,426)
6.	Accum. amort. of acquisition adjustments	28,366	76 [5]	28,442
7.	Advances for construction	0	0	0
8.	Net plant in service	40,219,457	(5,555,661)	34,663,796
9.	Customer deposits	(52,257)	6,925 [6]	(45,332)
10.	Unclaimed refunds and cost-free capital	(132,775)	124,179 [7]	(8,596)
11.	Accumulated deferred income taxes	(3,414,113)	311,634	(3,102,479)
12.	Materials and supplies inventory	109,943	(3,244) [8]	106,699
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	588,800	(18,934) [9]	569,866
15.	Original cost rate base	<u>\$37,319,055</u>	<u>(\$5,135,101)</u>	<u>\$32,183,954</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(a)-RY

<b>AQUA WATER OPERATIONS</b>		<b>Rate Year 1</b>				<b>Rate Year 2</b>				<b>Rate Year 3</b>			
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [11] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [11] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [11] (i)			
1.	Plant in service	378,667,373	(\$10,635,508) [1]	\$368,031,865	399,750,002	(\$12,807,856) [1]	\$386,942,147	420,192,197	(\$14,267,892) [1]	\$405,924,305			
2.	Accumulated depreciation	(107,765,444)	285,692 [2]	(107,479,752)	(118,207,148)	1,273,060 [2]	(116,934,088)	(129,476,198)	2,457,228 [2]	(127,018,970)			
3.	Contributions in aid of construction	(102,549,100)	(1,370,206)	(103,919,306) [3]	(102,549,100)	(1,370,206)	(103,919,306) [3]	(102,549,100)	(1,370,206)	(103,919,306) [3]			
4.	Accumulated amortization of CIAC	44,307,965	122,236	44,430,201 [4]	46,326,554	183,354	46,509,908 [4]	48,345,143	244,472	48,589,615 [4]			
5.	Acquisition adjustments (PAA)	5,985,304	23,400	6,008,704 [5]	5,985,304	23,400	6,008,704 [5]	5,985,304	23,400	6,008,704 [5]			
6.	Accum. amort. of acquisition adjustments	(3,449,590)	(2,749)	(3,452,339) [6]	(3,716,253)	(4,475)	(3,720,728) [6]	(3,982,916)	(6,201)	(3,989,117) [6]			
7.	Advances for construction	(2,745,087)	255,000	(2,490,087) [7]	(2,745,087)	255,000	(2,490,087) [7]	(2,745,087)	255,000	(2,490,087) [7]			
8.	Net plant in service	212,451,421	(11,322,135)	201,129,286	224,844,273	(12,447,722)	212,396,550	235,769,343	(12,664,198)	223,105,145			
9.	Customer deposits	(218,900)	19,935	(198,965) [8]	(218,900)	19,935	(198,965) [8]	(218,900)	19,935	(198,965) [8]			
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)	(46,582)	0	(46,582)	(46,582)	0	(46,582)			
11.	Accumulated deferred income taxes	(20,671,131)	1,672,708	(18,998,423)	(21,164,886)	2,516,303	(18,648,583)	(21,709,081)	3,574,473	(18,134,608)			
12.	Materials and supplies inventory	3,041,685	(176,831)	2,864,854 [9]	3,134,152	(269,298)	2,864,854 [9]	3,229,430	(364,576)	2,864,854 [9]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	4,619,693	(687,681) [10]	3,932,012	4,086,553	(445,479) [10]	3,641,075	3,555,864	(167,385) [10]	3,388,479			
15.	Original cost rate base	\$199,176,185	(\$10,494,003)	\$188,682,182	\$210,634,610	(\$10,626,261)	\$200,008,349	\$220,580,074	(\$9,601,752)	\$210,978,322			

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



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

Public Staff Settlement Exhibit 1  
Schedule 2(b)-RY

Line No.	Item	Rate Year 1				Rate Year 2				Rate Year 3			
		Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Amount Per Application	Public Staff Adjustments	Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
1.	Plant in service	\$212,405,438	(\$1,886,523) [1]	\$210,518,914	\$226,592,216	(\$2,054,530) [1]	\$224,537,686	\$232,897,344	(\$2,174,156) [1]	\$230,723,188			
2.	Accumulated depreciation	(58,209,002)	21,523 [2]	(58,187,479)	(63,408,369)	62,050 [2]	(63,346,319)	(69,836,787)	218,995 [2]	(69,617,792)			
3.	Contributions in aid of construction	(91,744,047)	(749,771)	(92,493,818) [3]	(91,744,047)	(749,771)	(92,493,818) [3]	(91,744,047)	(749,771)	(92,493,818) [3]			
4.	Accumulated amortization of CIAC	41,748,079	35,362	41,783,441 [4]	44,229,411	53,043	44,282,454 [4]	46,710,743	70,724	46,781,467 [4]			
5.	Acquisition adjustments (PAA)	(4,002,509)	0	(4,002,509)	(4,002,509)	0	(4,002,509)	(4,002,509)	0	(4,002,509)			
6.	Accum. amort. of acquisition adjustments	3,452,869	(345)	3,452,524 [5]	3,547,801	(518)	3,547,283 [5]	3,642,733	(691)	3,642,042 [5]			
7.	Advances for construction	(966,574)	105,000	(861,574) [6]	(966,574)	105,000	(861,574) [6]	(966,574)	105,000	(861,574) [6]			
8.	Net plant in service	102,684,254	(2,474,755)	100,209,499	114,247,929	(2,584,726)	111,663,203	116,700,903	(2,529,899)	114,171,004			
9.	Customer deposits	(4,938)	436	(4,502) [7]	(4,938)	436	(4,502) [7]	(4,938)	436	(4,502) [7]			
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)	(6,342)	0	(6,342)	(6,342)	0	(6,342)			
11.	Accumulated deferred income taxes	(11,787,201)	905,631	(10,881,570)	(11,654,694)	860,479	(10,794,215)	(11,643,922)	945,428	(10,698,494)			
12.	Materials and supplies inventory	463,506	(26,946)	436,560 [8]	477,597	(41,037)	436,560 [8]	492,116	(55,556)	436,560 [8]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	1,356,547	(171,891) [9]	1,184,656	1,307,205	(101,701) [9]	1,205,504	1,258,946	(37,014) [9]	1,221,932			
15.	Original cost rate base	\$92,705,826	(\$1,767,525)	\$90,938,301	\$104,366,757	(\$1,866,549)	\$102,500,208	\$106,796,764	(\$1,676,605)	\$105,120,159			

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

Line No.	Item	Rate Year 1				Rate Year 2				Rate Year 3			
		Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Amount Per Application	Public Staff Adjustments	Amount Per Public Staff	Amount Per Application	Public Staff Adjustments	Amount Per Public Staff
		(a)	(b)	(c) [9]	(d)	(e)	(f) [9]	(g)	(h)	(i) [9]			
1.	Plant in service	\$20,728,343	(\$2,515,107) [1]	\$18,213,236	\$21,506,983	(\$2,566,409) [1]	\$18,940,574	\$22,695,671	(\$2,604,214) [1]	\$20,091,457			
2.	Accumulated depreciation	(3,985,624)	(47,020) [2]	(4,032,644)	(4,573,705)	80,826 [2]	(4,492,879)	(5,157,122)	210,064 [2]	(4,947,058)			
3.	Contributions in aid of construction	(8,657,705)	(54,450)	(8,712,155) [3]	(8,657,705)	(54,450)	(8,712,155) [3]	(8,657,705)	(54,450)	(8,712,155) [3]			
4.	Accumulated amortization of CIAC	3,242,047	4,644	3,246,691 [4]	3,476,647	6,966	3,483,613 [4]	3,711,247	9,288	3,720,535 [4]			
5.	Acquisition adjustments (PAA)	0	0	0	0	0	0	0	0	0			
6.	Accum. amort. of acquisition adjustments	0	0	0	0	0	0	0	0	0			
7.	Advances for construction	(48,030)	10,320 [5]	(37,710)	(48,030)	10,320 [5]	(37,710)	(48,030)	10,320 [5]	(37,710)			
8.	Net plant in service	11,279,031	(2,601,613)	8,677,418	11,704,190	(2,522,747)	9,181,443	12,544,062	(2,428,992)	10,115,069			
9.	Customer deposits	(4,431)	290	(4,141) [6]	(4,431)	290	(4,141) [6]	(4,431)	290	(4,141) [6]			
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339)	(7,339)	0	(7,339)	(7,339)	0	(7,339)			
11.	Accumulated deferred income taxes	(929,194)	(16,323)	(945,517)	(919,075)	(36,995)	(956,070)	(893,474)	(59,963)	(953,437)			
12.	Materials and supplies inventory	29,144	(1,694)	27,450 [7]	30,030	(2,580)	27,450 [7]	30,943	(3,493)	27,450 [7]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	170,355	(31,144) [8]	139,211	147,188	(11,301) [8]	135,887	124,161	11,397 [8]	135,558			
15.	Original cost rate base	\$10,537,566	(\$2,650,484)	\$7,887,081	\$10,950,563	(\$2,573,334)	\$8,377,230	\$11,793,922	(\$2,480,762)	\$9,313,160			

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(d)-RY

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [8] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [8] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [8] (i)
1.	Plant in service	\$33,963,905	(\$6,094,523) [1]	\$27,869,382	\$34,439,229	(\$6,123,962) [1]	\$28,315,267	\$36,700,800	(\$6,144,936) [1]	\$30,555,864
2.	Accumulated depreciation	(4,266,389)	(289,770) [2]	(4,556,159)	(5,223,834)	(92,863) [2]	(5,316,697)	(6,028,633)	81,506 [2]	(5,947,127)
3.	Contributions in aid of construction	(8,387,127)	(11,000)	(8,398,127) [3]	(8,387,127)	(11,000)	(8,398,127) [3]	(8,387,127)	(11,000)	(8,398,127) [3]
4.	Accumulated amortization of CIAC	2,770,503	458	2,770,961 [4]	2,984,083	687	2,984,770 [4]	3,197,663	916	3,198,579 [4]
5.	Acquisition adjustments	0	0	0	0	0	0	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0	0	0	0	0	0	0
7.	Advances for construction	15,000	0	15,000	15,000	0	15,000	15,000	0	15,000
8.	Net plant in service	24,095,893	(6,394,835)	17,701,057	23,827,351	(6,227,138)	17,600,213	25,497,704	(6,073,514)	19,424,190
9.	Customer deposits	(92)	(5)	(97) [5]	(92)	(5)	(97) [5]	(92)	(5)	(97) [5]
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)	(217)	0	(217)	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,595,081)	(26,559)	(1,621,640)	(1,686,504)	(156,550)	(1,843,054)	(1,830,824)	(292,579)	(2,123,403)
12.	Materials and supplies inventory	9,004	(523)	8,481 [6]	9,278	(797)	8,481 [6]	9,560	(1,079)	8,481 [6]
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0
14.	Working capital allowance	152,591	(12,667) [7]	139,924	141,752	284 [7]	142,036	131,003	15,070 [7]	146,073
15.	Original cost rate base	\$22,662,098	(\$6,434,589)	\$16,227,509	\$22,291,569	(\$6,384,206)	\$15,907,362	\$23,807,134	(\$6,352,107)	\$17,455,028

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

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

Public Staff Settlement Exhibit 1  
Schedule 2(e)-RY

Line No.	Item	Rate Year 1				Rate Year 2				Rate Year 3			
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	Amount Per Application [10] (d)	Public Staff Adjustments (e)	Amount Per Public Staff (f)	Amount Per Application [10] (g)	Public Staff Adjustments (h)	Amount Per Public Staff (i)			
1.	Plant in service	\$60,118,163	(\$3,660,530) [1]	\$56,457,634	\$65,409,475	(\$5,148,006) [1]	\$60,261,468	\$71,187,006	(\$6,597,970) [1]	\$64,589,036			
2.	Accumulated depreciation	(9,959,642)	(22,286) [2]	(9,981,928)	(11,609,564)	275,186 [2]	(11,334,378)	(13,409,748)	648,258 [2]	(12,761,490)			
3.	Contributions in aid of construction	(8,010,819)	(9,190)	(8,020,009) [3]	(8,010,819)	(9,190)	(8,020,009) [3]	(8,010,819)	(9,190)	(8,020,009) [3]			
4.	Accumulated amortization of CIAC	6,124,949	574	6,125,523 [4]	6,279,428	861	6,280,289 [4]	6,433,907	1,148	6,435,055 [4]			
5.	Acquisition adjustments	(31,426)	0	(31,426)	(31,426)	0	(31,426)	(31,426)	0	(31,426)			
6.	Accum. amort. of acquisition adjustments	28,137	(0)	28,137	27,908	(0)	27,908	27,679	0	27,679			
7.	Advances for construction	(52,257)	52,257	0 [5]	(52,257)	52,257	0 [5]	(52,257)	52,257	0 [5]			
8.	Net plant in service	48,217,105	(3,639,175)	44,577,930	52,012,745	(4,828,893)	47,183,852	56,144,342	(5,905,497)	50,238,845			
9.	Customer deposits	(8,596)	(36,736)	(45,332) [6]	(8,596)	(36,736)	(45,332) [6]	(8,596)	(36,736)	(45,332) [6]			
10.	Unclaimed refunds and cost-free capital	(124,179)	115,583	(8,596) [7]	(124,179)	115,583	(8,596) [7]	(124,179)	115,583	(8,596) [7]			
11.	Accumulated deferred income taxes	(3,747,895)	652,233	(3,095,662)	(3,975,287)	899,082	(3,076,205)	(4,155,983)	1,131,356	(3,024,627)			
12.	Materials and supplies inventory	113,285	(6,586)	106,699 [8]	116,729	(10,030)	106,699 [8]	120,277	(13,579)	106,699 [8]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	636,724	(613,243) [9]	23,481	550,924	(55,459) [9]	495,466	465,484	6,328 [9]	471,812			
15.	Original cost rate base	\$45,086,444	(\$3,527,924)	\$41,558,520	\$48,572,336	(\$3,916,453)	\$44,655,884	\$52,441,345	(\$4,702,545)	\$47,738,801			

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-1

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to post test year additions	(\$20,536,176) [1]	(\$15,820,996) [1]	(\$2,795,952) [1]	(\$6,640,299) [1]	(\$5,274,239) [1]
2	Adjustment to allocate purchased vehicles	<u>(360,182) [2]</u>	<u>175,662 [2]</u>	<u>49,067 [2]</u>	<u>30,688 [2]</u>	<u>104,765 [2]</u>
3	Adjustment to plant in service (L1 + L2)	<u><u>(\$20,896,358)</u></u>	<u><u>(\$15,645,334)</u></u>	<u><u>(\$2,746,885)</u></u>	<u><u>(\$6,609,611)</u></u>	<u><u>(\$5,169,474)</u></u>

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-1(a)

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<b><u>Plant in service</u></b>						
1.	Updated post test year system additions per Company	\$5,887,746 [1]	\$3,397,060 [1]	\$56,404 [1]	(\$283,325) [1]	\$796,336 [1]
2.	Updated post test year IT additions per Company	<u>(4,376,415) [1]</u>	<u>(1,229,223) [1]</u>	<u>(343,356) [1]</u>	<u>(214,741) [1]</u>	<u>(953,021) [1]</u>
3.	Total post test year additions per Company updates (L1 + L2)	1,511,331	2,167,837	(286,952)	(498,066)	(156,685)
4.	Amount per Company application	<u>22,047,507</u>	<u>17,988,833</u>	<u>2,509,000</u>	<u>6,142,233</u>	<u>5,117,554</u>
5.	Adjustment to post test year additions (L3 - L4)	<u><u>(\$20,536,176)</u></u>	<u><u>(\$15,820,996)</u></u>	<u><u>(\$2,795,952)</u></u>	<u><u>(\$6,640,299)</u></u>	<u><u>(\$5,274,239)</u></u>
<b><u>Accumulated depreciation</u></b>						
6.	Updated post test year system additions per Company	(169,696) [1]	(91,004) [1]	(1,143) [1]	15,634 [1]	(17,221) [1]
7.	Removal of SIP	711,207	199,760	55,798	34,897	154,874
8.	Updated post test year IT additions per Company	<u>4,232 [1]</u>	<u>1,189 [1]</u>	<u>332 [1]</u>	<u>208 [1]</u>	<u>922 [1]</u>
9.	Total post test year additions per Company updates (L6 + L7)	545,743	109,945	54,987	50,739	138,575
10.	Amount per Company application	<u>1,886,882</u>	<u>1,680,183</u>	<u>230,190</u>	<u>585,833</u>	<u>451,700</u>
11.	Adjustment to accumulated depreciation (L8 - L9)	<u><u>(\$1,341,139)</u></u>	<u><u>(\$1,570,238)</u></u>	<u><u>(\$175,203)</u></u>	<u><u>(\$535,094)</u></u>	<u><u>(\$313,125)</u></u>
<b><u>Depreciation expense</u></b>						
12.	Updated post test year system additions per Company	169,696 [1]	91,004 [1]	1,143 [1]	(15,634) [1]	17,221 [1]
13.	Updated post test year IT additions per Company	<u>(497,403) [1]</u>	<u>(139,708) [1]</u>	<u>(39,024) [1]</u>	<u>(24,407) [1]</u>	<u>(108,316) [1]</u>
14.	Total post test year additions per Company updates (L11+ L12)	(327,707)	(48,704)	(37,881)	(40,041)	(91,095)
15.	Amount per Company application	<u>562,849</u>	<u>318,591</u>	<u>49,009</u>	<u>96,634</u>	<u>116,923</u>
16.	Adjustment to depreciation expense (L13 - L14)	<u><u>(\$890,556)</u></u>	<u><u>(\$367,295)</u></u>	<u><u>(\$86,890)</u></u>	<u><u>(\$136,675)</u></u>	<u><u>(\$208,018)</u></u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-1(b)

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO PLANT IN SERVICE**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 2-1-RY1

**Rate Year 1**

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$378,667,373 [1]	\$212,405,438 [1]	\$20,728,343 [1]	\$33,963,905 [1]	\$60,118,163 [1]
2	Adjustment to plant in service for rate year 1	<u>(10,635,508)</u>	<u>(1,886,523)</u>	<u>(2,515,107)</u>	<u>(6,094,523)</u>	<u>(3,660,530)</u>
3	Amount per Public Staff for rate year 1 (L1 + L2)	<u>\$368,031,865 [2]</u>	<u>\$210,518,915 [2]</u>	<u>\$18,213,236 [2]</u>	<u>\$27,869,382 [2]</u>	<u>\$56,457,633 [2]</u>

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

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



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

Public Staff Settlement Exhibit 1  
Schedule 2-1-RY2

**Rate Year 2**

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	399,750,002 [1]	\$226,592,216 [1]	\$21,506,983 [1]	\$34,439,229 [1]	\$65,409,475 [1]
2	Adjustment to plant in service for rate year 2	<u>(12,807,856)</u>	<u>(2,054,530)</u>	<u>(2,566,409)</u>	<u>(6,123,962)</u>	<u>(5,148,006)</u>
3	Amount per Public Staff for rate year 2 (L1 + L2)	<u>\$386,942,147 [2]</u>	<u>\$224,537,686 [2]</u>	<u>\$18,940,574 [2]</u>	<u>\$28,315,267 [2]</u>	<u>\$60,261,468 [2]</u>

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-1-RY3

**Rate Year 3**

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	420,192,197 [1]	\$232,897,344 [1]	\$22,695,671 [1]	\$36,700,800 [1]	\$71,187,006 [1]
2	Adjustment to plant in service for rate year 3	<u>(14,267,892)</u>	<u>(2,174,156)</u>	<u>(2,604,214)</u>	<u>(6,144,936)</u>	<u>(6,597,970)</u>
3	Amount per Public Staff for rate year 3 (L1 + L2)	<u>\$405,924,305 [2]</u>	<u>\$230,723,188 [2]</u>	<u>\$20,091,457 [2]</u>	<u>\$30,555,864 [2]</u>	<u>\$64,589,036 [2]</u>

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**CALCULATION OF ADJUSTMENT TO**

**POST TEST YEAR ADDITIONS**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 2-1(a)-RY1

Line No.	Item	Rate Year 1					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total (f) [2]
<b>Plant in service</b>							
1	Rate year 1 additions per Public Staff	\$30,872,536 [1]	\$21,181,949 [1]	\$2,888,092 [1]	\$890,169 [1]	\$9,670,085 [1]	\$65,502,831
2	Rate year 1 common asset additions per Public Staff	2,477,230 [1]	695,791 [1]	194,354 [1]	121,552 [1]	539,448 [1]	4,028,375
3	Total Rate Year 1 additions per Public Staff (L1 + L2)	33,349,766	21,877,740	3,082,446	1,011,721	10,209,533	69,531,206
<b>Accumulated depreciation</b>							
4	Accumulated depreciation for Rate year 1 additions per Public Staff	(1,027,733) [1]	(660,707) [1]	(69,969) [1]	(29,851) [1]	(243,798) [1]	(2,032,058)
5	Accumulated depreciation for Rate year 1 common asset per Public Staff	(284,503) [1]	(79,910) [1]	(22,321) [1]	(13,960) [1]	(61,954) [1]	(462,648)
6	Total accumulated depreciation for Rate Year 1 additions per Public Staff (L4 + L5)	(1,312,236)	(740,617)	(92,290)	(43,811)	(305,752)	(2,494,706)
<b>Depreciation expense</b>							
7	Depreciation for Rate year 1 additions per Public Staff	1,027,733 [1]	660,707 [1]	69,969 [1]	29,851 [1]	243,798 [1]	2,032,058
8	Depreciation for Rate year 1 common asset per Public Staff	284,503 [1]	79,910 [1]	22,321 [1]	13,960 [1]	61,954 [1]	462,648
9	Total depreciation for Rate Year 1 additions per Public Staff (L7 + L8)	1,312,236	740,617	92,290	43,811	305,752	2,494,706

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

For The Rate Year 2 Ended December 31, 2024

Public Staff Settlement Exhibit 1

Schedule 2-1(a)-RY2

Line No.	Item	Rate Year 2					Total [2]
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	
<b>Plant in service</b>							
1	Rate year 2 additions per Public Staff	\$17,765,231 [1]	\$13,697,156 [1]	\$637,502 [1]	\$389,700 [1]	\$3,554,486 [1]	\$36,044,075
2	Rate year 2 common asset additions per Public Staff	1,145,051 [1]	321,616 [1]	89,836 [1]	56,185 [1]	249,349 [1]	1,862,036
3	Total Rate Year 2 additions per Public Staff (L1 + L2)	18,910,282	14,018,772	727,338	445,885	3,803,835	37,906,111
<b>Accumulated depreciation</b>							
4	Updated post test year system additions per Company	(580,209) [1]	(410,195) [1]	(25,377) [1]	(13,007) [1]	(94,966) [1]	(1,123,754)
5	Updated post test year IT additions per Company	(149,410) [1]	(41,965) [1]	(11,722) [1]	(7,331) [1]	(32,536) [1]	(242,965)
6	Total post test year additions per Company updates (L4 + L5)	(729,619)	(452,160)	(37,099)	(20,338)	(127,502)	(1,366,719)
<b>Depreciation expense</b>							
7	Updated post test year system additions per Company	580,209 [1]	410,195 [1]	25,377 [1]	13,007 [1]	94,966 [1]	1,123,754
8	Updated post test year IT additions per Company	149,410 [1]	41,965 [1]	11,722 [1]	7,331 [1]	32,536 [1]	242,965
9	Total post test year additions per Company updates (L7+ L8)	729,619	452,160	37,099	20,338	127,502	1,366,719

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

For The Rate Year 3 Ended December 31, 2025

Public Staff Settlement Exhibit 1

Schedule 2-1(a)-RY3

Line No.	Item	Rate Year 3					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total (f) [2]
<b>Plant in service</b>							
1	Rate year 3 additions per Public Staff	\$17,944,876 [1]	\$5,894,156 [1]	\$1,069,502 [1]	\$2,189,700 [1]	\$4,101,686 [1]	\$31,199,920
2	Rate year 3 common asset additions per Public Staff	1,037,282 [1]	291,346 [1]	81,381 [1]	50,898 [1]	225,882 [1]	1,686,789
3	Total Rate Year 3 additions per Public Staff	18,982,158	6,185,502	1,150,883	2,240,598	4,327,568	32,886,709
<b>Accumulated depreciation</b>							
4	Updated post test year system additions per Company	(507,355) [1]	(205,426) [1]	(30,712) [1]	(62,867) [1]	(104,288) [1]	(910,648)
5	Updated post test year IT additions per Company	(131,177) [1]	(36,844) [1]	(10,292) [1]	(6,437) [1]	(28,566) [1]	(213,315)
6	Total post test year additions per Company updates (L6 + L7)	(638,532)	(242,270)	(41,004)	(69,304)	(132,854)	(1,123,963)
<b>Depreciation expense</b>							
7	Updated post test year system additions per Company	507,355 [1]	205,426 [1]	30,712 [1]	62,867 [1]	104,288 [1]	910,648
8	Updated post test year IT additions per Company	131,177 [1]	36,844 [1]	10,292 [1]	6,437 [1]	28,566 [1]	213,315
9	Total post test year additions per Company updates (L11+ L12)	638,532	242,270	41,004	69,304	132,854	1,123,963

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

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

**Agua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO ACCUMULATED DEPRECIATION**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 2-2

Line No.	Item	<b><u>Base Year</u></b>				
		<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	(\$1,341,139) [1]	(\$1,570,238) [1]	(\$175,203) [1]	(\$535,094) [1]	(\$313,125) [1]
2	Adjustment for vehicle allocations	28,310 [2]	(13,807) [2]	(3,857) [2]	(2,412) [2]	(8,235) [2]
3	Adjustment for WSIC/SSIC in service date	<u>(39,066) [3]</u>	<u>(12,118) [2]</u>	<u>0</u>	<u>0</u>	<u>(4,545) [2]</u>
4	Total Public Staff adjustment (Sum of L1 thru L3)	<u><u>(\$1,351,895)</u></u>	<u><u>(\$1,596,163)</u></u>	<u><u>(\$179,059)</u></u>	<u><u>(\$537,506)</u></u>	<u><u>(\$325,904)</u></u>

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

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-2-RY1

Line No.	Item	Rate Year 1				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(\$107,765,444) [1]	(\$58,209,002) [1]	(\$3,985,624) [1]	(\$4,266,389) [1]	(\$9,959,642) [1]
2	Adjustment to plant in service for rate year 1	<u>285,692</u>	<u>21,523</u>	<u>(47,020)</u>	<u>(289,770)</u>	<u>(22,286)</u>
3	Amount per Public Staff for rate year 1 (L1 + L2)	<u>(\$107,479,752) [2]</u>	<u>(\$58,187,479) [2]</u>	<u>(\$4,032,644) [2]</u>	<u>(\$4,556,159) [2]</u>	<u>(\$9,981,928) [2]</u>

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-2 RY2

Line No.	Item	Rate Year 2				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(\$118,207,148) [1]	(\$63,408,369) [1]	(\$4,573,705) [1]	(\$5,223,834) [1]	(\$11,609,564) [1]
2	Adjustment to plant in service for rate year 2	<u>1,273,060</u>	<u>62,050</u>	<u>80,826</u>	<u>(92,863)</u>	<u>275,186</u>
3	Amount per Public Staff for rate year 2 (L1 + L2)	<u>(\$116,934,088) [2]</u>	<u>(\$63,346,319) [2]</u>	<u>(\$4,492,879) [2]</u>	<u>(\$5,316,697) [2]</u>	<u>(\$11,334,378) [2]</u>

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

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



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

Public Staff Settlement Exhibit 1  
Schedule 2-2- RY3

Line No.	Item	Rate Year 3				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(129,476,198) [1]	(\$69,836,787) [1]	(\$5,157,122) [1]	(\$6,028,633) [1]	(\$13,409,748) [1]
2	Adjustment to plant in service for rate year 3	<u>2,457,228</u>	<u>218,995</u>	<u>210,064</u>	<u>81,506</u>	<u>648,258</u>
3	Amount per Public Staff for rate year 3 (L1 + L2)	<u>(\$127,018,970) [2]</u>	<u>(\$69,617,792) [2]</u>	<u>(\$4,947,058) [2]</u>	<u>(\$5,947,127) [2]</u>	<u>(\$12,761,490) [2]</u>

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

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

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

Line No.	Item	Aqua Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated depreciaiton amount per Public Staff	(\$100,436,095) [1]	(\$100,436,095) [1]	(\$100,436,095) [1]
2	Base Year accumulated depreciaiton carryforward to rate years	(9,513,624) [1]	(19,027,248) [1]	(28,540,872) [1]
3	Rate year 1 additions accumulated derpecciation	(1,312,236) [1]	(2,624,472) [1]	(3,936,708) [1]
4	Rate year 2 additions accumulated derpecciation	[1]	(729,619) [1]	(1,459,238) [1]
5	Rate year 3 additions accumulated derpecciation	[1]	[1]	(638,532) [1]
6	Rate year 1 retirement	3,782,203 [2]	3,782,203 [2]	3,782,203 [2]
7	Rate year 2 retirement		2,101,143 [2]	2,101,143 [2]
8	Rate year 3 retirement			2,109,129 [2]
9	Accumulated depreciation per Public Staff for rate year ( Sub L1 throu L8)	<u>(\$107,479,752)</u>	<u>(\$116,934,088)</u>	<u>(\$127,018,970)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

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

Line No.	Item	Aqua Sewer		
		Rate Year 1 (a)	Rate Year 2 (b)	Rate Year 3 (c)
1	Base Year accumulated depreciaton amount per Public Staff	(\$54,398,487) [1]	(\$54,398,487) [1]	(\$54,398,487) [1]
2	Base Year accumulated depreciaton carryforward to rate years	(5,523,704) [1]	(11,047,408) [1]	(16,571,112) [1]
3	Rate year 1 additions accumulated derpeciation	(740,617) [1]	(1,481,233) [1]	(2,221,850) [1]
4	Rate year 2 additions accumulated derpeciation	[1]	(452,160) [1]	(904,321) [1]
5	Rate year 3 additions accumulated derpeciation	[1]	[1]	(242,270) [1]
6	Rate year 1 retirement	2,475,329 [2]	2,475,329 [2]	2,475,329 [2]
7	Rate year 2 retirement		1,557,641 [2]	1,557,641 [2]
8	Rate year 3 retirement			687,278 [2]
9	Accumulated depreciation per Public Staff for rate year ( Sub L1 throu L8)	<u>(\$58,187,479)</u>	<u>(\$63,346,319)</u>	<u>(\$69,617,792)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

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

Line No.	Item	Fairway Water		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		(a)	(b)	(c)
1	Base Year accumulated depreciaiton amount per Public Staff	(\$3,907,293) [1]	(\$3,907,293) [1]	(\$3,907,293) [1]
2	Base Year accumulated depreciaiton carryforward to rate years	(411,662) [1]	(823,324) [1]	(1,234,986) [1]
3	Rate year 1 additions accumulated derpecciation	(92,290) [1]	(184,580) [1]	(276,870) [1]
4	Rate year 2 additions accumulated derpecciation	[1]	(37,099) [1]	(74,198) [1]
5	Rate year 3 additions accumulated derpecciation	[1]	[1]	(41,004) [1]
6	Rate year 1 retirement	378,601 [2]	378,601 [2]	378,601 [2]
7	Rate year 2 retirement		80,816 [2]	80,816 [2]
8	Rate year 3 retirement			127,876 [2]
9	Accumulated depreciation per Public Staff for rate year ( Sub L1 throu L8)	<u>(\$4,032,644)</u>	<u>(\$4,492,879)</u>	<u>(\$4,947,058)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

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

Line No.	Item	Fairway Sewer		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		(a)	(b)	(c)
1	Base Year accumulated depreciaiton amount per Public Staff	(\$3,878,833) [1]	(\$3,878,833) [1]	(\$3,878,833) [1]
2	Base Year accumulated depreciaiton carryforward to rate years	(745,932) [1]	(1,491,864) [1]	(2,237,796) [1]
3	Rate year 1 additions accumulated derpecciation	(43,811) [1]	(87,622) [1]	(131,433) [1]
4	Rate year 2 additions accumulated derpecciation	[1]	(20,338) [1]	(40,676) [1]
5	Rate year 3 additions accumulated derpecciation	[1]	[1]	(69,304) [1]
6	Rate year 1 retirement	112,417 [2]	112,417 [2]	112,417 [2]
7	Rate year 2 retirement		49,543 [2]	49,543 [2]
8	Rate year 3 retirement			248,955 [2]
9	Accumulated depreciation per Public Staff for rate year ( Sub L1 throu L8)	<u>(\$4,556,159)</u>	<u>(\$5,316,697)</u>	<u>(\$5,947,127)</u>

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

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

Line No.	Item	Brookwood Water		
		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
		(a)	(b)	(c)
1	Base Year accumulated depreciatoin amount per Public Staff	(\$9,480,612) [1]	(\$9,480,612) [1]	(\$9,480,612) [1]
2	Base Year accumulated depreciatoin carryforward to rate years	(1,341,845) [1]	(2,683,690) [1]	(4,025,535) [1]
3	Rate year 1 additions accumulated derpecciation	(305,752) [1]	(611,504) [1]	(917,257) [1]
4	Rate year 2 additions accumulated derpecciation	[1]	(127,502) [1]	(255,004) [1]
5	Rate year 3 additions accumulated derpecciation	[1]	[1]	(132,854) [1]
6	Rate year 1 retirement	1,146,281 [2]	1,146,281 [2]	1,146,281 [2]
7	Rate year 2 retirement		422,649 [2]	422,649 [2]
8	Rate year 3 retirement			480,841 [2]
9	Accumulated depreciation per Public Staff for rate year ( Sub L1 throu L8)	<u>(\$9,981,928)</u>	<u>(\$11,334,378)</u>	<u>(\$12,761,490)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 2-3

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

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

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

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

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

[1] Per Public Staff calculation



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

Public Staff Settlement Exhibit 1  
Schedule 2-3-RY(b)

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

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

[1] Per Public Staff calculation

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

Public Staff Settlement Exhibit 1  
Schedule 2-3-RY(c)

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

[1] Per Public Staff calculation

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

Public Staff Settlement Exhibit 1  
Schedule 2-3-RY(d)

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

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

[1] Per Public Staff calculation

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

Public Staff Settlement Exhibit 1  
Schedule 2-3-RY(e)

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

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

[1] Per Public Staff calculation

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

Public Staff Settlement Exhibit 1  
Schedule 2-4

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

Public Staff Settlement Exhibit 1  
Schedule 2-4-RY(a)

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

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

[1] Per Public Staff calculation

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION**  
For The Rate Year 1 through Rate Year 3

Public Staff Settlement Exhibit 1  
Schedule 2-4-RY(b)

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

[1] Per Public Staff calculation

**Agua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION**

For The Rate Year 1 through Rate Year 3

Public Staff Settlement Exhibit 1  
Schedule 2-4-RY(c)

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

[1] Per Public Staff calculation



**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION**

For The Rate Year 1 through Rate Year 3

Public Staff Settlement Exhibit 1

Schedule 2-4-RY(d)

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

[1] Per Public Staff calculation

**Agua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION**

For The Rate Year 1 through Rate Year 3

Public Staff Settlement Exhibit 1  
Schedule 2-4-RY(e)

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

[1] Per Public Staff calculation

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO ADVANCES FOR CONSTRUCTION**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 2-5

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO ADVANCES FOR CONSTRUCTION**

For The Rate Year 1 through Rate Year 3

Public Staff Settlement Exhibit 1

Schedule 2-5-RY1

**Rate Year 1**

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-5-RY2

**Rate Year 2**

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-5-RY3

**Rate Year 3**

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-6

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-6-RY1

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

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



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

Public Staff Settlement Exhibit 1  
Schedule 2-6-RY2

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-6-RY3

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-7

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

[1] Per examination of Company financial records.

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

Public Staff Settlement Exhibit 1  
Schedule 2-7-RY1

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-7-RY2

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-7-RY3

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 2-8

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Total O&M expenses excluding purchased water and sewer treatment	\$19,644,131 [1]	\$9,196,520 [1]	\$1,087,174 [1]	\$1,101,359 [1]	\$3,385,259 [1]
2	Cash working capital (L1 / 8)	2,455,516	1,149,565	135,897	137,670	423,157
<b><u>Prepayments:</u></b>						
3	Unamortized tank painting	1,992,735 [2]	0	18,511 [2]	0	176,527 [2]
4	Unamortized rate case expense	71,155 [2]	20,968 [2]	5,554 [2]	3,449 [2]	15,383 [2]
5	Unamortized depreciation study	7,073 [2]	1,771 [2]	506 [2]	322 [2]	1,587 [2]
6	Unamortized repair tax credit	53,992 [2]	17,272 [2]	1,360 [2]	1,496 [2]	8,568 [2]
7	Total prepayments (Sum of L3 thru L6)	2,124,955	40,011	25,931	5,267	202,065
<b><u>Average tax accruals:</u></b>						
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(12,048) [4]	(5,183) [4]	(396) [4]	(631) [4]	(1,897) [4]
10	Property tax	(293,020) [5]	(7,703) [5]	(15,239) [5]	(1,317) [5]	(53,388) [5]
11	Total tax accruals (Sum of L8 thru L10)	(307,924)	(13,819)	(15,657)	(1,990)	(55,356)
12	Working capital per Public Staff (L2 + L7 + L11)	4,272,547	1,175,757	146,171	140,947	569,866
13	Amount per application	4,533,901	1,227,155	143,987	132,720	588,800
14	Adjustment to working capital (L12 - L13)	(\$261,354)	(\$51,398)	\$2,184	\$8,227	(\$18,934)

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

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

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

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

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

**Agua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**ADJUSTMENT TO WORKING CAPITAL**  
For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1  
Schedule 2-8-RY1

Line No.	Item	<b><u>Rate Year 1</u></b>				
		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>\$20,239,993</u> [1]	<u>\$9,472,452</u> [1]	<u>\$1,120,267</u> [1]	<u>\$1,128,155</u> [1]	<u>\$3,489,817</u> [1]
2	Cash working capital (L1 / 8)	<u>2,529,999</u>	<u>1,184,056</u>	<u>140,033</u>	<u>141,019</u>	<u>436,227</u>
<b><u>Prepayments:</u></b>						
3	Unamortized tank painting	1,682,427 [2]	0 [2]	14,779 [2]	0 [2]	142,795 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credit	<u>49,228</u> [2]	<u>15,748</u> [2]	<u>1,240</u> [2]	<u>1,364</u> [2]	<u>7,812</u> [2]
7	Total prepayments (Sum of L3 thru L6)	<u>1,731,655</u>	<u>15,748</u>	<u>16,019</u>	<u>1,364</u>	<u>150,607</u>
<b><u>Average tax accruals:</u></b>						
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(14,066) [4]	(5,995) [4]	(555) [4]	(1,011) [4]	(2,366) [4]
10	Property tax	<u>(312,720)</u> [5]	<u>(8,220)</u> [5]	<u>(16,264)</u> [5]	<u>(1,406)</u> [5]	<u>(560,916)</u> [5]
11	Total tax accruals (Sum of L8 thru L10)	<u>(329,642)</u>	<u>(15,148)</u>	<u>(16,841)</u>	<u>(2,459)</u>	<u>(563,353)</u>
12	Working capital per Public Staff (L2 + L7 + L11)	3,932,012	1,184,656	139,211	139,924	23,481
13	Amount per application	<u>4,619,693</u>	<u>1,356,547</u>	<u>170,355</u>	<u>152,591</u>	<u>636,724</u>
14	Adjustment to working capital (L12 - L13)	<u>(\$687,681)</u>	<u>(\$171,891)</u>	<u>(\$31,144)</u>	<u>(\$12,667)</u>	<u>(\$613,243)</u>



- [1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.
- [2] Based on examine of information provided by Company, updated through August 2022.
- [3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.
- [4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5
- [5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

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

Public Staff Settlement Exhibit 1  
Schedule 2-8-RY2

Line No.	Item	<b><u>Rate Year 2</u></b>				
		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>\$20,520,796</u> [1]	<u>\$9,655,522</u> [1]	<u>\$1,129,302</u> [1]	<u>\$1,146,797</u> [1]	<u>\$3,526,664</u> [1]
2	Cash working capital (L1 / 8)	<u>2,565,099</u>	<u>1,206,940</u>	<u>141,163</u>	<u>143,350</u>	<u>440,833</u>
	<b><u>Prepayments:</u></b>					
3	Unamortized tank painting	1,372,119 [2]	0 [2]	11,047 [2]	0 [2]	109,063 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credit	44,464 [2]	14,224 [2]	1,120 [2]	1,232 [2]	7,056 [2]
7	Total prepayments (Sum of L3 thru L6)	<u>1,416,583</u>	<u>14,224</u>	<u>12,167</u>	<u>1,232</u>	<u>116,119</u>
	<b><u>Average tax accruals:</u></b>					
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(14,689) [4]	(6,235) [4]	(619) [4]	(1,052) [4]	(2,554) [4]
10	Property tax	(323,062) [5]	(8,492) [5]	(16,802) [5]	(1,452) [5]	(58,861) [5]
11	Total tax accruals (Sum of L8 thru L10)	<u>(340,607)</u>	<u>(15,660)</u>	<u>(17,443)</u>	<u>(2,546)</u>	<u>(61,486)</u>
12	Working capital per Public Staff (L2 + L7 + L11)	3,641,075	1,205,504	135,887	142,036	495,466
13	Amount per application	<u>4,086,553</u>	<u>1,307,205</u>	<u>147,188</u>	<u>141,752</u>	<u>550,924</u>
14	Adjustment to working capital (L12 - L13)	<u>(\$445,479)</u>	<u>(\$101,701)</u>	<u>(\$11,301)</u>	<u>\$284</u>	<u>(\$55,459)</u>

- [1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.
- [2] Based on examine of information provided by Company, updated through August 2022.
- [3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.
- [4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5
- [5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

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

Public Staff Settlement Exhibit 1  
Schedule 2-8-RY3

Line No.	Item	<b>Rate Year 3</b>				
		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>\$21,111,861</u> [1]	<u>\$9,803,871</u> [1]	<u>\$1,162,184</u> [1]	<u>\$1,180,639</u> [1]	<u>\$3,629,897</u> [1]
2	Cash working capital (L1 / 8)	<u>2,638,983</u>	<u>1,225,484</u>	<u>145,273</u>	<u>147,580</u>	<u>453,737</u>
<b><u>Prepayments:</u></b>						
3	Unamortized tank painting	1,061,811 [2]	0 [2]	7,315 [2]	0 [2]	75,331 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credit	39,700 [2]	12,700 [2]	1,000 [2]	1,100 [2]	6,300 [2]
7	Total prepayments (Sum of L3 thru L6)	<u>1,101,511</u>	<u>12,700</u>	<u>8,315</u>	<u>1,100</u>	<u>81,631</u>
<b><u>Average tax accruals:</u></b>						
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(15,414) [4]	(6,546) [4]	(650) [4]	(1,065) [4]	(2,677) [4]
10	Property tax	(333,745) [5]	(8,773) [5]	(17,358) [5]	(1,500) [5]	(60,808) [5]
11	Total tax accruals (Sum of L8 thru L10)	<u>(352,015)</u>	<u>(16,252)</u>	<u>(18,030)</u>	<u>(2,607)</u>	<u>(63,556)</u>
12	Working capital per Public Staff (L2 + L7 + L11)	3,388,479	1,221,932	135,558	146,073	471,812
13	Amount per application	<u>3,555,864</u>	<u>1,258,946</u>	<u>124,161</u>	<u>131,003</u>	<u>465,484</u>
14	Adjustment to working capital (L12 - L13)	<u>(\$167,385)</u>	<u>(\$37,014)</u>	<u>\$11,397</u>	<u>\$15,070</u>	<u>\$6,328</u>

- [1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.
- [2] Based on examine of information provided by Company, updated through August 2022.
- [3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.
- [4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5
- [5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

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

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates			Company Proposed Rates			Recommended Rates		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [1] (c)	Net Company Increase (d)	Operations After Rate Increase [25] (e)	Net Public Staff Increase [29] (f)	Operations After Rate Increase [30] (g)		
<b>Operating Revenues:</b>										
1	Service revenues	\$41,727,242	\$638,038	\$42,365,280 [18]	\$7,229,320	\$49,594,600 [18]	\$689,219	\$43,054,499 [31]		
2	Late payment fees	69,178	1,059	70,237 [19]	11,986	82,223 [19]	1,143	71,380 [19]		
3	Miscellaneous revenues	752,131	29,917	782,048 [18]	0	782,048	0	782,048		
4	Uncollectibles	(357,571)	167,808	(189,763) [20]	(32,382)	(222,145) [20]	(3,087)	(192,850) [20]		
5	Total operating revenues	42,190,980	836,822	43,027,802	7,208,924	50,236,726	687,275	43,715,077		
<b>Operating Revenue Deductions:</b>										
6	Salaries and wages	8,261,575	(984,028) [2]	7,277,547	0	7,277,547	0	7,277,547		
7	Employee pensions and benefits	2,880,426	(697,470) [2]	2,182,956	0	2,182,956	0	2,182,956		
8	Purchased water	2,679,188	(167,914) [3]	2,511,274	0	2,511,274	0	2,511,274		
9	Purchased power	2,426,141	9,339 [3]	2,435,480	0	2,435,480	0	2,435,480		
10	Fuel for power production	1,754	(1,150) [4]	604	0	604	0	604		
11	Chemicals	489,754	296,827 [5]	786,581	0	786,581	0	786,581		
12	Materials and supplies	491,362	(14,499) [6]	476,863	0	476,863	0	476,863		
13	Testing fees	714,295	(21,074) [7]	693,221	0	693,221	0	693,221		
14	Transportation	1,455,375	(359,100) [4]	1,096,275	0	1,096,275	0	1,096,275		
15	Contractual services - engineering	417	(12) [8]	405	0	405	0	405		
16	Contractual services - accounting	147,827	(29,528) [9]	118,299	0	118,299	0	118,299		
17	Contractual services - legal	175,759	(11,884) [10]	163,875	0	163,875	0	163,875		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	2,368,777	(69,884) [11]	2,298,893	0	2,298,893	0	2,298,893		
20	Rent	263,096	(7,762) [12]	255,334	0	255,334	0	255,334		
21	Insurance	964,057	(275,536) [2]	688,521	0	688,521	0	688,521		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	381,034	109,741	490,775 [21]	0	490,775	0	490,775		
24	Miscellaneous expense	1,035,753	(30,553) [2]	1,005,200	0	1,005,200	0	1,005,200		
25	Interest on customer deposits	19,080	0	19,080	0	19,080	0	19,080		
26	Annualization & consumption adjustments	(73,159)	73,159 [13]	0	0	0	0	0		
27	Non-recurring COVID expenses	0	(38,497) [14]	(38,497)	0	(38,497)	0	(38,497)		
28	Contra-OH Allocations	(1,633,450)	1,326,170 [15]	(307,280)	0	(307,280)	0	(307,280)		
29	Total O&M and G&A expense	23,049,061	(893,656)	22,155,405	0	22,155,405	0	22,155,405		
30	Depreciation and amortization expense	8,480,202	(999,394) [16]	7,480,808	0	7,480,808	0	7,480,808		
31	Property taxes	586,039	0	586,039	0	586,039	0	586,039		
32	Payroll taxes	742,787	(218,804) [2]	523,983	0	523,983	0	523,983		
33	Other taxes	174,357	0	174,357	0	174,357	0	174,357		
34	Benefit costs - Pension	(17,445)	0	(17,445)	0	(17,445)	0	(17,445)		
35	Regulatory fee	54,246	5,993	60,239 [22]	10,092	70,331 [22]	962	61,201 [22]		
36	Deferred income tax	0	(74,576)	(74,576)	0	(74,576)	0	(74,576)		
37	State income tax	314,211	(92,077)	222,134 [23]	179,971	402,105 [27]	17,158	239,292 [32]		
38	Federal income tax	2,573,388	(754,110)	1,819,278 [24]	1,473,961	3,293,239 [28]	140,522	1,959,800 [33]		
39	Total operating revenue deductions	35,956,845	(3,026,624)	32,930,221	1,664,024	34,594,245	158,642	33,088,863		
40	Net operating income for return	\$6,234,135	\$3,863,446	\$10,097,581	\$5,544,900	\$15,642,481	\$528,633	\$10,626,214		

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

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

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Public Staff Recommended Rates		Operations After Rate Increase [30]	
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]			
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
	Operating Revenues:									
1	Service revenues	\$18,397,181	\$131,140	\$18,528,321 [18]	\$2,907,047	\$21,435,368 [18]	\$92,907	\$18,621,228 [31]		
2	Late payment fees	20,488	147	20,635 [19]	3,238	23,873 [19]	103	20,738 [19]		
3	Miscellaneous revenues	22,331	0	22,331	0	22,331	0	22,331		
4	Uncollectibles	(61,113)	(505)	(61,618) [20]	(9,667)	(71,285) [20]	(309)	(61,927) [20]		
5	Total operating revenues	18,378,887	130,782	18,509,669	2,900,618	21,410,287	92,701	18,602,370		
	Operating Revenue Deductions:									
6	Salaries and wages	2,640,569	(172,036) [2]	2,468,533	0	2,468,533	0	2,468,533		
7	Employee pensions and benefits	848,387	(128,458) [2]	719,929	0	719,929	0	719,929		
8	Purchased sewer treatment	896,578	(94,113) [3]	802,465	0	802,465	0	802,465		
9	Sludge removal	667,903	(13,069) [3]	654,834	0	654,834	0	654,834		
10	Purchased power	1,115,877	22,958 [3]	1,138,835	0	1,138,835	0	1,138,835		
11	Fuel for power production	40,855	(13,947) [4]	26,908	0	26,908	0	26,908		
12	Chemicals	613,724	328,266 [5]	941,990	0	941,990	0	941,990		
13	Materials and supplies	132,819	(3,919) [6]	128,900	0	128,900	0	128,900		
14	Testing fees	233,369	(6,886) [7]	226,483	0	226,483	0	226,483		
15	Transportation	424,078	(106,575) [4]	317,503	0	317,503	0	317,503		
16	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
17	Contractual services - accounting	41,009	(8,277) [9]	32,732	0	32,732	0	32,732		
18	Contractual services - legal	121,434	(5,244) [10]	116,190	0	116,190	0	116,190		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	1,822,192	(53,763) [11]	1,768,429	0	1,768,429	0	1,768,429		
21	Rent	58,848	(1,737) [12]	57,111	0	57,111	0	57,111		
22	Insurance	278,916	(76,024) [2]	202,892	0	202,892	0	202,892		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	100,611	44,009	144,620 [21]	0	144,620	0	144,620		
25	Miscellaneous expense	341,787	(10,084) [2]	331,703	0	331,703	0	331,703		
26	Interest on customer deposits	419	0	419	0	419	0	419		
27	Annualization & consumption adjustments	69,624	(69,624) [13]	0	0	0	0	0		
28	Non-recurring COVID expenses	0	(8,870) [14]	(8,870)	0	(8,870)	0	(8,870)		
29	Contra-OH Allocations	(283,235)	210,613 [15]	(72,622)	0	(72,622)	0	(72,622)		
30	Total O&M and G&A expense	10,165,764	(166,779)	9,998,985	0	9,998,985	0	9,998,985		
31	Depreciation and amortization expense	3,176,269	(371,033) [16]	2,805,236	0	2,805,236	0	2,805,236		
32	Property taxes	15,405	0	15,405	0	15,405	0	15,405		
33	Payroll taxes	220,186	(39,983) [2]	180,203	0	180,203	0	180,203		
34	Other taxes	48,289	0	48,289	0	48,289	0	48,289		
35	Benefit costs - Pension	(4,819)	0	(4,819)	0	(4,819)	0	(4,819)		
36	Regulatory fee	27,709	(1,795)	25,914 [22]	4,060	29,974 [22]	129	26,043 [22]		
37	Deferred income tax	0	(20,946)	(20,946)	0	(20,946)	0	(20,946)		
38	State income tax	145,994	(44,379)	101,615 [23]	72,414	174,029 [27]	2,315	103,930 [32]		
39	Federal income tax	1,195,693	(363,464)	832,229 [24]	593,070	1,425,299 [28]	18,954	851,183 [33]		
40	Total operating revenue deductions	14,990,491	(1,008,380)	13,982,111	669,544	14,651,655	21,398	14,003,509		
41	Net operating income for return	\$3,388,396	\$1,139,162	\$4,527,558	\$2,231,074	\$6,758,632	\$71,303	\$4,598,861		

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

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

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Amount Per Public Staff [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]	Operations After Rate Increase [30]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
	Operating Revenues:									
1	Service revenues	\$1,343,704	(\$24,470)	\$1,319,234 [18]	\$567,551	\$1,886,785 [18]	\$256,730	\$1,575,964 [31]		
2	Late payment fees	2,228	(41)	2,187 [19]	941	3,128 [19]	426	2,613 [19]		
3	Miscellaneous revenues	99,955	0	99,955	0	99,955	0	99,955		
4	Uncollectibles	(6,236)	327	(5,909) [20]	(2,542)	(8,451) [20]	(1,150)	(7,059) [20]		
5	Total operating revenues	1,439,651	(24,184)	1,415,467	565,950	1,981,417	256,006	1,671,473		
	Operating Revenue Deductions:									
6	Salaries and wages	344,194	91,993 [2]	436,187	0	436,187	0	436,187		
7	Employee pensions and benefits	109,950	(20,382) [2]	89,568	0	89,568	0	89,568		
8	Purchased water	329	(329) [3]	0	0	0	0	0		
9	Purchased power	92,920	(3,760) [3]	89,160	0	89,160	0	89,160		
10	Fuel for power production	0	951 [4]	951	0	951	0	951		
11	Chemicals	29,896	25,018 [5]	54,914	0	54,914	0	54,914		
12	Materials and supplies	18,177	(537) [6]	17,640	0	17,640	0	17,640		
13	Testing fees	21,985	(649) [7]	21,336	0	21,336	0	21,336		
14	Transportation	46,879	(11,436) [4]	35,443	0	35,443	0	35,443		
15	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
16	Contractual services - accounting	11,479	(2,311) [9]	9,168	0	9,168	0	9,168		
17	Contractual services - legal	13,257	(2,354) [10]	10,903	0	10,903	0	10,903		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	175,369	(5,172) [11]	170,197	0	170,197	0	170,197		
20	Rent	18,925	(558) [12]	18,367	0	18,367	0	18,367		
21	Insurance	50,511	3,236 [2]	53,747	0	53,747	0	53,747		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	29,079	9,232	38,311 [21]	0	38,311	0	38,311		
24	Miscellaneous expense	52,737	(1,554) [2]	51,183	0	51,183	0	51,183		
25	Interest on customer deposits	395	0	395	0	395	0	395		
26	Annualization & consumption adjustments	(2,736)	2,736 [13]	0	0	0	0	0		
27	Non-recurring COVID expenses	0	(2,101) [14]	(2,101)	0	(2,101)	0	(2,101)		
28	Contra-OH Allocations	(43,937)	35,743 [15]	(8,194)	0	(8,194)	0	(8,194)		
29	Total O&M and G&A expense	969,409	117,765	1,087,174	0	1,087,174	0	1,087,174		
30	Depreciation and amortization expense	229,011	(85,391) [16]	143,620	0	143,620	0	143,620		
31	Property taxes	30,479	0	30,479	0	30,479	0	30,479		
32	Payroll taxes	28,302	2,828 [2]	31,130	0	31,130	0	31,130		
33	Other taxes	13,519	0	13,519	0	13,519	0	13,519		
34	Benefit costs - Pension	(1,351)	0	(1,351)	0	(1,351)	0	(1,351)		
35	Regulatory fee	1,747	235	1,982 [22]	792	2,774 [22]	358	2,340 [22]		
36	Deferred income tax	0	(5,851)	(5,851)	0	(5,851)	0	(5,851)		
37	State income tax	14,795	(14,374)	421 [23]	14,129	14,550 [27]	6,391	6,812 [32]		
38	Federal income tax	121,172	(117,727)	3,445 [24]	115,716	119,161 [28]	52,344	55,789 [33]		
39	Total operating revenue deductions	1,407,083	(102,516)	1,304,567	130,637	1,435,204	59,093	1,363,660		
40	Net operating income for return	\$32,568	\$78,332	\$110,900	\$435,313	\$546,213	\$196,913	\$307,813		



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

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Amount Per Public Staff [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]	Operations After Rate Increase [30]		
1	Operating Revenues:									
1	Service revenues	\$2,284,643	(\$24,577)	\$2,260,066 [18]	\$1,356,827	\$3,616,893 [18]	\$654,186	\$2,914,252 [31]		
2	Late payment fees	2,544	(27)	2,517 [19]	1,511	4,028 [19]	729	3,246 [19]		
3	Miscellaneous revenues	40	0	40	0	40	0	40		
4	Uncollectibles	(7,589)	73	(7,516) [20]	(4,512)	(12,028) [20]	(2,176)	(9,692) [20]		
5	Total operating revenues	2,279,638	(24,531)	2,255,107	1,353,826	3,608,933	652,739	2,907,846		
6	Operating Revenue Deductions:									
6	Salaries and wages	239,315	105,750 [2]	345,065	0	345,065	0	345,065		
7	Employee pensions and benefits	80,725	(16,953) [2]	63,772	0	63,772	0	63,772		
8	Purchased sewer treatment	8,920	(1,242) [3]	7,678	0	7,678	0	7,678		
9	Sludge removal	172,329	14,818 [3]	187,147	0	187,147	0	187,147		
10	Purchased power	121,678	1,724 [3]	123,402	0	123,402	0	123,402		
11	Fuel for power production	0	353 [4]	353	0	353	0	353		
12	Chemicals	36,972	20,137 [5]	57,109	0	57,109	0	57,109		
13	Materials and supplies	16,823	(496) [6]	16,327	0	16,327	0	16,327		
14	Testing fees	13,165	(389) [7]	12,776	0	12,776	0	12,776		
15	Transportation	35,742	(8,853) [4]	26,889	0	26,889	0	26,889		
16	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
17	Contractual services - accounting	7,181	(1,449) [9]	5,732	0	5,732	0	5,732		
18	Contractual services - legal	8,601	(1,058) [10]	7,543	0	7,543	0	7,543		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	161,338	(4,760) [11]	156,578	0	156,578	0	156,578		
21	Rent	11,842	(350) [12]	11,492	0	11,492	0	11,492		
22	Insurance	34,212	(833) [2]	33,379	0	33,379	0	33,379		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	18,527	5,265	23,792 [21]	0	23,792	0	23,792		
25	Miscellaneous expense	42,818	(1,261) [2]	41,557	0	41,557	0	41,557		
26	Interest on customer deposits	7	0	7	0	7	0	7		
27	Annualization & consumption adjustments	7,582	(7,582) [13]	0	0	0	0	0		
28	Non-recurring COVID expenses	0	(1,311) [14]	(1,311)	0	(1,311)	0	(1,311)		
29	Contra-OH Allocations	(36,850)	26,598 [15]	(10,252)	0	(10,252)	0	(10,252)		
30	Total O&M and G&A expense	980,927	128,110	1,109,037	0	1,109,037	0	1,109,037		
31	Depreciation and amortization expense	639,423	(134,520) [16]	504,903	0	504,903	0	504,903		
32	Property taxes	2,634	0	2,634	0	2,634	0	2,634		
33	Payroll taxes	21,216	3,628 [2]	24,844	0	24,844	0	24,844		
34	Other taxes	8,461	0	8,461	0	8,461	0	8,461		
35	Benefit costs - Pension	(846)	0	(846)	0	(846)	0	(846)		
36	Regulatory fee	4,758	(1,601)	3,157 [22]	1,896	5,053 [22]	914	4,071 [22]		
37	Deferred income tax	0	(3,659)	(3,659)	0	(3,659)	0	(3,659)		
38	State income tax	38,314	(31,032)	7,282 [23]	33,798	41,080 [27]	16,295	23,577 [32]		
39	Federal income tax	313,791	(254,155)	59,636 [24]	276,808	336,444 [28]	133,461	193,097 [33]		
40	Total operating revenue deductions	2,008,677	(293,228)	1,715,449	312,502	2,027,951	150,670	1,866,119		
41	Net operating income for return	\$270,961	\$268,697	\$539,658	\$1,041,324	\$1,580,982	\$502,069	\$1,041,727		

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

Line No.	Item	Base Year				Base Year			Base Year		
		Present Rates		Public Staff		Company Proposed Rates		Public Staff	Recommended Rates		
		Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [17] (c)	Net Company Increase [25] (d)	Operations After Rate Increase [26] (e)	Net Public Staff Increase [29] (f)	Operations After Rate Increase [30] (g)			
Operating Revenues:											
1	Service revenues	\$6,538,856	(\$27,779)	\$6,511,077 [18]	\$1,701,220	\$8,212,297 [18]	\$836,073	\$7,347,150 [31]			
2	Late payment fees	23,214	(98)	23,116 [19]	6,039	29,155 [19]	2,968	26,084 [19]			
3	Miscellaneous revenues	361,152	0	361,152	0	361,152	0	361,152			
4	Uncollectibles	(121,910)	87	(121,823) [20]	(31,830)	(153,653) [20]	(15,643)	(137,466) [20]			
5	Total operating revenues	6,801,312	(27,790)	6,773,522	1,675,429	8,448,951	823,398	7,596,920			
Operating Revenue Deductions:											
6	Salaries and wages	904,084	23,315 [2]	927,399	0	927,399	0	927,399			
7	Employee pensions and benefits	289,258	(51,173) [2]	238,085	0	238,085	0	238,085			
8	Purchased water	312,747	(1,005) [3]	311,742	0	311,742	0	311,742			
9	Purchased power	281,414	(9,859) [3]	271,555	0	271,555	0	271,555			
10	Fuel for power production	1,348	(833) [4]	515	0	515	0	515			
11	Chemicals	308,600	160,446 [5]	469,046	0	469,046	0	469,046			
12	Materials and supplies	28,651	(3,987) [6]	24,664	0	24,664	0	24,664			
13	Testing fees	70,146	(2,069) [7]	68,077	0	68,077	0	68,077			
14	Transportation	128,620	(28,987) [4]	99,633	0	99,633	0	99,633			
15	Contractual services - engineering	0	0 [8]	0	0	0	0	0			
16	Contractual services - accounting	32,608	(6,442) [9]	26,166	0	26,166	0	26,166			
17	Contractual services - legal	37,934	(9,475) [10]	28,459	0	28,459	0	28,459			
18	Contractual services - management fees	0	0	0	0	0	0	0			
19	Contractual services - other	840,927	(24,812) [11]	816,115	0	816,115	0	816,115			
20	Rent	30,744	(907) [12]	29,837	0	29,837	0	29,837			
21	Insurance	137,873	10,981 [2]	148,854	0	148,854	0	148,854			
22	Advertising	0	0	0	0	0	0	0			
23	Regulatory commission expense	84,231	21,872	106,103 [21]	0	106,103	0	106,103			
24	Miscellaneous expense	158,425	(4,675) [2]	153,750	0	153,750	0	153,750			
25	Interest on customer deposits	4,919	0	4,919	0	4,919	0	4,919			
26	Annualization & consumption adjustments	(6,053)	6,053 [13]	0	0	0	0	0			
27	Non-recurring COVID expenses	0	(7,263) [14]	(7,263)	0	(7,263)	0	(7,263)			
28	Contra-OH Allocations	(108,414)	87,758 [15]	(20,656)	0	(20,656)	0	(20,656)			
29	Total O&M and G&A expense	3,538,062	158,939	3,697,001	0	3,697,001	0	3,697,001			
30	Depreciation and amortization expense	1,322,013	(200,181) [16]	1,121,832	0	1,121,832	0	1,121,832			
31	Property taxes	106,775	0	106,775	0	106,775	0	106,775			
32	Payroll taxes	74,191	(8,856) [2]	65,335	0	65,335	0	65,335			
33	Other taxes	38,482	0	38,482	0	38,482	0	38,482			
34	Benefit costs - Pension	(3,853)	0	(3,853)	0	(3,853)	0	(3,853)			
35	Regulatory fee	10,845	(1,362)	9,483 [22]	2,346	11,829 [22]	1,153	10,636 [22]			
36	Deferred income tax	0	(16,240)	(16,240)	0	(16,240)	0	(16,240)			
37	State income tax	62,407	(34,917)	27,490 [23]	41,827	69,317 [27]	20,557	48,047 [32]			
38	Federal income tax	511,116	(285,969)	225,147 [24]	342,563	567,710 [28]	168,354	393,501 [33]			
39	Total operating revenue deductions	5,660,039	(388,588)	5,271,451	386,736	5,658,187	190,064	5,461,515			
40	Net operating income for return	\$1,141,273	\$360,798	\$1,502,071	\$1,288,693	\$2,790,764	\$633,334	\$2,135,405			

**Agua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**FOOTNOTES TO SCHEDULE 3(a)**  
For The Test Year Ended December 31, 2021

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

**Agua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**FOOTNOTES TO SCHEDULE 3(b)**  
For The Test Year Ended December 31, 2021

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

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

**Agua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**FOOTNOTES TO SCHEDULE 3(c)**  
For The Test Year Ended December 31, 2021

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

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

**Agua North Carolina, Inc.**  
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**FOOTNOTES TO SCHEDULE 3(d)**  
For The Test Year Ended December 31, 2021

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

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

**Agua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**FOOTNOTES TO SCHEDULE 3(e)**  
For The Test Year Ended December 31, 2021

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

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (e).
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- [22] Line 5 x 0.14%.
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- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
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- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (b).
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- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (c).

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

Public Staff Settlement Exhibit 1

Schedule 3-1

**ADJUSTMENT TO MISCELLANEOUS REVENUES**

For The Test Year Ended December 31, 2021

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to remove Oaks at Hunter Hill and Shepherds Way \$	14,619 [1]	\$0	\$0	\$0	\$0
2	Adjustment to remove Lakewood in Gaston County	5,100 [1]	0	0	0	0
3	Adjustment to remove NorthGate in Wake County	<u>10,199 [1]</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	Adjustment to miscellaneous revenues (Sum of L1 thru L3)	<u><u>\$29,917</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

[1] Recommended by Public Staff engineer Junis



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

Public Staff Settlement Exhibit 1  
Schedule 3-2

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

[1] Per examination of Company financial records.

[2] Per recommendation of witness Franklin

**Agua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**SLUDGE REMOVAL**

Public Staff Settlement Exhibit 1  
Schedule 3-3

For The Test Year Ended December 31, 2021

**Base Year**

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

- [1] Per examination of Company financial records.
- [2] Per recommendation of witness Franklin
- [3] Per witness Darden's recommended growth factors

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**PURCHASED POWER**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 3-4

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

[1] Per examination of Company financial records.

[2] Per recommendation of witness Franklin

[3] Per witness Darden's recommended growth factors

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**FUEL FOR POWER PRODUCTION**  
For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1  
Schedule 3-5

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

[1] Per examination of Company financial records.  
[2] Per recommendation of witness Houser

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

Public Staff Settlement Exhibit 1  
Schedule 3-6

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

[1] Per examination of Company financial records.

[2] Per recommendation of witness Bhatta.

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

Public Staff Settlement Exhibit 1  
Schedule 3-7

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

[1] Per examination of Company financial records.

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO TRANSPORTATION FEES**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 3-8

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

[1] Per examination of Company financial records.

[2] Per recommendation of witness Houser

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

Public Staff Settlement Exhibit 1  
Schedule 3-9

For The Test Year Ended December 31, 2021

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

[1] Per examination of Company financial records.



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

Public Staff Settlement Exhibit 1  
Schedule 3-10

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-11

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO CONTRACTUAL SERVICES-OTHER**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 3-12

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

[1] Per examination of Company financial records.

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO RENT**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 3-13

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

[1] Per examination of Company financial records.

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

Public Staff Settlement Exhibit 1  
Schedule 3-14

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Base Year				
					Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$122,187)</u>	1,294,284 [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period			<u>323,571</u>	\$197,611 [4]	58,232 [5]	15,426 [6]	9,580 [7]	42,722 [8]
4	Unamortized balance of current rate case expense			970,713	592,833 [4]	174,694.66 [5]	46,278 [6]	28,740 [7]	128,167 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>\$1</u>	985,455 [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>328,485</u>	200,612 [4]	59,116 [5]	15,660 [6]	9,725 [7]	43,371 [8]
8	Unamortized balance of Sub 526 rate case expense			273,738	167,177 [4]	49,263.25 [5]	13,050 [6]	8,105 [7]	36,143 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>\$0</u>	419,435					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>139,812</u>	\$85,386 [4]	\$25,161 [5]	\$6,665 [6]	\$4,139 [7]	\$18,460 [8]
12	Unamortized balance of Sub 497 rate case expense			116,510	\$71,155 [4]	\$20,968 [5]	\$5,554 [6]	\$3,449 [7]	\$15,383 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>\$0</u>	58,664					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>11,733</u>	\$7,165 [4]	\$2,111 [5]	\$559 [6]	\$347 [7]	\$1,549 [8]
16	Unamortized balance of depreciation study expense			11,244	\$6,867 [4]	\$2,024 [5]	\$536 [6]	\$333 [7]	\$1,485 [8]
17	Regulatory commission expense per Public Staff				<u>\$490,775</u>	<u>\$144,620</u>	<u>\$38,311</u>	<u>\$23,792</u>	<u>\$106,103</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$838,032</u>	<u>\$246,949</u>	<u>\$65,419</u>	<u>\$40,627</u>	<u>\$181,178</u>

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**COVID EXPENSES**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 3-15

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

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**AQUA NORTH CAROLINA, INC.**  
Docket No. W-218, Sub 573  
**ADJUSTMENT TO CONTRA-OH ALLOCATIONS**  
For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1  
Schedule 16

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

[1] Per examination of Company financial records.

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**CALCULATION OF DEPRECIATION  
AND AMORTIZATION EXPENSE**

For The Test Year Ended December 31, 2021

Public Staff Settlement Exhibit 1

Schedule 3-17

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
<b><u>Depreciation expense</u></b>						
1	Adjustment to include post test year additions	(\$890,556) [1]	(\$367,295) [1]	(\$86,890) [1]	(\$136,675) [1]	(\$208,018) [1]
2	Adjustment for vehicle purchases	(28,310) [2]	13,807 [2]	3,857 [2]	2,412 [2]	8,235 [2]
3	Adjustment to excess capacity	0	0	0	0	0
4	Total adjustment to depreciation expense	<u>(918,866)</u>	<u>(353,488)</u>	<u>(83,033)</u>	<u>(134,263)</u>	<u>(199,783)</u>
<b><u>CIAC amortization expense</u></b>						
5	Adjustment to include post test year additions	(59,330) [3]	(17,545) [3]	(2,358) [3]	(257) [3]	(398) [3]
6	Adjustment to excess capacity	0	0	0	0	0
7	Adjustment to tank painting	(21,900) [4]	0	0	0	0
8	Adjustment to JoCo transmission fee revenue deficit	0	0	0	0	0
9	Adjustment to PTY plant deferred accounting	0	0	0	0	0
10	Total adjustment to CIAC amortization	<u>(81,230)</u>	<u>(17,545)</u>	<u>(2,358)</u>	<u>(257)</u>	<u>(398)</u>
<b><u>Amortization of acquisition adjustments</u></b>						
11	Adjustment to include post test year additions	<u>702</u> [4]	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12	Total Public Staff adjustment (L4 + L10 + L11)	<u>(\$999,394)</u>	<u>(\$371,033)</u>	<u>(\$85,391)</u>	<u>(\$134,520)</u>	<u>(\$200,181)</u>

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

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

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

[4] Provided by Public Staf.



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

Public Staff Settlement Exhibit 1  
Schedule 3-18(a)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	<u>\$43,027,802</u>	<u>\$50,236,726</u>	<u>\$43,715,077</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	22,155,405	22,155,405	22,155,405
3.	Depreciation and amortization expense	7,480,808	7,480,808	7,480,808
4.	Property taxes	586,039	586,039	586,039
5.	Payroll taxes	523,983	523,983	523,983
6.	Other taxes	174,357	174,357	174,357
7.	Benefit costs - Pension	(17,445)	(17,445)	(17,445)
8.	Regulatory fee	60,239	70,331	61,201
9.	Gross receipts tax	0	0	0
10.	Interest expense	<u>3,179,055</u> [2]	<u>3,179,055</u> [4]	<u>3,179,055</u> [6]
11.	Total deductions (Sum of L2 thru L10)	<u>34,142,440</u>	<u>34,152,532</u>	<u>34,143,402</u>
12.	Taxable income (L1 - L11)	<u>8,885,362</u>	<u>16,084,194</u>	<u>9,571,675</u>
13.	State income tax (L12 x 2.50%)	<u>222,134</u>	<u>402,105</u>	<u>239,292</u>
14.	Federal taxable income (L12 - L13)	<u>8,663,228</u>	<u>15,682,089</u>	<u>9,332,383</u>
15.	Federal income tax (L14 x 21.00%)	<u>1,819,278</u>	<u>3,293,239</u>	<u>1,959,800</u>
16.	Excess deferred income tax amortization	<u>(74,576)</u>	<u>(74,576)</u>	<u>(74,576)</u>
17.	Net amount (L12 - L13 - L15 - L16)	6,918,526	12,463,426	7,447,159
18.	Add: interest expense	<u>3,179,055</u> [2]	<u>3,179,055</u> [4]	<u>3,179,055</u> [6]
19.	Net income for return (L17 + L18)	<u>\$10,097,581</u>	<u>\$15,642,481</u>	<u>\$10,626,214</u>

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

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

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

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

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-18(b)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	\$18,509,669	\$21,410,287	\$18,602,370
	Operating revenue deductions:			
2.	O&M and G&A expense	9,998,985	9,998,985	9,998,985
3.	Depreciation and amortization expense	2,805,236	2,805,236	2,805,236
4.	Property taxes	15,405	15,405	15,405
5.	Payroll taxes	180,203	180,203	180,203
6.	Other taxes	48,289	48,289	48,289
7.	Benefit costs - Pension	(4,819)	(4,819)	(4,819)
8.	Regulatory fee	25,914	29,974	26,043
9.	Gross receipts tax	0	0	0
10.	Interest expense	1,375,846 [2]	1,375,846 [4]	1,375,846 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>14,445,059</u>	<u>14,449,119</u>	<u>14,445,188</u>
12.	Taxable income (L1 - L11)	<u>4,064,610</u>	<u>6,961,168</u>	<u>4,157,182</u>
13.	State income tax (L12 x 2.50%)	<u>101,615</u>	<u>174,029</u>	<u>103,930</u>
14.	Federal taxable income (L12 - L13)	<u>3,962,995</u>	<u>6,787,139</u>	<u>4,053,252</u>
15.	Federal income tax (L14 x 21.00%)	<u>832,229</u>	<u>1,425,299</u>	<u>851,183</u>
16.	Excess deferred income tax amortization	(20,946)	(20,946)	(20,946)
17.	Net amount (L12 - L13 - L15 - L16)	3,151,712	5,382,786	3,223,015
18.	Add: interest expense	<u>1,375,846 [2]</u>	<u>1,375,846 [4]</u>	<u>1,375,846 [6]</u>
19.	Net income for return (L17 + L18)	<u>\$4,527,558</u>	<u>\$6,758,632</u>	<u>\$4,598,861</u>

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

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

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

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

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-18(c)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	\$1,415,467	\$1,981,417	\$1,671,473
	Operating revenue deductions:			
2.	O&M and G&A expense	1,087,174	1,087,174	1,087,174
3.	Depreciation and amortization expense	143,620	143,620	143,620
4.	Property taxes	30,479	30,479	30,479
5.	Payroll taxes	31,130	31,130	31,130
6.	Other taxes	13,519	13,519	13,519
7.	Benefit costs - Pension	(1,351)	(1,351)	(1,351)
8.	Regulatory fee	1,982	2,774	2,340
9.	Gross receipts tax	0	0	0
10.	Interest expense	92,089 [2]	92,089 [4]	92,089 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,398,641</u>	<u>1,399,433</u>	<u>1,398,999</u>
12.	Taxable income (L1 - L11)	<u>16,826</u>	<u>581,984</u>	<u>272,474</u>
13.	State income tax (L12 x 2.50%)	<u>421</u>	<u>14,550</u>	<u>6,812</u>
14.	Federal taxable income (L12 - L13)	<u>16,405</u>	<u>567,434</u>	<u>265,662</u>
15.	Federal income tax (L14 x 21.00%)	<u>3,445</u>	<u>119,161</u>	<u>55,789</u>
16.	Excess deferred income tax amortization	<u>(5,851)</u>	<u>(5,851)</u>	<u>(5,851)</u>
17.	Net amount (L12 - L13 - L15 - L16)	18,811	454,124	215,724
18.	Add: interest expense	<u>92,089 [2]</u>	<u>92,089 [4]</u>	<u>92,089 [6]</u>
19.	Net income for return (L17 + L18)	<u>\$110,900</u>	<u>\$546,213</u>	<u>\$307,813</u>

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

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

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

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

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-18(d)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	\$2,255,107	\$3,608,933	\$2,907,846
	Operating revenue deductions:			
2.	O&M and G&A expense	1,109,037	1,109,037	1,109,037
3.	Depreciation and amortization expense	504,903	504,903	504,903
4.	Property taxes	2,634	2,634	2,634
5.	Payroll taxes	24,844	24,844	24,844
6.	Other taxes	8,461	8,461	8,461
7.	Benefit costs - Pension	(846)	(846)	(846)
8.	Regulatory fee	3,157	5,053	4,071
9.	Gross receipts tax	0	0	0
10.	Interest expense	311,654 [2]	311,654 [4]	311,654 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,963,844</u>	<u>1,965,740</u>	<u>1,964,758</u>
12.	Taxable income (L1 - L11)	<u>291,263</u>	<u>1,643,193</u>	<u>943,088</u>
13.	State income tax (L12 x 2.50%)	<u>7,282</u>	<u>41,080</u>	<u>23,577</u>
14.	Federal taxable income (L12 - L13)	<u>283,981</u>	<u>1,602,113</u>	<u>919,511</u>
15.	Federal income tax (L14 x 21.00%)	<u>59,636</u>	<u>336,444</u>	<u>193,097</u>
16.	Excess deferred income tax amortization	<u>(3,659)</u>	<u>(3,659)</u>	<u>(3,659)</u>
17.	Net amount (L12 - L13 - L15 - L16)	228,004	1,269,328	730,073
18.	Add: interest expense	<u>311,654 [2]</u>	<u>311,654 [4]</u>	<u>311,654 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$539,658</u></u>	<u><u>\$1,580,982</u></u>	<u><u>\$1,041,727</u></u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-18(e)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)
1.	Operating revenue	<u>\$6,773,522</u>	<u>\$8,448,951</u>	<u>\$7,596,920</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	3,697,001	3,697,001	3,697,001
3.	Depreciation and amortization expense	1,121,832	1,121,832	1,121,832
4.	Property taxes	106,775	106,775	106,775
5.	Payroll taxes	65,335	65,335	65,335
6.	Other taxes	38,482	38,482	38,482
7.	Benefit costs - Pension	(3,853)	(3,853)	(3,853)
8.	Regulatory fee	9,483	11,829	10,636
9.	Gross receipts tax	0	0	0
10.	Interest expense	<u>638,851</u> [2]	<u>638,851</u> [4]	<u>638,851</u> [6]
11.	Total deductions (Sum of L2 thru L10)	<u>5,673,905</u>	<u>5,676,251</u>	<u>5,675,058</u>
12.	Taxable income (L1 - L11)	<u>1,099,617</u>	<u>2,772,700</u>	<u>1,921,862</u>
13.	State income tax (L12 x 2.50%)	<u>27,490</u>	<u>69,317</u>	<u>48,047</u>
14.	Federal taxable income (L12 - L13)	<u>1,072,127</u>	<u>2,703,383</u>	<u>1,873,815</u>
15.	Federal income tax (L14 x 21.00%)	<u>225,147</u>	<u>567,710</u>	<u>393,501</u>
16.	Excess deferred income tax amortization	<u>(16,240)</u>	<u>(16,240)</u>	<u>(16,240)</u>
17.	Net amount (L12 - L13 - L15 - L16)	863,220	2,151,913	1,496,554
18.	Add: interest expense	<u>638,851</u> [2]	<u>638,851</u> [4]	<u>638,851</u> [6]
19.	Net income for return (L17 + L18)	<u>\$1,502,071</u>	<u>\$2,790,764</u>	<u>\$2,135,405</u>

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

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

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

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

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

**AQUA WATER OPERATIONS**

Public Staff Settlement Exhibit 1

Schedule 3(a)-RY

Page 1 of 2

Line No.	Item	Rate Year 1		Rate Year 2		Rate Year 3		
		PS Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Operating Revenues:</b>								
1	Service revenues	\$43,054,499	\$4,269,231	\$47,323,730 [3]	\$1,963,623	\$49,287,353 [3]	\$2,156,190	\$51,443,543 [3]
2	Late payment fees	71,380	7,078	78,458 [4]	3,256	81,714 [4]	3,574	85,288 [4]
3	Miscellaneous revenues	782,048	0	782,048 [4]	0	782,048 [4]	0	782,048 [4]
4	Uncollectibles	(192,850)	(19,123)	(211,973) [4]	(8,796)	(220,769) [4]	(9,658)	(230,427) [4]
5	<b>Total operating revenues</b>	<b>43,715,077</b>	<b>4,257,187</b>	<b>47,972,263</b>	<b>1,958,083</b>	<b>49,930,346</b>	<b>2,150,106</b>	<b>52,080,452</b>
<b>Operating Revenue Deductions:</b>								
6	Salaries and wages	7,277,547	218,327	7,495,874	224,877	7,720,751	231,623	7,952,375
7	Employee pensions and benefits	2,182,956	65,489	2,248,444	67,453	2,315,898	69,477	2,385,375
8	Purchased water	2,511,274	0	2,511,274	0	2,511,274	0	2,511,274
9	Purchased power	2,435,480	74,040	2,509,520	76,291	2,585,811	78,610	2,664,421
10	Fuel for power production	604	0	604	0	604	0	604
11	Chemicals	786,581	23,911	810,492	24,638	835,130	25,387	860,517
12	Materials and supplies	476,863	14,496	491,359	14,937	506,296	15,391	521,687
13	Testing fees	693,221	21,074	714,295	21,715	736,010	22,375	758,386
14	Transportation	1,096,275	11,643	1,107,918	11,766	1,119,684	11,892	1,131,576
15	Contractual services - engineering	405	13	418	13	431	13	444
16	Contractual services - accounting	118,299	3,596	121,895	3,706	125,601	3,818	129,419
17	Contractual services - legal	163,875	4,982	168,857	5,133	173,990	5,289	179,279
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	2,298,893	69,885	2,368,778	72,009	2,440,787	74,198	2,514,985
20	Rent	255,334	7,763	263,097	7,999	271,096	8,242	279,338
21	Insurance	688,521	20,930	709,451	21,566	731,017	22,222	753,239
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	490,775	(0)	490,774	(293,163)	197,611	0	197,611
24	Miscellaneous expense	1,005,200	30,558	1,035,758	31,487	1,067,245	32,444	1,099,690
25	Interest on customer deposits	19,080	0	19,080	0	19,080	0	19,080
26	Annualization & consumption adjustments	0	0	0	0	0	0	0
27	Non-recurring COVID expenses	(38,497)	38,497	0	0	0	0	0
28	Contra-OH Allocations	(307,280)	(9,341)	(316,621)	(9,625)	(326,246)	(9,918)	(336,164)
29	<b>Total O&amp;M and G&amp;A expense</b>	<b>22,155,405</b>	<b>595,863</b>	<b>22,751,267</b>	<b>280,802</b>	<b>23,032,070</b>	<b>591,065</b>	<b>23,623,135</b>
30	Depreciation and amortization expense	7,480,808	1,312,236	8,793,044	729,619	9,522,663	638,532	10,161,195
31	Property taxes	586,039	39,401	625,440	20,683	646,123	21,367	667,490
32	Payroll taxes	523,983	15,719	539,702	16,191	555,894	16,677	572,570
33	Other taxes	174,357	0	174,357	0	174,357	0	174,357
34	Benefit costs - Pension	(17,445)	(523)	(17,968)	(539)	(18,507)	(555)	(19,063)
35	Regulatory fee	61,201	5,960	67,161	2,741	69,902	3,010	72,913
36	Deferred income tax	(74,576)	0	(74,576)	0	(74,576)	0	(74,576)
37	State income tax	239,292	43,056	282,348	17,094	299,442	16,556	315,998
38	Federal income tax	1,959,800	352,630	2,312,430	140,000	2,452,430	135,597	2,588,027
39	<b>Total operating revenue deductions</b>	<b>33,088,863</b>	<b>2,364,342</b>	<b>35,453,205</b>	<b>1,206,592</b>	<b>36,659,797</b>	<b>1,422,249</b>	<b>38,082,046</b>
40	<b>Net operating income for return</b>	<b>\$10,626,214</b>	<b>\$1,892,845</b>	<b>\$12,519,058</b>	<b>\$751,491</b>	<b>\$13,270,549</b>	<b>\$727,857</b>	<b>\$13,998,406</b>

**Agua North Carolina, Inc.**

Docket No. W-218, Sub 573

**NET OPERATING INCOME FOR A RETURN**

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

**AQUA SEWER OPERATIONS**

Public Staff Settlement Exhibit 1

Schedule 3(b)-RY

Page 1 of 2

Line No.	Item	Rate Year 1		Rate Year 2		Rate Year 3		
		Amount Per	RY1 Public Staff	RY1 Amount Per	RY2 Public Staff	RY2 Amount Per	RY3 Public Staff	RY3 Amount Per
		Base Year (a)	Adjustments (b)	Public Staff (c)	Adjustments [19] (d)	Public Staff (e)	Adjustments [23] (f)	Public Staff (g)
<b>Operating Revenues:</b>								
1	Service revenues	\$18,621,228	\$2,792,162	\$21,413,390 [3]	\$1,599,599	\$23,012,989 [3]	\$635,129	\$23,648,118 [3]
2	Late payment fees	20,738	3,110	23,848 [4]	1,782	25,630 [4]	707	26,337 [4]
3	Miscellaneous revenues	22,331	0	22,331 [4]	0	22,331 [4]	0	22,331 [4]
4	Uncollectibles	(61,927)	(9,285)	(71,212) [4]	(5,320)	(76,532) [4]	(2,112)	(78,644) [4]
5	<b>Total operating revenues</b>	<b>18,602,370</b>	<b>2,785,987</b>	<b>21,388,357</b>	<b>1,596,061</b>	<b>22,984,418</b>	<b>633,724</b>	<b>23,618,142</b>
<b>Operating Revenue Deductions:</b>								
6	Salaries and wages	2,468,533	74,056	2,542,589	76,278	2,618,867	78,566	2,697,433
7	Employee pensions and benefits	719,929	21,598	741,527	22,246	763,773	22,913	786,686
8	Purchased sewer treatment	802,465	24,395	826,860	25,137	851,997	25,901	877,897
9	Sludge removal	654,834	19,907	674,741	20,512	695,253	21,135	716,389
10	Purchased power	1,138,835	34,622	1,173,457	35,675	1,209,132	36,759	1,245,891
11	Fuel for power production	26,908	0	26,908	0	26,908	0	26,908
12	Chemicals	941,990	28,636	970,626	29,507	1,000,132	30,404	1,030,536
13	Materials and supplies	128,900	3,919	132,819	4,038	136,857	4,161	141,018
14	Testing fees	226,483	6,886	233,369	7,095	240,464	7,311	247,774
15	Transportation	317,503	3,372	320,875	3,408	324,283	3,444	327,727
16	Contractual services - engineering	0	0	0	0	0	0	0
17	Contractual services - accounting	32,732	995	33,727	1,026	34,753	1,057	35,809
18	Contractual services - legal	116,190	3,533	119,723	3,640	123,363	3,751	127,113
19	Contractual services - management fees	0	0	0	0	0	0	0
20	Contractual services - other	1,768,429	53,763	1,822,192	49,780	1,871,971	(77,901)	1,794,071
21	Rent	57,111	1,736	58,847	1,789	60,636	1,843	62,480
22	Insurance	202,892	6,168	209,060	6,355	215,415	6,549	221,964
23	Advertising	0	0	0	0	0	0	0
24	Regulatory commission expense	144,620	0	144,620 [14]	(86,389)	58,232	0	58,232
25	Miscellaneous expense	331,703	10,081	341,784	10,387	352,170	10,703	362,873
26	Interest on customer deposits	419	0	419	0	419	0	419
27	Annualization & consumption adjustments	0	0	0 [15]	0	0	0	0
28	Non-recurring COVID expenses	(8,870)	8,870	0	0	0	0	0
29	Contra-OH Allocations	(72,622)	(2,208)	(74,831)	(2,276)	(77,106)	(2,345)	(79,451)
30	<b>Total O&amp;M and G&amp;A expense</b>	<b>9,998,985</b>	<b>300,327</b>	<b>10,299,312</b>	<b>208,206</b>	<b>10,507,518</b>	<b>174,250</b>	<b>10,681,768</b>
31	Depreciation and amortization expense	2,805,236	740,617	3,545,853	452,160	3,998,013	242,270	4,240,283
32	Property taxes	15,405	1,035	16,440	544	16,984	562	17,546
33	Payroll taxes	180,203	5,406	185,609	5,568	191,177	5,735	196,913
34	Other taxes	48,289	0	48,289	0	48,289	0	48,289
35	Benefit costs - Pension	(4,819)	(145)	(4,964)	(149)	(5,112)	(153)	(5,266)
36	Regulatory fee	26,043	3,901	29,944 [16]	2,234	32,178 [16]	887	33,065 [16]
37	Deferred income tax	(20,946)	0	(20,946)	0	(20,946)	0	(20,946)
38	State income tax	103,930	32,639	136,569 [17]	17,450	154,019 [21]	3,954	157,973 [26]
39	Federal income tax	851,183	267,315	1,118,498 [18]	142,914	1,261,412 [22]	32,384	1,293,796 [27]
40	<b>Total operating revenue deductions</b>	<b>14,003,509</b>	<b>1,351,095</b>	<b>15,354,604</b>	<b>828,929</b>	<b>16,183,532</b>	<b>459,890</b>	<b>16,643,422</b>
41	<b>Net operating income for return</b>	<b>\$4,598,861</b>	<b>\$1,434,892</b>	<b>\$6,033,753</b>	<b>\$767,132</b>	<b>\$6,800,885</b>	<b>\$173,834</b>	<b>\$6,974,720</b>

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

Public Staff Settlement Exhibit 1

Schedule 3(c)-RY

Page 1 of 2

Line No.	Item	Rate Year 1			Rate Year 2		Rate Year 3	
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$1,575,964	\$390,516	\$1,966,480	\$87,820	\$2,054,300	\$151,664	\$2,205,964
2	Late payment fees	2,613	647	3,260	146	3,406	251	3,657
3	Miscellaneous revenues	99,955	0	99,955	0	99,955	0	99,955
4	Uncollectibles	(7,059)	(1,749)	(8,808)	(394)	(9,202)	(679)	(9,881)
5	<b>Total operating revenues</b>	<b>1,671,473</b>	<b>389,414</b>	<b>2,060,887</b>	<b>87,572</b>	<b>2,148,459</b>	<b>151,236</b>	<b>2,299,695</b>
Operating Revenue Deductions:								
6	Salaries and wages	436,187	13,081	449,268	13,479	462,747	13,883	476,630
7	Employee pensions and benefits	89,568	2,687	92,255	2,768	95,023	2,851	97,873
8	Purchased water	0	0	0	0	0	0	0
9	Purchased power	89,160	2,710	91,870	2,793	94,663	2,878	97,541
10	Fuel for power production	951	0	951	0	951	0	951
11	Chemicals	54,914	1,670	56,583	1,719	58,302	1,773	60,075
12	Materials and supplies	17,640	536	18,176	553	18,729	569	19,298
13	Testing fees	21,336	648	21,984	669	22,653	689	23,342
14	Transportation	35,443	376	35,819	380	36,199	385	36,584
15	Contractual services - engineering	0	0	0	0	0	0	0
16	Contractual services - accounting	9,168	279	9,446	287	9,733	295	10,028
17	Contractual services - legal	10,903	331	11,234	341	11,576	352	11,928
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	170,197	5,175	175,372	5,329	180,701	5,495	186,196
20	Rent	18,367	559	18,926	576	19,502	593	20,095
21	Insurance	53,747	1,635	55,382	1,684	57,067	1,734	58,801
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	38,311	(0)	38,311 [13]	(22,885)	15,426	0	15,426
24	Miscellaneous expense	51,183	1,554	52,737	1,598	54,335	1,650	55,985
25	Interest on customer deposits	395	0	395	0	395	0	395
26	Annualization & consumption adjustments	0	0	0 [14]	0	0	0	0
27	Non-recurring COVID expenses	(2,101)	2,101	0	0	0	0	0
28	Contra-OH Allocations	(8,194)	(249) [2]	(8,443)	(256)	(8,699)	(264)	(8,964)
29	<b>Total O&amp;M and G&amp;A expense</b>	<b>1,087,174</b>	<b>33,093</b>	<b>1,120,267</b>	<b>9,035</b>	<b>1,129,302</b>	<b>32,882</b>	<b>1,162,184</b>
30	Depreciation and amortization expense	143,620	92,290 [7]	235,910	37,099	273,009	41,004	314,012
31	Property taxes	30,479	2,049	32,528	1,076	33,604	1,111	34,715
32	Payroll taxes	31,130	934 [2]	32,064	962	33,026	991	34,017
33	Other taxes	13,519	0	13,519	0	13,519	0	13,519
34	Benefit costs - Pension	(1,351)	(41)	(1,392)	(42)	(1,433)	(43)	(1,476)
35	Regulatory fee	2,340	545	2,885 [15]	123	3,008 [15]	212	3,220 [15]
36	Deferred income tax	(5,851)	0 [8]	(5,851)	0	(5,851)	0	(5,851)
37	State income tax	6,812	4,902	11,714 [16]	739	12,453 [20]	1,413	13,866 [25]
38	Federal income tax	55,789	40,146	95,935 [17]	6,059	101,994 [21]	11,568	113,562 [26]
39	<b>Total operating revenue deductions</b>	<b>1,363,660</b>	<b>173,919</b>	<b>1,537,579</b>	<b>55,051</b>	<b>1,592,630</b>	<b>89,137</b>	<b>1,681,767</b>
40	<b>Net operating income for return</b>	<b>\$307,813</b>	<b>\$215,495</b>	<b>\$523,308</b>	<b>\$32,521</b>	<b>\$555,829</b>	<b>\$62,099</b>	<b>\$617,928</b>



**Agua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

Public Staff Settlement Exhibit 1

Schedule 3(d)-RY

Page 1 of 2

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff		
		(a)	(b) [1]	(c) [10]	(d) [19]	(e) [20]	(f) [23]	(g) [24]		
Operating Revenues:										
1	Service revenues	\$2,914,252	\$114,429	\$3,028,681 [11]	\$14,425	\$3,043,106 [11]	\$229,234	\$3,272,340 [25]		
2	Late payment fees	3,246	127	3,373 [12]	16	\$3,389 [12]	255	\$3,644 [12]		
3	Miscellaneous revenues	40	0	40	0	\$40	0	\$40		
4	Uncollectibles	(9,692)	(380)	(10,072) [13]	(48)	(\$10,120) [13]	(762)	(\$10,882) [13]		
5	<b>Total operating revenues</b>	<b>2,907,846</b>	<b>114,176</b>	<b>3,022,022</b>	<b>14,393</b>	<b>3,036,415</b>	<b>228,727</b>	<b>3,265,142</b>		
Operating Revenue Deductions:										
6	Salaries and wages	345,065	10,350 [2]	355,415	10,661	366,077	10,984	377,061		
7	Employee pensions and benefits	63,772	1,913 [2]	65,685	1,971	67,656	2,030	69,686		
8	Purchased sewer treatment	7,678	233	7,911	240	8,151	248	8,399		
9	Sludge removal	187,147	0 [3]	187,147	5,689	192,836	5,862	198,698		
10	Purchased power	123,402	3,752 [4]	127,154	3,866	131,020	3,984	135,004		
11	Fuel for power production	353	0 [4]	353	0	353	0	353		
12	Chemicals	57,109	1,736	58,845	1,789	60,634	1,844	62,478		
13	Materials and supplies	16,327	496 [5]	16,823	511	17,334	527	17,861		
14	Testing fees	12,776	0 [3]	12,776	389	13,165	400	13,565		
15	Transportation	26,889	285	27,174	289	27,463	292	27,755		
16	Contractual services - engineering	0	0	0	0	0	0	0		
17	Contractual services - accounting	5,732	0	5,732	174	5,906	180	6,086		
18	Contractual services - legal	7,543	229 [6]	7,772	237	8,009	244	8,252		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	156,578	4,758 [7]	161,336	4,904	166,240	5,054	171,295		
21	Rent	11,492	0	11,492	349	11,841	360	12,201		
22	Insurance	33,379	1,016 [2]	34,395	1,047	35,442	1,078	36,520		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	23,792	(0)	23,792 [14]	(14,212)	9,580	0	9,580		
25	Miscellaneous expense	41,557	1,263 [2]	42,820	1,298	44,117	1,335	45,452		
26	Interest on customer deposits	7	0	7	0	7	0	7		
27	Annualization & consumption adjustments	0	0	0 [15]	0	0	0	0		
28	Non-recurring COVID expenses	(1,311)	1,311	0	0	0	0	0		
29	Contra-OH Allocations	(10,252)	(312) [2]	(10,563)	(321)	(10,884)	(331)	(11,215)		
30	<b>Total O&amp;M and G&amp;A expense</b>	<b>1,109,037</b>	<b>27,030</b>	<b>1,136,067</b>	<b>18,881</b>	<b>1,154,948</b>	<b>34,090</b>	<b>1,189,039</b>		
31	Depreciation and amortization expense	504,903	43,811 [8]	548,714	20,338	569,052	69,304	638,356		
32	Property taxes	2,634	177	2,811	93	2,904	96	3,000		
33	Payroll taxes	24,844	745 [2]	25,589	768	26,357	791	27,148		
34	Other taxes	8,461	-	8,461	0	8,461	0	8,461		
35	Benefit costs - Pension	(846)	(25)	(871)	(26)	(898)	(27)	(924)		
36	Regulatory fee	4,071	160	4,231 [16]	20	4,251 [16]	320	4,571 [16]		
37	Deferred income tax	(3,659)	- [9]	(3,659)	-	(3,659)	-	(3,659)		
38	State income tax	23,577	796	24,373 [17]	-484	23,889 [21]	2,336	26,225 [26]		
39	Federal income tax	193,097	6,514	199,611 [18]	-3,956	195,655 [22]	19,130	214,785 [27]		
40	<b>Total operating revenue deductions</b>	<b>1,866,119</b>	<b>79,208</b>	<b>1,945,327</b>	<b>35,634</b>	<b>1,980,961</b>	<b>126,040</b>	<b>2,107,001</b>		
41	<b>Net operating income for return</b>	<b>\$1,041,727</b>	<b>\$34,968</b>	<b>\$1,076,695</b>	<b>(\$21,241)</b>	<b>\$1,055,454</b>	<b>\$102,687</b>	<b>\$1,158,141</b>		

**Agua North Carolina, Inc.**

Docket No. W-218, Sub 573

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

Public Staff Settlement Exhibit 1

Schedule 3(e)-RY

Page 1 of 2

Line No.	Item	Rate Year 1			Rate Year 2		Rate Year 3	
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$7,347,150	\$1,191,061	\$8,538,211	\$425,524	\$8,963,735	\$497,475	\$9,461,210
2	Late payment fees	26,084	4,228	30,312	1,511	31,823	1,766	33,589
3	Miscellaneous revenues	361,152	-	361,152	-	361,152	-	361,152
4	Uncollectibles	(137,466)	(22,285)	(159,751)	(7,961)	(167,712)	(9,308)	(177,020)
5	<b>Total operating revenues</b>	<b>7,596,920</b>	<b>1,173,004</b>	<b>8,769,924</b>	<b>419,074</b>	<b>9,188,998</b>	<b>489,933</b>	<b>9,678,931</b>
Operating Revenue Deductions:								
6	Salaries and wages	927,399	27,819	955,219	28,654	983,873	29,513	1,013,386
7	Employee pensions and benefits	238,085	7,143	245,227	7,357	252,584	7,578	260,162
8	Purchased water	311,742	0	311,742	0	311,742	0	311,742
9	Purchased power	271,555	8,255	279,811	8,506	288,317	8,765	297,082
10	Fuel for power production	515	0	515	0	515	0	515
11	Chemicals	469,046	14,260	483,306	14,693	497,999	15,138	513,138
12	Materials and supplies	24,664	749	25,413	773	26,186	797	26,983
13	Testing fees	68,077	2,069	70,146	2,132	72,278	2,197	74,476
14	Transportation	99,633	1,058	100,691	1,070	101,761	1,081	102,842
15	Contractual services - engineering	0	0	0	0	0	0	0
16	Contractual services - accounting	26,166	795	26,962	820	27,782	845	28,627
17	Contractual services - legal	28,459	866	29,325	891	30,216	918	31,134
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	816,115	24,808	840,923	25,566	866,489	26,341	892,830
20	Rent	29,837	907	30,744	933	31,677	962	32,639
21	Insurance	148,854	4,525	153,379	4,663	158,042	4,803	162,845
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	106,103	(0)	106,102	(63,380)	42,722	0	42,722
24	Miscellaneous expense	153,750	4,670	158,420	4,816	163,236	4,961	168,197
25	Interest on customer deposits	4,919	0	4,919	0	4,919	0	4,919
26	Annualization & consumption adjustments	0	0	0	0	0	0	0
27	Non-recurring COVID expenses	(7,263)	7,263	0	0	0	0	0
28	Contra-OH Allocations	(20,656)	(628)	(21,284)	(647)	(21,931)	(667)	(22,598)
29	<b>Total O&amp;M and G&amp;A expense</b>	<b>3,697,001</b>	<b>104,559</b>	<b>3,801,559</b>	<b>36,847</b>	<b>3,838,406</b>	<b>103,233</b>	<b>3,941,639</b>
30	Depreciation and amortization expense	1,121,832	305,752	1,427,584	127,502	1,555,086	132,854	1,687,939
31	Property taxes	106,775	7,179	113,954	3,768	117,722	3,893	121,615
32	Payroll taxes	65,335	1,960	67,295	2,019	69,314	2,079	71,393
33	Other taxes	38,482	0	38,482	0	38,482	0	38,482
34	Benefit costs - Pension	(3,853)	(116)	(3,969)	(119)	(4,088)	(123)	(4,210)
35	Regulatory fee	10,636	1,642	12,278 [15]	587	12,865 [15]	686	13,551 [15]
36	Deferred income tax	(16,240)	0	(16,240)	0	(16,240)	0	(16,240)
37	State income tax	48,047	14,148	62,195 [16]	4,675	66,870 [20]	4,653	71,523 [25]
38	Federal income tax	393,501	115,877	509,378 [17]	38,286	547,664 [21]	38,107	585,771 [26]
39	<b>Total operating revenue deductions</b>	<b>5,461,515</b>	<b>551,001</b>	<b>6,012,516</b>	<b>213,564</b>	<b>6,226,080</b>	<b>285,382</b>	<b>6,511,462</b>
40	<b>Net operating income for return</b>	<b>\$2,135,405</b>	<b>\$622,003</b>	<b>\$2,757,408</b>	<b>\$205,510</b>	<b>\$2,962,917</b>	<b>\$204,551</b>	<b>\$3,167,469</b>

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

Public Staff Settlement Exhibit 1  
Schedule 3(a)-RY  
Page 2 of 2

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

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

Public Staff Settlement Exhibit 1  
Schedule 3(b)-RY  
Page 2 of 2

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

Public Staff Settlement Exhibit 1  
Schedule 3(c)-RY  
Page 2 of 2

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- [6] Column (g) minus Column (e), unless otherwise footnoted.

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

Public Staff Settlement Exhibit 1  
Schedule 3(d)-RY  
Page 2 of 2

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- [6] Column (g) minus Column (e), unless otherwise footnoted.

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

Public Staff Settlement Exhibit 1  
Schedule 3(e)-RY  
Page 2 of 2

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- [6] Column (g) minus Column (e), unless otherwise footnoted.

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

Public Staff Settlement Exhibit 1

Schedule 3-(a)(1)-RY

**Public Staff Recommended Revenue Requirements**  
For The Rate Year 1 - Rate Year 3 Ended December 31, 2025

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
<b><u>Aqua Water</u></b>				
1	Service revenues	\$47,323,730 [1]	\$49,287,353 [1]	\$51,443,543 [1]
2	Late payment fees	78,458	81,714	85,288
	Miscellaneous revenues	782,048	782,048	782,048
3	Uncollectibles	<u>(211,973)</u>	<u>(220,769)</u>	<u>(230,427)</u>
4	Total operating revenues	<u>47,972,263</u>	<u>49,930,346</u>	<u>52,080,452</u>
<b><u>Aqua Sewer</u></b>				
6	Service revenues	\$21,413,390	\$22,484,060	\$23,608,262
7	Late payment fees	23,848	25,630	26,337
	Miscellaneous revenues	22,331	22,331	22,331
8	Uncollectibles	<u>(71,212)</u>	<u>(76,532)</u>	<u>(78,644)</u>
9	Total operating revenues	<u>21,388,357</u>	<u>22,455,488</u>	<u>23,578,286</u>
<b><u>Fairways Water</u></b>				
11	Service revenues	\$1,966,480	\$2,054,300	\$2,157,015
12	Late payment fees	3,260	3,406	3,657
	Miscellaneous revenues	99,955	99,955	99,955
13	Uncollectibles	<u>(8,808)</u>	<u>(9,202)</u>	<u>(9,881)</u>
14	Total operating revenues	<u>2,060,887</u>	<u>2,148,459</u>	<u>2,250,746</u>
<b><u>Fairways Sewer</u></b>				
16	Service revenues	\$3,028,681	\$3,043,106	\$3,195,261
17	Late payment fees	3,373	3,389	3,644
	Miscellaneous revenues	40	40	40
18	Uncollectibles	<u>(10,072)</u>	<u>(10,120)</u>	<u>(10,882)</u>
19	Total operating revenues	<u>3,022,022</u>	<u>3,036,415</u>	<u>3,188,063</u>
<b><u>Brookwood Water</u></b>				
21	Service revenues	\$8,538,211	\$8,963,735	\$9,411,922
22	Late payment fees	30,312	31,823	33,589
	Miscellaneous revenues	361,152	361,152	361,152
23	Uncollectibles	<u>(159,751)</u>	<u>(167,712)</u>	<u>(177,020)</u>
24	Total operating revenues	<u>8,769,924</u>	<u>9,188,998</u>	<u>9,629,643</u>

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**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**STATUTORY REVENUE CAP ADJUSTMENT**

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

Public Staff Settlement Exhibit 1

Schedule 3-(a)(2)-RY

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
<b><u>Aqua Water</u></b>				
1	Annual Service Revenue Percentage Increase	9.92%	4.15%	4.37%
2	Statutory Cap	N/A	5.00%	5.00%
3	Public Staff Calculated Service Revenue	47,323,730	49,287,353	51,443,543
4	Service Revenue Allowed at Statutory Cap	<u>47,323,730</u>	<u>49,689,917</u>	<u>51,751,721</u>
5	Adjustment to Statutory Cap (L4 - L3)	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Aqua Sewer</u></b>				
6	Annual Service Revenue Percentage Increase	14.99%	7.47%	2.76%
7	Statutory Cap	N/A	5.00%	5.00%
8	Public Staff Calculated Service Revenue	21,413,390	23,012,989	23,648,118
9	Service Revenue Allowed at Statutory Cap	<u>21,413,390</u>	<u>22,484,060</u>	<u>23,608,262</u>
10	Adjustment to Statutory Cap (L9 - L8)	<u>0</u>	<u>(528,930)</u>	<u>(39,856)</u>
<b><u>Fairways Water</u></b>				
11	Annual Service Revenue Percentage Increase	24.78%	4.47%	7.38%
12	Statutory Cap	N/A	5.00%	5.00%
13	Public Staff Calculated Service Revenue	1,966,480	2,054,300	2,205,964
14	Service Revenue Allowed at Statutory Cap	<u>1,966,480</u>	<u>2,064,804</u>	<u>2,157,015</u>
15	Adjustment to Statutory Cap (L14 - L13)	<u>0</u>	<u>0</u>	<u>(48,949)</u>
<b><u>Fairways Sewer</u></b>				
16	Annual Service Revenue Percentage Increase	3.93%	0.48%	7.53%
17	Statutory Cap	N/A	5.00%	5.00%
18	Public Staff Calculated Service Revenue	3,028,681	3,043,106	3,272,340
19	Service Revenue Allowed at Statutory Cap	<u>3,028,681</u>	<u>3,180,115</u>	<u>3,195,261</u>
20	Adjustment to Statutory Cap (L19 - L18)	<u>0</u>	<u>0</u>	<u>(77,079)</u>
<b><u>Brookwood Water</u></b>				
21	Annual Service Revenue Percentage Increase	16.21%	4.98%	5.55%
22	Statutory Cap	N/A	5.00%	5.00%
23	Public Staff Calculated Service Revenue	8,538,211	8,963,735	9,461,210
24	Service Revenue Allowed at Statutory Cap	<u>8,538,211</u>	<u>8,965,122</u>	<u>9,411,922</u>
25	Adjustment to Statutory Cap (L24- L23)	<u>0</u>	<u>0</u>	<u>(49,288)</u>

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

0 (528,930) (215,171)

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

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

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO MISCELLANEOUS REVENUES**

For The Rate Year 1 Ended December 31, 2023

Public Staff Settlement Exhibit 1

Schedule 3-1-RY1

**Rate Year 1**

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

[1] Recommended by Public Staff accounting

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

Public Staff Settlement Exhibit 1  
 Schedule 3-1-RY2

**Rate Year 2**

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

[1] Recommended by Public Staff accounting

**Aqua North Carolina, Inc.**

Docket No. W-218, Sub 573

**ADJUSTMENT TO MISCELLANEOUS REVENUES**

For The Rate Year 3 Ended December 31, 2025

Public Staff Settlement Exhibit 1

Schedule 3-1-RY3

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

[1] Recommended by Public Staff accounting

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**AQUA WATER OPERATIONS**

Line No.	Item	Sch Ref.	Rate Year 1						
			Base Year Amount Per Company	Growth Factor Per Company	Rate Year 1 Amount per Company	Base Year Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 1 Amount per Public Staff	Rate year 1 Adjustment per Public Staff
			(a)	(b) ((c)-(a))/(a)	(c)	(d)	(e)	(f) (d)*((1)+(e))	(g) (f)-(c)
<b>O&amp;M and G&amp;A Expense</b>									
1	Salaries and wages		\$ 8,261,575	3.00%	\$ 8,509,423	\$ 7,277,547	3.00%	\$ 7,495,874	\$ (1,013,549)
2	Employee pensions and benefits		2,880,426	3.01%	2,967,136	2,182,956	3.00%	2,248,444	(718,692)
3	Purchased water		2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)
4	Purchased power		2,426,141	3.04%	2,499,897	2,435,480	3.04%	2,509,520	9,623
5	Fuel for power production	per Public Staff engineer	1,754	3.02%	1,807	604		604	(1,203)
6	Chemicals		489,754	3.04%	504,642	786,581	3.04%	810,492	305,850
7	Materials and supplies		491,362	3.04%	506,299	476,863	3.04%	491,359	(14,940)
8	Testing fees		714,295	3.04%	736,010	693,221	3.04%	714,295	(21,715)
9	Transportation	per Public Staff engineer	1,455,375	0.82%	1,467,316	1,096,275		1,107,918	Thi: (359,398)
10	Contractual services - engineering		417	3.12%	430	405	3.12%	418	(12)
11	Contractual services - accounting		147,827	3.04%	152,321	118,299	3.04%	121,895	(30,426)
12	Contractual services - legal		175,759	3.04%	181,102	163,875	3.04%	168,857	(12,245)
13	Contractual services - management fees		0	0.00%	0	0	0.00%	0	0
14	Contractual services - other		2,368,777	3.04%	2,440,786	2,298,893	3.04%	2,368,778	(72,008)
15	Rent		263,096	3.04%	271,095	255,334	3.04%	263,097	(7,998)
16	Insurance		964,057	3.04%	993,363	688,521	3.04%	709,451	(283,912)
17	Advertising		0	5.00%	0	0	0	0	0
18	Regulatory commission expense	Schedule 3-13-RY1 to RY3	381,034	0.00%	381,034	490,775		490,774	109,740
19	Miscellaneous expense		1,035,753	3.04%	1,067,240	1,005,200	3.04%	1,035,758	(31,482)
20	Interest on customer deposits		19,080	0.00%	19,080	19,080	0.00%	19,080	0
21	Annualization & consumption adjustments		(73,159)	3.19%	(75,495)	0	0.00%	0	75,495
22	Non-recurring COVID expenses		0	0.00%	0	(38,497)	0.00%	0	0
23	Contra-OH Allocations		(1,633,450)	3.04%	(1,683,106)	(307,280)	3.04%	(316,621)	1,366,485
24	Depreciation and amortization expense	Schedule 3-17-RY1 to RY3	8,480,202	12.23%	9,517,070	7,480,808		8,793,044	(724,026)
25	Property taxes		586,039	6.72%	625,440	586,039	6.72%	625,440	0
26	Payroll taxes		742,787	-17.73%	611,127	523,983	3.00%	539,702	(71,425)
27	Other taxes		174,357	52.79%	266,407	174,357	0.00%	174,357	(92,050)
28	Benefit costs - Pension		(17,445)	0.01%	(17,446)	(17,445)	3.00%	(17,968)	(522)
29	Regulatory fee	operating revenue times 0.14%	54,246	23.21%	66,838	61,201		67,161	324
30	Deferred income tax		0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)
31	State income tax	Schedule 3-18-RY(a) to RY(e)	314,211	4.52%	328,399	239,292		282,348	(46,051)
32	Federal income tax	Schedule 3-18-RY(a) to RY(e)	2,573,388	4.52%	2,689,589	1,959,800		2,312,430	(377,159)
33	Total O&M and G&A Expense Adjustment		<u>35,956,845</u>		<u>37,706,992</u>	<u>33,088,863</u>		<u>35,453,205</u>	<u>(2,253,787)</u>

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**AQUA WATER OPERATIONS**

Line No.	Item	Rate Year 2								
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustmt per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		(c)-(a)/(a)				(d)*((1+(e))		(f)-(c)		
<b>O&amp;M and G&amp;A Expense</b>										
1	Salaries and wages	\$ 8,509,423	3.00%	\$ 8,764,705	\$ 7,495,874	3.00%	\$ 7,720,751	(1,043,954)		
2	Employee pensions and benefits	2,967,136	3.01%	3,056,450	2,248,444	3.00%	2,315,898	(740,552)		
3	Purchased water	2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)		
4	Purchased power	2,499,897	3.04%	2,575,894	2,509,520	3.04%	2,585,811	9,917		
5	Fuel for power production	1,807	3.04%	1,862	604		604	(1,258)		
6	Chemicals	504,642	3.04%	519,982	810,492	3.04%	835,130	315,148		
7	Materials and supplies	506,299	3.04%	521,690	491,359	3.04%	506,296	(15,394)		
8	Testing fees	736,010	3.04%	758,385	714,295	3.04%	736,010	(22,375)		
9	Transportation	1,467,316	0.84% [xx]	1,479,619	1,107,918		1,119,684	(359,935)		
10	Contractual services - engineering	430	3.02%	443	418	3.12%	431	(12)		
11	Contractual services - accounting	152,321	3.04%	156,952	121,895	3.04%	125,601	(31,351)		
12	Contractual services - legal	181,102	3.04%	186,607	168,857	3.04%	173,990	(12,617)		
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	0		
14	Contractual services - other	2,440,786	3.04%	2,514,985	2,368,778	3.04%	2,440,787	(74,198)		
15	Rent	271,095	3.04%	279,337	263,097	3.04%	271,096	(8,241)		
16	Insurance	993,363	3.04%	1,023,561	709,451	3.04%	731,017	(292,544)		
17	Advertising	0	0.00%	0	0	0.00%	-	0		
18	Regulatory commission expense	381,034	0.00%	381,034	490,774		197,611	(183,423)		
19	Miscellaneous expense	1,067,240	3.04%	1,099,683	1,035,758	3.04%	1,067,245	(32,438)		
20	Interest on customer deposits	19,080	0.00%	19,080	19,080	0.00%	19,080	0		
21	Annualization & consumption adjustments	(75,495)	3.19%	(77,901)	0	0.00%	-	77,901		
22	Non-recurring COVID expenses	0		0	0	0.00%	-	0		
23	Contra-OH Allocations	(1,683,106)	3.04%	(1,734,273)	(316,621)	3.04%	(326,246)	1,408,027		
24	Depreciation and amortization expense	9,517,070	17.30%	11,163,917	8,793,044		9,522,663	(1,641,254)		
25	Property taxes	625,440	3.31%	646,123	625,440	3.31%	646,123	0		
26	Payroll taxes	611,127	3.00%	629,461	539,702	3.00%	555,894	(73,568)		
27	Other taxes	266,407	-8.52%	243,710	174,357	0.00%	174,357	(69,353)		
28	Benefit costs - Pension	(17,446)	0.00%	(17,446)	(17,968)	3.00%	(18,507)	(1,061)		
29	Regulatory fee	66,838	6.70%	71,318	67,161		69,902	(1,416)		
30	Deferred income tax	0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)		
31	State income tax	328,399	0.43%	329,826	282,348		299,442	(30,384)		
32	Federal income tax	2,689,589	0.43%	2,701,272	2,312,430		2,452,430	(248,842)		
33	Total O&M and G&A Expense Adjustment	<u>37,706,992</u>		<u>39,975,463</u>	<u>35,453,205</u>		<u>36,659,797</u>	<u>(3,315,666)</u>		

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**AQUA WATER OPERATIONS**

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjustment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)				(d)*((1+(e)))	(f)-(c)	
<b>O&amp;M and G&amp;A Expense</b>								
1	Salaries and wages	\$ 8,764,705	3.00%	\$ 9,027,644	\$ 7,720,751	3.00%	\$ 7,952,375	(1,075,269)
2	Employee pensions and benefits	3,056,450	3.01%	3,148,456	2,315,898	3.00%	2,385,375	(763,081)
3	Purchased water	2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)
4	Purchased power	2,575,894	3.04%	2,654,201	2,585,811	3.04%	2,664,421	10,220
5	Fuel for power production	1,862	3.01%	1,918	604		604	(1,314)
6	Chemicals	519,982	3.04%	535,788	835,130	3.04%	860,517	324,729
7	Materials and supplies	521,690	3.04%	537,548	506,296	3.04%	521,687	(15,861)
8	Testing fees	758,385	3.04%	781,440	736,010	3.04%	758,386	(23,054)
9	Transportation	1,479,619	0.86%	1,492,296	1,119,684		1,131,576	(360,720)
10	Contractual services - engineering	443	2.93%	456	431	3.12%	444	(12)
11	Contractual services - accounting	156,952	3.04%	161,724	125,601	3.04%	129,419	(32,305)
12	Contractual services - legal	186,607	3.04%	192,279	173,990	3.04%	179,279	(13,000)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	2,514,985	3.04%	2,591,439	2,440,787	3.04%	2,514,985	(76,454)
15	Rent	279,337	3.04%	287,830	271,096	3.04%	279,338	(8,492)
16	Insurance	1,023,561	3.04%	1,054,677	731,017	3.04%	753,239	(301,438)
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	381,034	0.00%	381,034	197,611		197,611	(183,423)
19	Miscellaneous expense	1,099,683	3.04%	1,133,108	1,067,245	3.04%	1,099,690	(33,418)
20	Interest on customer deposits	19,080	0.00%	19,080	19,080	0.00%	19,080	0
21	Annualization & consumption adjustments	(77,901)	3.18%	(80,381)	0	0.00%	-	80,381
22	Non-recurring COVID expenses	0		0	0	0.00%	-	-
23	Contra-OH Allocations	(1,734,273)	3.04%	(1,786,995)	(326,246)	3.04%	(336,164)	1,450,831
24	Depreciation and amortization expense	11,163,917	7.05%	11,951,220	9,522,663		10,161,195	(1,790,025)
25	Property taxes	646,123	3.31%	667,490	646,123	3.31%	667,490	(0)
26	Payroll taxes	629,461	3.00%	648,345	555,894	3.00%	572,570	(75,774)
27	Other taxes	243,710	-8.41%	223,211	174,357	0.00%	174,357	(48,854)
28	Benefit costs - Pension	(17,446)	0.00%	(17,446)	(18,507)	3.00%	(19,063)	(1,617)
29	Regulatory fee	71,318	4.29%	74,381	69,902		72,913	(1,468)
30	Deferred income tax	0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)
31	State income tax	329,826	-2.75%	320,755	299,442		315,998	(4,757)
32	Federal income tax	2,701,272	8.33%	2,926,354	2,452,430		2,588,027	(338,327)
33	Total O&M and G&A Expense Adjustment	<u>39,975,463</u>		<u>41,607,038</u>	<u>36,659,797</u>		<u>38,082,046</u>	<u>(3,524,992)</u>

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

OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY

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

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjstment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)		(d)/(1+(e))		(f)-(c)		
<b>O&amp;M and G&amp;A Expense</b>								
1	Salaries and wages	\$ 2,640,569	3.00%	\$ 2,719,786	\$ 2,468,533	3.00%	\$ 2,542,589	\$ (177,197)
2	Employee pensions and benefits	848,387	3.01%	873,920	719,929	3.00%	741,527	(132,393)
3	Purchased sewer treatment	896,578	3.04%	923,834	802,465	3.04%	826,860	(96,974)
4	Sludge removal	667,903	3.04%	688,207	654,834	3.04%	674,741	(13,466)
5	Purchased power	1,115,877	3.04%	1,149,801	1,138,835	3.04%	1,173,457	23,656
6	Fuel for power production	40,855	3.04%	42,097	26,908		26,908	(15,189)
7	Chemicals	613,724	3.04%	632,381	941,990	3.04%	970,626	338,245
8	Materials and supplies	132,819	3.04%	136,857	128,900	3.04%	132,819	(4,038)
9	Testing fees	233,369	3.04%	240,464	226,483	3.04%	233,369	(7,095)
10	Transportation	424,078	0.77%	427,361	317,503		320,875	(106,486)
11	Contractual services - engineering	-	0.00%	0	0	0.00%	0	0
12	Contractual services - accounting	41,009	3.04%	42,256	32,732	3.04%	33,727	(8,529)
13	Contractual services - legal	121,434	3.04%	125,126	116,190	3.04%	119,723	(5,403)
14	Contractual services - management fees	-	0.00%	0	0	0.00%	0	0
15	Contractual services - other	1,822,192	3.04%	1,877,589	1,768,429	3.04%	1,822,192	(55,397)
16	Rent	58,848	3.04%	60,637	57,111	3.04%	58,847	(1,790)
17	Insurance	278,916	3.04%	287,395	202,892	3.04%	209,060	(78,335)
18	Advertising	-	5.00%	0	0	5.00%	0	0
19	Regulatory commission expense	100,611	0.00%	100,611	144,620	0.00%	144,620	44,009
20	Miscellaneous expense	341,787	3.04%	352,174	331,703	3.04%	341,784	(10,390)
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	0
22	Annualization & consumption adjustments	69,624	1.52%	70,679	0	1.52%	0	(70,679)
23	Non-recurring COVID expenses	-	0.00%	0	(8,870)	0.00%	0	0
24	Contra-OH Allocations	(283,235)	3.04%	(291,848)	(72,622)	3.04%	(74,831)	217,017
25	Depreciation and amortization expense	3,176,269	14.87%	3,648,676	2,805,236		3,545,853	(102,823)
26	Property taxes	15,405	6.72%	16,440	15,405	6.72%	16,440	0
27	Payroll taxes	220,186	3.00%	226,792	180,203	3.00%	185,609	(41,182)
28	Other taxes	48,289	-2.14%	47,253	48,289		48,289	1,036
29	Benefit costs - Pension	(4,819)	0.00%	(4,819)	(4,819)	3.00%	(4,964)	(145)
30	Regulatory fee	27,709	4.70%	29,012	26,043		29,944	931
31	Deferred income tax	-	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)
32	State income tax	145,994	2.89%	150,212	103,930		136,569	(13,643)
33	Federal income tax	1,195,693	2.89%	1,230,236	851,183		1,118,498	(111,738)
34	Total O&M and G&A Expense Adjustment	14,990,491		15,803,549	14,003,509		15,354,604	(448,945)

[1] Based on information provided by Company.

[2] Company proposed growth factor.

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

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

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

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



**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**AQUA SEWER OPERATIONS**

Line No.	Item	Rate Year 2							
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjstment per Public Staff [6]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)	
<b>O&amp;M and G&amp;A Expense</b>									
1	Salaries and wages	\$ 2,719,786	3.00%	\$ 2,801,380	\$ 2,542,589	3.00%	\$ 2,618,867	\$ (182,513)	
2	Employee pensions and benefits	873,920	3.01%	900,223	741,527	3.00%	763,773	(136,450)	
3	Purchased sewer treatment	923,834	3.04%	951,919	826,860	3.04%	851,997	(99,922)	
4	Sludge removal	688,207	3.04%	709,128	674,741	3.04%	695,253	(13,875)	
5	Purchased power	1,149,801	3.04%	1,184,755	1,173,457	3.04%	1,209,132	24,377	
6	Fuel for power production	42,097	3.04%	43,377	26,908		26,908	(16,469)	
7	Chemicals	632,381	3.04%	651,605	970,626	3.04%	1,000,132	348,527	
8	Materials and supplies	136,857	3.04%	141,017	132,819	3.04%	136,857	(4,160)	
9	Testing fees	240,464	3.04%	247,774	233,369	3.04%	240,464	(7,310)	
10	Transportation	427,361	0.79%	430,742	320,875		324,283	(106,459)	
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	0	
12	Contractual services - accounting	42,256	3.04%	43,541	33,727	3.04%	34,753	(8,788)	
13	Contractual services - legal	125,126	3.04%	128,930	119,723	3.04%	123,363	(5,567)	
14	Contractual services - management fees	0	0.00%	0	0	0.00%	-	0	
15	Contractual services - other	1,877,589	3.04%	1,934,668	1,822,192	3.04%	1,871,971	(62,697)	
16	Rent	60,637	3.04%	62,478	58,847	3.04%	60,636	(1,842)	
17	Insurance	287,395	3.04%	296,131	209,060	3.04%	215,415	(80,716)	
18	Advertising	0	0.00%	0	0	5.00%	-	0	
19	Regulatory commission expense	100,611	0.00%	100,611	144,620	0.00%	58,232	(42,379)	
20	Miscellaneous expense	352,174	3.04%	362,880	341,784	3.04%	352,170	(10,710)	
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	0	
22	Annualization & consumption adjustments	70,679	1.54%	71,767	0	1.52%	-	(71,767)	
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	0	
24	Contra-OH Allocations	(291,848)	3.04%	(300,720)	(74,831)	3.04%	(77,106)	223,614	
25	Depreciation and amortization expense	3,648,676	13.64%	4,146,264	3,545,853		3,998,013	(148,251)	
26	Property taxes	16,440	3.31%	16,984	16,440	3.31%	16,984	0	
27	Payroll taxes	226,792	3.00%	233,595	185,609	3.00%	191,177	(42,418)	
28	Other taxes	47,253	-1.15%	46,709	48,289		48,289	1,580	
29	Benefit costs - Pension	(4,819)	-0.02%	(4,818)	(4,964)	3.00%	(5,112)	(294)	
30	Regulatory fee	29,012	6.94%	31,026	29,944		32,178	1,152	
31	Deferred income tax	0	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)	
32	State income tax	150,212	2.29%	153,654	136,569		154,019	365	
33	Federal income tax	1,230,236	2.29%	1,258,427	1,118,498		1,261,412	2,985	
34	Total O&M and G&A Expense Adjustment	<u>15,803,549</u>		<u>16,644,467</u>	<u>15,354,604</u>		<u>16,183,532</u>	<u>(460,935)</u>	

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**AQUA SEWER OPERATIONS**

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjsutment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)				(d)*(1+(e))	(f)-(c)	
<b>O&amp;M and G&amp;A Expense</b>								
1	Salaries and wages	\$ 2,801,380	3.00%	\$ 2,885,422	\$ 2,618,867	3.00%	\$ 2,697,433	(187,989)
2	Employee pensions and benefits	900,223	3.01%	927,313	763,773	3.00%	786,686	(140,627)
3	Purchased sewer treatment	951,919	3.04%	980,857	851,997	3.04%	877,897	(102,960)
4	Sludge removal	709,128	3.04%	730,685	695,253	3.04%	716,389	(14,296)
5	Purchased power	1,184,765	3.04%	1,220,771	1,209,132	3.04%	1,245,891	25,120
6	Fuel for power production	43,377	3.04%	44,696	26,908		26,908	(17,788)
7	Chemicals	651,605	3.04%	671,413	1,000,132	3.04%	1,030,536	359,123
8	Materials and supplies	141,017	3.04%	145,303	136,857	3.04%	141,018	(4,285)
9	Testing fees	247,774	3.04%	255,306	240,464	3.04%	247,774	(7,532)
10	Transportation	430,742	0.81%	434,225	324,283		327,727	(106,498)
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
12	Contractual services - accounting	43,541	3.04%	44,864	34,753	3.04%	35,809	(9,055)
13	Contractual services - legal	128,930	3.04%	132,850	123,363	3.04%	127,113	(5,737)
14	Contractual services - management fees	0	0.00%	(1)	0	0.00%	-	1
15	Contractual services - other	1,934,668	3.04%	1,993,484	1,871,971	3.04%	1,794,071	(199,413)
16	Rent	62,478	3.04%	64,378	60,636	3.04%	62,480	(1,898)
17	Insurance	296,131	3.04%	305,132	215,415	3.04%	221,964	(83,168)
18	Advertising	0	0.00%	0	0	5.00%	-	-
19	Regulatory commission expense	100,611	0.00%	100,611	58,232	0.00%	58,232	(42,379)
20	Miscellaneous expense	362,880	3.04%	373,917	352,170	3.04%	362,873	(11,044)
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	-
22	Annualization & consumption adjustments	71,767	1.56%	72,888	0	1.52%	-	(72,888)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
24	Contra-OH Allocations	(300,720)	3.04%	(309,861)	(77,106)	3.04%	(79,451)	230,410
25	Depreciation and amortization expense	4,146,264	8.73%	4,508,315	3,998,013		4,240,283	(268,031)
26	Property taxes	16,984	3.31%	17,546	16,984	3.31%	17,546	-
27	Payroll taxes	233,595	3.00%	240,603	191,177	3.00%	196,913	(43,691)
28	Other taxes	46,709	-1.20%	46,147	48,289	0.00%	48,289	2,142
29	Benefit costs - Pension	(4,818)	0.00%	(4,818)	(5,112)	3.00%	(5,266)	(448)
30	Regulatory fee	31,026	5.45%	32,718	32,178		33,065	347
31	Deferred income tax	0	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)
32	State income tax	153,654	-4.97%	146,024	154,019		157,973	11,949
33	Federal income tax	1,258,427	5.86%	1,332,224	1,261,412		1,293,796	(38,428)
34	Total O&M and G&A Expense Adjustment	<u>16,644,467</u>		<u>17,393,432</u>	<u>16,183,532</u>		<u>16,643,422</u>	<u>(750,010)</u>

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

**Aqua North Carolina, Inc.**  
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Public Staff Settlement Exhibit 1  
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For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

**FAIRWAYS WATER OPERATIONS**

Line No.	Item	Rate Year 1								
		Base Year Amount Per Company	Growth Factor Per Company	Rate Year 1 Amount per Company	Base Year Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 1 Amount per Public Staff	Rate year 1 Adjustment per Public Staff		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)/(1+(e))		(f)-(c)		
<b>O&amp;M and G&amp;A Expense</b>										
1	Salaries and wages	\$ 344,194	3.00%	\$ 354,516	\$ 436,187	3.00%	\$ 449,268	\$ 94,752		
2	Employee pensions and benefits	109,950	3.02%	113,272	89,568	3.00%	92,255	(21,017)		
3	Purchased water	329	0.00%	329	0	0.00%	0	(329)		
4	Purchased power	92,920	3.04%	95,744	89,160	3.04%	91,870	(3,874)		
5	Fuel for power production	0	0.00%	0	951	0.00%	951	951		
6	Chemicals	29,896	3.04%	30,805	54,914	3.04%	56,583	25,778		
7	Materials and supplies	18,177	3.05%	18,731	17,640	3.04%	18,176	(555)		
8	Testing fees	21,985	3.04%	22,653	21,336	3.04%	21,984	(669)		
9	Transportation	46,879	0.84%	47,275	35,443		35,819	(11,456)		
10	Contractual services - engineering	0	0.00%	0	0	0.00%	0	0		
11	Contractual services - accounting	11,479	3.04%	11,828	9,168	3.04%	9,446	(2,382)		
12	Contractual services - legal	13,257	3.04%	13,660	10,903	3.04%	11,234	(2,426)		
13	Contractual services - management fees	0	0.00%	0	0	0.00%	0	0		
14	Contractual services - other	175,369	3.04%	180,701	170,197	3.04%	175,372	(5,329)		
15	Rent	18,925	3.04%	19,501	18,367	3.04%	18,926	(575)		
16	Insurance	50,511	3.04%	52,048	53,747	3.04%	55,382	3,334		
17	Advertising	0	5.00%	0	0	5.00%	0	0		
18	Regulatory commission expense	29,079	0.00%	29,079	38,311	0.00%	38,311	9,232		
19	Miscellaneous expense	52,737	3.04%	54,338	51,183	3.04%	52,737	(1,601)		
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	0		
21	Annualization & consumption adjustments	(2,736)	3.15%	(2,822)	0	3.15%	0	2,822		
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	0		
23	Contra-OH Allocations	(43,937)	3.04%	(45,271)	(8,194)	3.04%	(8,443)	36,828		
24	Depreciation and amortization expense	229,011	39.86%	320,284	143,620		235,910	(84,374)		
25	Property taxes	30,479	6.72%	32,528	30,479	6.72%	32,528	0		
26	Payroll taxes	28,302	-11.40%	25,074	31,130	3.00%	32,064	6,990		
27	Other taxes	13,519	7.89%	14,585	13,519		13,519	(1,066)		
28	Benefit costs - Pension	(1,351)	-0.07%	(1,350)	(1,351)	3.00%	(1,392)	(42)		
29	Regulatory fee	1,747	62.54%	2,839	2,340		2,885	46		
30	Deferred income tax	0	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)		
31	State income tax	14,795	16.08%	17,174	6,812		11,714	(5,460)		
32	Federal income tax	121,172	16.08%	140,655	55,789		95,935	(44,720)		
33	Total O&M and G&A Expense Adjustment	1,407,083		1,548,572	1,365,762		1,537,579	(10,993)		

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

**Aqua North Carolina, Inc.**  
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For The Rate Year 1 - Rate Year 3 Ended December 31,

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**FAIRWAYS WATER OPERATIONS**

Line No.	Item	Rate Year 2							
		Rate year 1 Amount Per Company	Growth Factor Per Company [1]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustment per Public Staff [6]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)	
<b>O&amp;M and G&amp;A Expense</b>									
1	Salaries and wages	\$ 354,516	3.00%	\$ 365,152	\$ 449,268	3.00%	\$ 462,747	\$ 97,595	
2	Employee pensions and benefits	113,272	3.02%	116,694	92,255	3.00%	95,023	(21,671)	
3	Purchased water	329	0.00%	329	0	0.00%	-	(329)	
4	Purchased power	95,744	3.04%	98,655	91,870	3.04%	94,663	(3,992)	
5	Fuel for power production	-	0.00%	0	951		951	951	
6	Chemicals	30,805	3.04%	31,741	56,583	3.04%	58,302	26,561	
7	Materials and supplies	18,731	3.04%	19,301	18,176	3.04%	18,729	(572)	
8	Testing fees	22,653	3.04%	23,342	21,984	3.04%	22,653	(689)	
9	Transportation	47,275	0.86%	47,683	35,819		36,199	(11,484)	
10	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0	
11	Contractual services - accounting	11,828	3.04%	12,187	9,446	3.04%	9,733	(2,454)	
12	Contractual services - legal	13,660	3.04%	14,075	11,234	3.04%	11,576	(2,499)	
13	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0	
14	Contractual services - other	180,701	3.04%	186,192	175,372	3.04%	180,701	(5,491)	
15	Rent	19,501	3.04%	20,094	18,926	3.04%	19,502	(592)	
16	Insurance	52,048	3.04%	53,631	55,382	3.04%	57,067	3,436	
17	Advertising	-	0.00%	0	0	0.00%	-	0	
18	Regulatory commission expense	29,079	0.00%	29,079	38,311	0.00%	15,426	(13,653)	
19	Miscellaneous expense	54,338	3.03%	55,985	52,737	3.03%	54,335	(1,650)	
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	0	
21	Annualization & consumption adjustments	(2,822)	3.14%	(2,911)	0	3.14%	-	2,911	
22	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0	
23	Contra-OH Allocations	(45,271)	3.04%	(46,646)	(8,443)	3.04%	(8,699)	37,947	
24	Depreciation and amortization expense	320,284	34.04%	429,316	235,910		273,009	(156,307)	
25	Property taxes	32,528	3.31%	33,604	32,528	3.31%	33,604	0	
26	Payroll taxes	25,074	3.00%	25,827	32,064	3.00%	33,026	7,199	
27	Other taxes	14,585	-7.86%	13,439	13,519		13,519	80	
28	Benefit costs - Pension	(1,350)	0.00%	(1,350)	(1,392)	3.00%	(1,433)	(83)	
29	Regulatory fee	2,839	12.86%	3,205	2,885		3,008	(197)	
30	Deferred income tax	-	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)	
31	State income tax	17,174	-8.07%	15,789	11,714		12,453	(3,336)	
32	Federal income tax	140,655	-8.07%	129,309	95,935		101,994	(27,315)	
33	Total O&M and G&A Expense Adjustment	1,548,572		1,674,116	1,537,579		1,592,630	(81,486)	

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[2] Company proposed growth factor.  
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[6] Column (f) minus Column (c), unless other v

**Aqua North Carolina, Inc.**  
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For The Rate Year 1 - Rate Year 3 Ended December 31,

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**FAIRWAYS WATER OPERATIONS**

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjstment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)			(d)*((1+(e)))	(f)-(c)	
	<b>O&amp;M and G&amp;A Expense</b>							
1	Salaries and wages	\$ 365,152	3.00%	\$ 376,107	\$ 462,747	3.00%	\$ 476,630	100,523
2	Employee pensions and benefits	116,694	3.02%	120,216	95,023	3.00%	97,873	(22,343)
3	Purchased water	329	0.00%	329	0	0.00%	-	(329)
4	Purchased power	98,655	3.04%	101,654	94,663	3.04%	97,541	(4,113)
5	Fuel for power production	0	0.00%	0	951	0.00%	951	951
6	Chemicals	31,741	3.04%	32,706	58,302	3.04%	60,075	27,369
7	Materials and supplies	19,301	3.04%	19,887	18,729	3.04%	19,298	(589)
8	Testing fees	23,342	3.04%	24,052	22,653	3.04%	23,342	(710)
9	Transportation	47,683	0.89%	48,105	36,199	0.00%	36,584	(11,521)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
11	Contractual services - accounting	12,187	3.04%	12,557	9,733	3.04%	10,028	(2,529)
12	Contractual services - legal	14,075	3.04%	14,503	11,576	3.04%	11,928	(2,575)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	186,192	3.04%	191,854	180,701	3.04%	186,196	(5,658)
15	Rent	20,094	3.04%	20,705	19,502	3.04%	20,095	(610)
16	Insurance	53,631	3.04%	55,261	57,067	3.04%	58,801	3,540
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	29,079	0.00%	29,079	15,426	0.00%	15,426	(13,653)
19	Miscellaneous expense	55,985	3.04%	57,685	54,335	3.04%	55,985	(1,700)
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	-
21	Annualization & consumption adjustments	(2,911)	3.14%	(3,002)	0	3.14%	-	3,002
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
23	Contra-OH Allocations	(46,646)	3.04%	(48,063)	(8,699)	3.04%	(8,964)	39,099
24	Depreciation and amortization expense	429,316	10.09%	472,652	273,009	0.00%	314,012	(158,639)
25	Property taxes	33,604	3.31%	34,715	33,604	3.31%	34,715	-
26	Payroll taxes	25,827	3.00%	26,601	33,026	3.00%	34,017	7,415
27	Other taxes	13,439	-6.96%	12,504	13,519	0.00%	13,519	1,015
28	Benefit costs - Pension	(1,350)	0.00%	(1,350)	(1,433)	3.00%	(1,476)	(126)
29	Regulatory fee	3,205	5.22%	3,372	3,008	5.22%	3,220	(152)
30	Deferred income tax	0	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)
31	State income tax	15,789	-5.79%	14,874	12,453	0.00%	13,866	(1,008)
32	Federal income tax	129,309	4.94%	135,703	101,994	0.00%	113,562	(22,141)
33	Total O&M and G&A Expense Adjustment	<u>1,674,116</u>		<u>1,753,101</u>	<u>1,592,630</u>		<u>1,681,767</u>	<u>(71,334)</u>

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**FAIRWAYS SEWER OPERATIONS**

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjstment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		((c)-(a))/(a)		(d)/(1+(e))		(f)-(c)		
<b>O&amp;M and G&amp;A Expense</b>								
1	Salaries and wages	\$ 239,315	3.00%	\$ 246,493	\$ 345,065	3.00%	\$ 355,415	\$ 108,922
2	Employee pensions and benefits	80,725	3.02%	83,160	63,772	3.00%	65,685	\$ (17,475)
3	Purchased sewer treatment	8,920	3.04%	9,191	7,678	3.04%	7,911	\$ (1,280)
4	Sludge removal	172,329	0.00%	177,568	187,147	0.00%	187,147	\$ 9,579
5	Purchased power	121,678	3.04%	125,378	123,402	3.04%	127,154	\$ 1,776
6	Fuel for power production per Public Staff engineer	-	0.00%	0	353	0.00%	353	\$ 353
7	Chemicals	36,972	3.04%	38,096	57,109	3.04%	58,845	\$ 20,749
8	Materials and supplies	16,823	3.04%	17,334	16,327	3.04%	16,823	\$ (511)
9	Testing fees	13,165	0.00%	13,566	12,776	0.00%	12,776	\$ (790)
10	Transportation per Public Staff engineer	35,742	0.81%	36,031	26,889	0.00%	27,174	\$ (8,857)
11	Contractual services - engineering	-	0.00%	0	0	0.00%	0	\$ -
12	Contractual services - accounting	7,181	0.00%	7,399	5,732	0.00%	5,732	\$ (1,667)
13	Contractual services - legal	8,601	3.03%	8,862	7,543	3.03%	7,772	\$ (1,090)
14	Contractual services - management fees	-	0.00%	0	0	0.00%	0	\$ -
15	Contractual services - other	161,338	3.04%	166,241	156,578	3.04%	161,336	\$ (4,905)
16	Rent	11,842	0.00%	12,202	11,492	0.00%	11,492	\$ (710)
17	Insurance	34,212	3.04%	35,253	33,379	3.04%	34,395	\$ (858)
18	Advertising	-	5.00%	0	0	5.00%	0	\$ -
19	Regulatory commission expense Schedule 3-13-RY1 to RY3	18,527	0.00%	18,527	23,792	0.00%	23,792	\$ 5,265
20	Miscellaneous expense	42,818	3.04%	44,119	41,557	3.04%	42,820	\$ (1,299)
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	\$ -
22	Annualization & consumption adjustments	7,582	1.45%	7,692	0	1.45%	0	\$ (7,692)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	\$ -
24	Contra-OH Allocations	(36,850)	3.04%	(37,971)	(10,252)	3.04%	(10,563)	\$ 27,408
25	Depreciation and amortization expense Schedule 3-17-RY1 to RY3	639,423	17.08%	748,639	504,903	0.00%	548,714	\$ (199,925)
26	Property taxes	2,634	6.74%	2,811	2,634	6.74%	2,811	\$ -
27	Payroll taxes	21,216	3.00%	21,852	24,844	3.00%	25,589	\$ 3,737
28	Other taxes	8,461	-2.10%	8,284	8,461	0.00%	8,461	\$ 177
29	Benefit costs - Pension	(846)	0.00%	(846)	(846)	3.00%	(871)	\$ (25)
30	Regulatory fee operating revenue times 0.14%	4,758	3.52%	4,925	4,071	0.00%	4,231	\$ (694)
31	Deferred income tax	-	0.00%	0	(3,659)	0.00%	(3,659)	\$ (3,659)
32	State income tax Schedule 3-18-RY(a) to RY(e)	38,314	0.00%	38,083	23,577	0.00%	24,373	\$ (13,710)
33	Federal income tax Schedule 3-18-RY(a) to RY(e)	313,791	-0.60%	311,900	193,097	0.00%	199,611	\$ (112,289)
34	Total O&M and G&A Expense Adjustment	2,008,677		2,144,796	1,867,429		1,945,327	(199,470)

[1] Based on information provided by Company.

[2] Company proposed growth factor.

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

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

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

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**FAIRWAYS SEWER OPERATIONS**

Line No.	Item	Rate Year 2							
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustment per Public Staff [6]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)	
<b>O&amp;M and G&amp;A Expense</b>									
1	Salaries and wages	\$ 246,493	3.00%	\$ 253,887	\$ 355,415	3.00%	\$ 366,077	\$ 112,190	
2	Employee pensions and benefits	83,160	3.01%	85,665	65,685	3.00%	67,656	(18,009)	
3	Purchased sewer treatment	9,191	3.04%	9,470	7,911	3.04%	8,151	(1,319)	
4	Sludge removal	177,568	3.04%	182,966	187,147	3.04%	192,836	9,870	
5	Purchased power	125,378	3.04%	129,190	127,154	3.04%	131,020	1,830	
6	Fuel for power production	-	0.00%	0	353	0.00%	353	353	
7	Chemicals	38,096	3.04%	39,254	58,845	3.04%	60,634	21,380	
8	Materials and supplies	17,334	3.04%	17,861	16,823	3.04%	17,334	(527)	
9	Testing fees	13,566	3.04%	13,979	12,776	3.04%	13,165	(814)	
10	Transportation	36,031	0.82%	36,328	27,174		27,463	(8,865)	
11	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0	
12	Contractual services - accounting	7,399	3.04%	7,624	5,732	3.04%	5,906	(1,718)	
13	Contractual services - legal	8,862	3.05%	9,132	7,772	3.05%	8,009	(1,123)	
14	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0	
15	Contractual services - other	166,241	3.04%	171,294	161,336	3.04%	166,240	(5,054)	
16	Rent	12,202	3.04%	12,573	11,492	3.04%	11,841	(732)	
17	Insurance	35,253	3.04%	36,326	34,395	3.04%	35,442	(884)	
18	Advertising	-	0.00%	0	0	0.00%	-	0	
19	Regulatory commission expense	18,527	0.00%	18,527	23,792	0.00%	9,580	(8,947)	
20	Miscellaneous expense	44,119	3.03%	45,456	42,820	3.03%	44,117	(1,339)	
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	0	
22	Annualization & consumption adjustments	7,692	1.48%	7,806	0	1.48%	-	(7,806)	
23	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0	
24	Contra-OH Allocations	(37,971)	3.04%	(39,125)	(10,563)	3.04%	(10,884)	28,241	
25	Depreciation and amortization expense	748,639	5.16%	787,297	548,714		569,052	(218,245)	
26	Property taxes	2,811	3.31%	2,904	2,811	3.31%	2,904	0	
27	Payroll taxes	21,852	3.00%	22,507	25,589	3.00%	26,357	3,849	
28	Other taxes	8,284	-1.12%	8,191	8,461		8,461	270	
29	Benefit costs - Pension	(846)	-0.12%	(845)	(871)	3.00%	(898)	(53)	
30	Regulatory fee	4,925	1.13%	4,981	4,231		4,251	(730)	
31	Deferred income tax	-	0.00%	0	(3,659)	0.00%	(3,659)	(3,659)	
32	State income tax	38,083	-1.23%	37,615	24,373		23,889	(13,726)	
33	Federal income tax	311,900	-1.23%	308,068	199,611		195,655	(112,413)	
34	Total O&M and G&A Expense Adjustment	<u>2,144,796</u>		<u>2,208,939</u>	<u>1,945,327</u>		<u>1,980,961</u>	<u>(227,978)</u>	

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**FAIRWAYS SEWER OPERATIONS**

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjustment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)			(d)*((1+(e)))	(f)-(c)	
	<b>O&amp;M and G&amp;A Expense</b>							
1	Salaries and wages	\$ 253,887	3.00%	\$ 261,505	\$ 366,077	3.00%	\$ 377,061	115,556
2	Employee pensions and benefits	85,665	3.02%	88,251	67,656	3.00%	69,686	(18,565)
3	Purchased sewer treatment	9,470	3.04%	9,758	8,151	3.04%	8,399	(1,359)
4	Sludge removal	182,966	3.04%	188,528	192,836	3.04%	198,698	10,170
5	Purchased power	129,190	3.04%	133,118	131,020	3.04%	135,004	1,886
6	Fuel for power production	0	0.00%	0	353	0.00%	353	353
7	Chemicals	39,254	3.04%	40,448	60,634	3.04%	62,478	22,030
8	Materials and supplies	17,861	3.04%	18,404	17,334	3.04%	17,861	(543)
9	Testing fees	13,979	3.04%	14,404	13,165	3.04%	13,565	(839)
10	Transportation	36,328	0.84%	36,634	27,463		27,755	(8,879)
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
12	Contractual services - accounting	7,624	3.04%	7,856	5,906	3.04%	6,086	(1,770)
13	Contractual services - legal	9,132	3.04%	9,410	8,009	3.04%	8,252	(1,158)
14	Contractual services - management fees	0	0.00%	1	0	0.00%	-	(1)
15	Contractual services - other	171,294	3.04%	176,502	166,240	3.04%	171,295	(5,207)
16	Rent	12,573	3.04%	12,955	11,841	3.04%	12,201	(754)
17	Insurance	36,326	3.04%	37,431	35,442	3.04%	36,520	(911)
18	Advertising	0	0.00%	0	0	0.00%	-	-
19	Regulatory commission expense	18,527	0.00%	18,527	9,580	0.00%	9,580	(8,947)
20	Miscellaneous expense	45,456	3.02%	46,831	44,117	3.02%	45,452	(1,379)
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	-
22	Annualization & consumption adjustments	7,806	1.50%	7,923	0	1.50%	-	(7,923)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
24	Contra-OH Allocations	(39,125)	3.04%	(40,315)	(10,884)	3.04%	(11,215)	29,100
25	Depreciation and amortization expense	787,297	6.02%	834,716	569,052		638,356	(196,361)
26	Property taxes	2,904	3.31%	3,000	2,904	3.31%	3,000	-
27	Payroll taxes	22,507	3.00%	23,183	26,357	3.00%	27,148	3,965
28	Other taxes	8,191	-1.17%	8,095	8,461		8,461	366
29	Benefit costs - Pension	(845)	0.00%	(845)	(898)	3.00%	(924)	(79)
30	Regulatory fee	4,981	3.35%	5,148	4,251		4,571	(577)
31	Deferred income tax	0	0.00%	0	(3,659)	0.00%	(3,659)	(3,659)
32	State income tax	37,615	-7.76%	34,698	23,889		26,225	(8,473)
33	Federal income tax	308,068	2.76%	316,558	195,655		214,785	(101,773)
34	Total O&M and G&A Expense Adjustment	<u>2,208,939</u>		<u>2,292,730</u>	<u>1,980,961</u>		<u>2,107,001</u>	<u>(185,729)</u>

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



**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**BROOKWOOD WATER OPERATIONS**

Line No.	Item	Rate Year 1								
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjustmt per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)				(d)/(1+(e))		(f)-(c)		
<b>O&amp;M and G&amp;A Expense</b>										
1	Salaries and wages	\$ 904,084	3.00%	\$ 931,204	\$ 927,399	3.00%	\$ 955,219	\$ 24,015		
2	Employee pensions and benefits	289,258	3.02%	298,004	238,085	3.00%	245,227	\$ (52,777)		
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	\$ (1,005)		
4	Purchased power	281,414	3.04%	289,969	271,555	3.04%	279,811	\$ (10,158)		
5	Fuel for power production	1,348	3.04%	1,389	515	0.00%	515	\$ (874)		
6	Chemicals	308,600	3.04%	317,982	469,046	3.04%	483,306	\$ 165,324		
7	Materials and supplies	28,651	3.04%	29,521	24,664	3.04%	25,413	\$ (4,108)		
8	Testing fees	70,146	3.04%	72,278	68,077	3.04%	70,146	\$ (2,132)		
9	Transportation	128,620	1.04%	129,955	99,633		100,691	\$ (29,264)		
10	Contractual services - engineering	0	0.00%	0	0	0.00%	0	\$ -		
11	Contractual services - accounting	32,608	3.04%	33,599	26,166	3.04%	26,962	\$ (6,637)		
12	Contractual services - legal	37,934	3.04%	39,088	28,459	3.04%	29,325	\$ (9,763)		
13	Contractual services - management fees	0	0.00%	0	0	0.00%	0	\$ -		
14	Contractual services - other	840,927	3.04%	866,489	816,115	3.04%	840,923	\$ (25,566)		
15	Rent	30,744	3.04%	31,679	29,837	3.04%	30,744	\$ (935)		
16	Insurance	137,873	3.04%	142,064	148,854	3.04%	153,379	\$ 11,315		
17	Advertising	0	5.00%	0	0	5.00%	0	\$ -		
18	Regulatory commission expense	84,231	0.00%	84,231	106,103	0.00%	106,102	\$ 21,871		
19	Miscellaneous expense	158,425	3.04%	163,237	153,750	3.04%	158,420	\$ (4,817)		
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	\$ -		
21	Annualization & consumption adjustments	(6,053)	3.26%	(6,251)	0	3.26%	0	\$ 6,251		
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	\$ -		
23	Contra-OH Allocations	(108,414)	3.04%	(111,710)	(20,656)	3.04%	(21,284)	\$ 90,426		
24	Depreciation and amortization expense	1,322,013	19.98%	1,586,158	1,121,832		1,427,584	\$ (158,574)		
25	Property taxes	106,775	6.72%	113,954	106,775	6.72%	113,954	\$ -		
26	Payroll taxes	74,191	-11.29%	65,815	65,335	3.00%	67,295	\$ 1,480		
27	Other taxes	38,482	8.09%	41,596	38,482		38,482	\$ (3,114)		
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(3,853)	3.00%	(3,969)	\$ (116)		
29	Regulatory fee	10,845	8.39%	11,756	10,636		12,278	\$ 522		
30	Deferred income tax	0	0.00%	0	(16,240)	0.00%	(16,240)	\$ (16,240)		
31	State income tax	62,407	10.78%	69,135	48,047		62,195	\$ (6,940)		
32	Federal income tax	511,116	10.78%	566,214	393,501		509,378	\$ (56,836)		
33	Total O&M and G&A Expense Adjustment	5,660,039		6,081,169	5,468,778		6,012,516	(68,653)		

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

**OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY**

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

**BROOKWOOD WATER OPERATIONS**

Line No.	Item	Rate Year 2							
		Rate year 1 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 2 Amount per Company [1]	Rate Year 1 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 2 Amount per Public Staff [5]	Rate year 2 Adjustment per Public Staff [6]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)	
<b>O&amp;M and G&amp;A Expense</b>									
1	Salaries and wages	\$ 931,204	3.00%	\$ 959,138	\$ 955,219	3.00%	\$ 983,873	\$ 24,735	
2	Employee pensions and benefits	298,004	3.02%	307,007	245,227	3.00%	252,584	(54,423)	
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	(1,005)	
4	Purchased power	289,969	3.04%	298,784	279,811	3.04%	288,317	(10,467)	
5	Fuel for power production	1,389	3.02%	1,431	515		515	(916)	
6	Chemicals	317,982	3.04%	327,649	483,306	3.04%	497,999	170,350	
7	Materials and supplies	29,521	3.04%	30,419	25,413	3.04%	26,186	(4,233)	
8	Testing fees	72,278	3.04%	74,475	70,146	3.04%	72,278	(2,197)	
9	Transportation	129,955	1.06%	131,332	100,691		101,761	(29,571)	
10	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0	
11	Contractual services - accounting	33,599	3.04%	34,621	26,962	3.04%	27,782	(6,839)	
12	Contractual services - legal	39,088	3.04%	40,276	29,325	3.04%	30,216	(10,060)	
13	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0	
14	Contractual services - other	866,489	3.04%	892,832	840,923	3.04%	866,489	(26,343)	
15	Rent	31,679	3.03%	32,640	30,744	3.03%	31,677	(963)	
16	Insurance	142,064	3.04%	146,383	153,379	3.04%	158,042	11,659	
17	Advertising	-	0.00%	0	0	0.00%	-	0	
18	Regulatory commission expense	84,231	0.00%	84,231	106,102	0.00%	42,722	(41,509)	
19	Miscellaneous expense	163,237	3.04%	168,199	158,420	3.04%	163,236	(4,963)	
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	0	
21	Annualization & consumption adjustments	(6,251)	3.26%	(6,455)	0	3.26%	-	6,455	
22	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0	
23	Contra-OH Allocations	(111,710)	3.04%	(115,105)	(21,284)	3.04%	(21,931)	93,174	
24	Depreciation and amortization expense	1,586,158	30.89%	2,076,136	1,427,584		1,555,086	(521,050)	
25	Property taxes	113,954	3.31%	117,722	113,954	3.31%	117,722	0	
26	Payroll taxes	65,815	3.00%	67,789	67,295	3.00%	69,314	1,524	
27	Other taxes	41,596	-9.06%	37,828	38,482		38,482	654	
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(3,969)	3.00%	(4,088)	(235)	
29	Regulatory fee	11,756	11.97%	13,163	12,278		12,865	(299)	
30	Deferred income tax	-	0.00%	0	(16,240)	0.00%	(16,240)	(16,240)	
31	State income tax	69,135	-23.72%	52,738	62,195		66,870	14,132	
32	Federal income tax	566,214	-23.72%	431,920	509,378		547,664	115,744	
33	Total O&M and G&A Expense Adjustment	<u>6,081,169</u>		<u>6,518,967</u>	<u>6,012,516</u>		<u>6,226,080</u>	<u>(292,886)</u>	

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

OPERATING & MAINTENANCE  
EXPENSE ADJUSTMENT SUMMARY

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

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2	Growth Factor	Rate Year 3	Rate Year 2	Growth Factor	Rate Year 3	Rate year 3
		Amount Per Company [1]	Per Company [2]	Amount per Company [1]	Amount per Public Staff [3]	Per Public Staff [4]	Amount per Public Staff [5]	Adjustment per Public Staff [6]
(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		((c)-(a))/(a)		(d)*((1+(e))		(f)-(c)		
<b>O&amp;M and G&amp;A Expense</b>								
1	Salaries and wages	\$ 959,138	3.00%	\$ 987,909	\$ 983,873	3.00%	\$ 1,013,386	25,477
2	Employee pensions and benefits	307,007	3.02%	316,285	252,584	3.00%	260,162	(56,123)
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	(1,005)
4	Purchased power	298,784	3.04%	307,867	288,317	3.04%	297,082	(10,785)
5	Fuel for power production	1,431	3.00%	1,474	515		515	(959)
6	Chemicals	327,649	3.04%	337,609	497,999	3.04%	513,138	175,529
7	Materials and supplies	30,419	3.04%	31,345	26,186	3.04%	26,983	(4,362)
8	Testing fees	74,475	3.04%	76,739	72,278	3.04%	74,476	(2,263)
9	Transportation	131,332	1.08%	132,750	101,761		102,842	(29,908)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
11	Contractual services - accounting	34,621	3.04%	35,674	27,782	3.04%	28,627	(7,047)
12	Contractual services - legal	40,276	3.04%	41,500	30,216	3.04%	31,134	(10,366)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	892,832	3.04%	919,974	866,489	3.04%	892,830	(27,144)
15	Rent	32,640	3.04%	33,631	31,677	3.04%	32,639	(992)
16	Insurance	146,383	3.04%	150,832	158,042	3.04%	162,845	12,013
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	84,231	0.00%	84,231	42,722	0.00%	42,722	(41,509)
19	Miscellaneous expense	168,199	3.04%	173,311	163,236	3.04%	168,197	(5,114)
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	-
21	Annualization & consumption adjustments	(6,455)	3.26%	(6,665)	0	3.26%	-	6,665
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
23	Contra-OH Allocations	(115,105)	3.04%	(118,605)	(21,931)	3.04%	(22,598)	96,007
24	Depreciation and amortization expense	2,076,136	10.17%	2,287,198	1,555,086		1,687,939	(599,259)
25	Property taxes	117,722	3.31%	121,615	117,722	3.31%	121,615	-
26	Payroll taxes	67,789	3.00%	69,823	69,314	3.00%	71,393	1,570
27	Other taxes	37,828	-10.29%	33,935	38,482		38,482	4,547
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(4,088)	3.00%	(4,210)	(357)
29	Regulatory fee	13,163	6.27%	13,989	12,865		13,551	(438)
30	Deferred income tax	0	0.00%	0	(16,240)	0.00%	(16,240)	(16,240)
31	State income tax	52,738	-7.45%	48,810	66,870		71,523	22,713
32	Federal income tax	431,920	3.10%	445,313	547,664		585,771	140,458
33	Total O&M and G&A Expense Adjustment	<u>6,518,967</u>		<u>6,840,357</u>	<u>6,226,080</u>		<u>6,511,462</u>	<u>(328,895)</u>

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-13-RY1

Line No.	Item	<u>Rate Year 1</u>							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$122,187)</u>	\$1,294,284 [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>323,571</u>	\$197,611 [4]	\$58,232 [5]	\$15,426 [6]	\$9,580 [7]	\$42,722 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>647,142</u>	395,222 [4]	116,463 [5]	30,852 [6]	19,160 [7]	85,445 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>\$0</u>	985,454 [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>328,485</u>	200,612 [4]	59,116 [5]	15,660 [6]	9,725 [7]	43,371 [8]
8	Unamortized balance of Sub 526 rate case expense			<u>-</u>	0 [4]	0.00 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>\$0</u>	419,435					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>139,812</u>	\$85,386 [4]	\$25,161 [5]	\$6,665 [6]	\$4,139 [7]	\$18,460 [8]
12	Unamortized balance of Sub 497 rate case expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>\$0</u>	58,664					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>11,733</u>	\$7,165 [4]	\$2,111 [5]	\$559 [6]	\$347 [7]	\$1,549 [8]
16	Unamortized balance of depreciation study expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$490,774</u>	<u>\$144,620</u>	<u>\$38,311</u>	<u>\$23,792</u>	<u>\$106,102</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$395,222</u>	<u>\$116,463</u>	<u>\$30,852</u>	<u>\$19,160</u>	<u>\$85,445</u>

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

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

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

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

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

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

[7] Column (c) multiplied by Fairways Sewer allocation factor

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-13-RY2

Line No.	Item	<b>Rate Year 2</b>							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$122,187)</u>	\$1,294,284 [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>323,571</u>	\$197,611 [4]	\$58,232 [5]	\$15,426 [6]	\$9,580 [7]	\$42,722 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>323,571</u>	<u>197,611 [4]</u>	<u>58,232 [5]</u>	<u>15,426 [6]</u>	<u>9,580 [7]</u>	<u>42,722 [8]</u>
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	- [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>-</u>	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
8	Unamortized balance of Sub 526 rate case expense			<u>-</u>	<u>0 [4]</u>	<u>0.00 [5]</u>	<u>0 [6]</u>	<u>0 [7]</u>	<u>0 [8]</u>
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	-					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
12	Unamortized balance of Sub 497 rate case expense			<u>-</u>	<u>\$0 [4]</u>	<u>\$0 [5]</u>	<u>\$0 [6]</u>	<u>\$0 [7]</u>	<u>\$0 [8]</u>
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	-					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>-</u>	0.00 [4]	0.00 [5]	0.00 [6]	\$0 [7]	\$0 [8]
16	Unamortized balance of depreciation study expense			<u>-</u>	<u>\$0 [4]</u>	<u>\$0 [5]</u>	<u>\$0 [6]</u>	<u>\$0 [7]</u>	<u>\$0 [8]</u>
17	Regulatory commission expense per Public Staff				<u>197,611</u>	<u>58,232</u>	<u>15,426</u>	<u>9,580</u>	<u>42,722</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$197,611</u>	<u>\$58,232</u>	<u>\$15,426</u>	<u>\$9,580</u>	<u>\$42,722</u>

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

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-13-RY3

Line No.	Item	<b>Rate Year 3</b>							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$122,187)</u>	\$1,294,284 [2]					
2	Amortization period in years			<u>4</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>323,571</u>	\$197,611 [4]	\$58,232 [5]	\$15,426 [6]	\$9,580 [7]	\$42,722 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>0</u>	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	- [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>-</u>	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
8	Unamortized balance of Sub 526 rate case expense			<u>-</u>	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	-					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
12	Unamortized balance of Sub 497 rate case expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	-					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
16	Unamortized balance of depreciation study expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$197,611</u>	<u>\$58,232</u>	<u>\$15,426</u>	<u>\$9,580</u>	<u>\$42,722</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

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

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

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

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

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

[7] Column (c) multiplied by Fairways Sewer allocation factor

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-17-RY1

For The Rate Year 1 Ended December 31, 2023

<u>Line</u> <u>No.</u>	<u>Item</u>	<b>Rate Year 1</b>				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
	<b><u>Depreciation and amortization expense</u></b>					
1	Depreciation and amortization expense per base year	\$7,480,808 [1]	\$2,805,236 [1]	\$143,620 [1]	\$504,903 [1]	\$1,121,832 [1]
2	Depreciation expense rate year 1 additions	<u>1,312,236 [2]</u>	<u>740,617 [2]</u>	<u>92,290 [2]</u>	<u>43,811 [2]</u>	<u>305,752 [2]</u>
3	Total rate year 1 depreciation and amortization expense per Public Staff (L1+L2)	<u>8,793,044</u>	<u>3,545,853</u>	<u>235,910</u>	<u>548,714</u>	<u>1,427,584</u>
	<b><u>CIAC amortization expense</u></b>					
4	CIAC amortization expense per base year					
5	CIAC amortization expense rate year 1 additions	0	0	0	0	0
6	Total rate year 1 CIAC amortization expense per Public Staff (L4+L5)	0	0	0	0	0
	<b><u>PAA AIA amortization expense</u></b>					
7	PAA AIA amortization expense per base year					
8	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
9	Total rate year 1 PAA amortization expense per Public Staff (L7+L8)	0	0	0	0	0

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-17-RY2

For The Rate Year 2 Ended December 31, 2024

**Rate Year 2**

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<b><u>Depreciation and amortization expense</u></b>						
1	Depreciation and amortization expense per base year	\$7,480,808	\$2,805,236	\$143,620	\$504,903	\$1,121,832
2	Depreciation expense rate year 1 additions	1,312,236	740,617	92,290	43,811	305,752
3	Depreciation expense rate year 2 additions	729,619	452,160	37,099	20,338	127,502
4	Total rate year 2 depreciation and amortization expense per Public Staff (L1+L2+L3)	<u>9,522,663</u>	<u>3,998,013</u>	<u>273,009</u>	<u>569,052</u>	<u>1,555,086</u>
<b><u>CIAC amortization expense</u></b>						
5	CIAC amortization expense per base year	0	0	0	0	0
6	CIAC amortization expense rate year 1 additions	0	0	0	0	0
7	CIAC amortization expense rate year 2 additions	0	0	0	0	0
8	Total rate year 2 CIAC amortization expense per Public Staff (L5+L6+L7)	0	0	0	0	0
<b><u>PAA AIA amortization expense</u></b>						
9	PAA AIA amortization expense per base year	0	0	0	0	0
10	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
11	PAA AIA amortization expense rate year 2 additions	0	0	0	0	0
12	Total rate year 2 PAA amortization expense per Public Staff (L9+L10+L11)	0	0	0	0	0

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

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

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



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

Public Staff Settlement Exhibit 1  
Schedule 3-17-RY3

For The Rate Year 3 Ended December 31, 2025

**Rate Year 3**

Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<b>Depreciation expense</b>						
1	Depreciation expense per base year	\$7,480,808 [1]	\$2,805,236 [1]	\$143,620 [1]	\$504,903 [1]	\$1,121,832 [1]
2	Depreciation expense rate year 1 additions	\$1,312,236 [2]	\$740,617 [2]	\$92,290 [2]	\$43,811 [2]	\$305,752 [2]
3	Depreciation expense rate year 2 additions	\$729,619 [3]	\$452,160 [3]	\$37,099 [3]	\$20,338 [3]	\$127,502 [3]
4	Depreciation expense rate year 3 additions	638,532 [4]	242,270 [4]	41,004 [4]	69,304 [4]	132,854 [4]
5	Total rate year 3 depreciation expense per Public Staff (L1+L2+L3+L4)	<u>10,161,195</u>	<u>4,240,283</u>	<u>314,012</u>	<u>638,356</u>	<u>1,687,939</u>
<b>CIAC amortization expense</b>						
6	CIAC amortization expense per base year	0	0	0	0	0
7	CIAC amortization expense rate year 1 additions	0	0	0	0	0
8	CIAC amortization expense rate year 2 additions	0	0	0	0	0
9	CIAC amortization expense rate year 3 additions	0	0	0	0	0
10	Total rate year 3 CIAC amortization expense per Public Staff (L6+L7+L8+L9)	0	0	0	0	0
<b>PAA AIA amortization expense</b>						
11	PAA AIA amortization expense per base year	0	0	0	0	0
12	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
13	PAA AIA amortization expense rate year 2 additions	0	0	0	0	0
14	PAA AIA amortization expense rate year 3 additions	0	0	0	0	0
15	Total rate year 3 PAA amortization expense per Public Staff (L9+L10+L11)	0	0	0	0	0

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

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

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

[4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY3, Line 9.

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**CALCULATION OF INCOME TAXES**  
or The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025  
**AQUA WATER OPERATIONS**

Public Staff Settlement Exhibit 1  
Schedule 3-18-RY(a)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates
		[1] (a)	[3] (b)	[5] (c)	[1] (d)	[3] (e)	[5] (f)	[1] (g)	[3] (h)	[5] (i)
1.	Operating revenue	\$50,236,726	\$52,461,362	\$47,972,263	\$52,461,362	\$55,051,010	\$49,930,346	\$55,051,010	\$57,743,506	\$52,080,452
	Operating revenue deductions:									
2.	O&M and G&A expense	22,751,267	22,751,267	22,751,267	23,032,070	23,032,070	23,032,070	23,623,135	23,623,135	23,623,135
3.	Depreciation and amortization expense	8,793,044	8,793,044	8,793,044	9,522,663	9,522,663	9,522,663	10,161,195	10,161,195	10,161,195
4.	Property taxes	625,440	625,440	625,440	646,123	646,123	646,123	667,490	667,490	667,490
5.	Payroll taxes	539,702	539,702	539,702	555,894	555,894	555,894	572,570	572,570	572,570
6.	Other taxes	174,357	174,357	174,357	174,357	174,357	174,357	174,357	174,357	174,357
7.	Benefit costs - Pension	(17,968)	(17,968)	(17,968)	(18,507)	(18,507)	(18,507)	(19,063)	(19,063)	(19,063)
8.	Regulatory fee	70,331	73,446	67,161	73,446	77,071	69,902	77,071	80,841	72,913
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	3,745,341 [2]	3,745,341 [4]	3,745,341 [6]	3,970,166 [2]	3,970,166 [4]	3,970,166 [6]	4,187,920 [2]	4,187,920 [4]	4,187,920 [6]
11.	Total deductions (Sum of L2 thru L10)	36,681,514	36,684,629	36,678,344	37,956,210	37,959,835	37,952,666	39,444,676	39,448,446	39,440,518
12.	Taxable income (L1 - L11)	13,555,212	15,776,733	11,293,919	14,505,152	17,091,175	11,977,680	15,606,334	18,295,060	12,639,934
13.	State income tax (L12 x 2.50%)	338,880	394,418	282,348	362,629	427,279	299,442	390,158	457,377	315,998
14.	Federal taxable income (L12 - L13)	13,216,332	15,382,315	11,011,571	14,142,523	16,663,896	11,678,238	15,216,176	17,837,683	12,323,936
15.	Federal income tax (L14 x 21.00%)	2,775,430	3,230,286	2,312,430	2,969,930	3,499,418	2,452,430	3,195,397	3,745,914	2,588,027
16.	Excess deferred income tax amortization	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)
17.	Net amount (L12 - L13 - L15 - L16)	10,515,478	12,226,605	8,773,717	11,247,169	13,239,054	9,300,384	12,095,355	14,166,345	9,810,485
18.	Add: interest expense	3,745,341 [2]	3,745,341 [4]	3,745,341 [6]	3,970,166 [2]	3,970,166 [4]	3,970,166 [6]	4,187,920 [2]	4,187,920 [4]	4,187,920 [6]
19.	Net income for return (L17 + L18)	\$14,260,819	\$15,971,946	\$12,519,058	\$15,217,335	\$17,209,220	\$13,270,550	\$16,283,275	\$18,354,265	\$13,998,405

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**CALCULATION OF INCOME TAXES**  
or The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025  
**AQUA SEWER OPERATIONS**

Public Staff Settlement Exhibit 1  
Schedule 3-18-RY(b)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.	Operating revenue	\$21,410,287	\$22,266,283	\$21,388,357	\$22,266,283	\$23,379,031	\$22,984,418	\$23,379,031	\$24,536,497	\$23,618,142
	Operating revenue deductions:									
2.	O&M and G&A expense	10,299,312	10,299,312	10,299,312	10,507,518	10,507,518	10,507,518	10,681,768	10,681,768	10,681,768
3.	Depreciation and amortization expense	3,545,853	3,545,853	3,545,853	3,998,013	3,998,013	3,998,013	4,240,283	4,240,283	4,240,283
4.	Property taxes	16,440	16,440	16,440	16,984	16,984	16,984	17,546	17,546	17,546
5.	Payroll taxes	185,609	185,609	185,609	191,177	191,177	191,177	196,913	196,913	196,913
6.	Other taxes	48,289	48,289	48,289	48,289	48,289	48,289	48,289	48,289	48,289
7.	Benefit costs - Pension	(4,964)	(4,964)	(4,964)	(5,112)	(5,112)	(5,112)	(5,266)	(5,266)	(5,266)
8.	Regulatory fee	29,974	31,173	29,944	31,173	32,731	32,178	32,731	34,351	33,065
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	1,805,125 [2]	1,805,125 [4]	1,805,125 [6]	2,034,629 [2]	2,034,629 [4]	2,034,629 [6]	2,086,635 [2]	2,086,635 [4]	2,086,635 [6]
11.	Total deductions (Sum of L2 thru L10)	15,925,638	15,926,837	15,925,608	16,822,671	16,824,229	16,823,676	17,298,900	17,300,520	17,299,234
12.	Taxable income (L1 - L11)	5,484,649	6,339,446	5,462,749	5,443,612	6,554,802	6,160,742	6,080,131	7,235,977	6,318,908
13.	State income tax (L12 x 2.50%)	137,116	158,486	136,569	136,090	163,870	154,019	152,003	180,899	157,973
14.	Federal taxable income (L12 - L13)	5,347,533	6,180,960	5,326,180	5,307,522	6,390,932	6,006,723	5,928,128	7,055,078	6,160,935
15.	Federal income tax (L14 x 21.00%)	1,122,982	1,298,002	1,118,498	1,114,580	1,342,096	1,261,412	1,244,907	1,481,566	1,293,796
16.	Excess deferred income tax amortization	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)
17.	Net amount (L12 - L13 - L15 - L16)	4,245,497	4,903,904	4,228,628	4,213,888	5,069,782	4,766,257	4,704,167	5,594,458	4,888,085
18.	Add: interest expense	1,805,125 [2]	1,805,125 [4]	1,805,125 [6]	2,034,629 [2]	2,034,629 [4]	2,034,629 [6]	2,086,635 [2]	2,086,635 [4]	2,086,635 [6]
19.	Net income for return (L17 + L18)	\$6,050,622	\$6,709,029	\$6,033,753	\$6,248,517	\$7,104,411	\$6,800,886	\$6,790,802	\$7,681,093	\$6,974,720

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**CALCULATION OF INCOME TAXES**  
or The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025  
**FAIRWAYS WATER OPERATIONS**

Public Staff Settlement Exhibit 1  
Schedule 3-18-RY(c)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.	Operating revenue	\$1,981,417	\$2,209,380	\$2,060,887	\$2,209,380	\$2,319,964	\$2,148,459	\$2,319,964	\$2,429,857	\$2,299,695
	Operating revenue deductions:									
2.	O&M and G&A expense	1,120,267	1,120,267	1,120,267	1,129,302	1,129,302	1,129,302	1,162,184	1,162,184	1,162,184
3.	Depreciation and amortization expense	235,910	235,910	235,910	273,009	273,009	273,009	314,012	314,012	314,012
4.	Property taxes	32,528	32,528	32,528	33,604	33,604	33,604	34,715	34,715	34,715
5.	Payroll taxes	32,064	32,064	32,064	33,026	33,026	33,026	34,017	34,017	34,017
6.	Other taxes	13,519	13,519	13,519	13,519	13,519	13,519	13,519	13,519	13,519
7.	Benefit costs - Pension	(1,392)	(1,392)	(1,392)	(1,433)	(1,433)	(1,433)	(1,476)	(1,476)	(1,476)
8.	Regulatory fee	2,774	3,093	2,885	3,093	3,248	3,008	3,248	3,402	3,220
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	156,559 [2]	156,559 [4]	156,559 [6]	166,288 [2]	166,288 [4]	166,288 [6]	184,866 [2]	184,866 [4]	184,866 [6]
11.	Total deductions (Sum of L2 thru L10)	1,592,229	1,592,548	1,592,340	1,650,407	1,650,562	1,650,322	1,745,085	1,745,239	1,745,057
12.	Taxable income (L1 - L11)	389,188	616,832	468,547	558,973	669,402	498,137	574,880	684,619	554,639
13.	State income tax (L12 x 2.50%)	9,730	15,421	11,714	13,974	16,735	12,453	14,372	17,115	13,866
14.	Federal taxable income (L12 - L13)	379,458	601,411	456,833	544,999	652,667	485,684	560,508	667,504	540,773
15.	Federal income tax (L14 x 21.00%)	79,686	126,296	95,935	114,450	137,060	101,994	117,707	140,176	113,562
16.	Excess deferred income tax amortization	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)
17.	Net amount (L12 - L13 - L15 - L16)	305,623	480,966	366,749	436,400	521,458	389,541	448,652	533,179	433,062
18.	Add: interest expense	156,559 [2]	156,559 [4]	156,559 [6]	166,288 [2]	166,288 [4]	166,288 [6]	184,866 [2]	184,866 [4]	184,866 [6]
19.	Net income for return (L17 + L18)	\$462,182	\$637,525	\$523,308	\$602,688	\$687,746	\$555,829	\$633,518	\$718,045	\$617,928

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

**Aqua North Carolina, Inc.**  
Docket No. W-218, Sub 573  
**CALCULATION OF INCOME TAXES**  
or The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025  
**FAIRWAYS SEWER OPERATIONS**

Public Staff Settlement Exhibit 1  
Schedule 3-18-RY(d)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.	Operating revenue	\$3,608,933	\$3,757,741	\$3,022,022	\$3,757,741	\$3,802,109	\$3,036,415	\$3,802,109	(\$536,967)	\$3,265,142
	Operating revenue deductions:									
2.	O&M and G&A expense	1,136,067	1,136,067	1,136,067	1,154,948	1,154,948	1,154,948	1,189,039	1,189,039	1,189,039
3.	Depreciation and amortization expense	548,714	548,714	548,714	569,052	569,052	569,052	638,356	638,356	638,356
4.	Property taxes	2,811	2,811	2,811	2,904	2,904	2,904	3,000	3,000	3,000
5.	Payroll taxes	25,589	25,589	25,589	26,357	26,357	26,357	27,148	27,148	27,148
6.	Other taxes	8,461	8,461	8,461	8,461	8,461	8,461	8,461	8,461	8,461
7.	Benefit costs - Pension	(871)	(871)	(871)	(898)	(898)	(898)	(924)	(924)	(924)
8.	Regulatory fee	5,053	5,261	4,231	5,261	5,323	4,251	5,323	5,501	4,571
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	322,116 [2]	322,116 [4]	322,116 [6]	315,761 [2]	315,761 [4]	315,761 [6]	346,482 [2]	346,482 [4]	346,482 [6]
11.	Total deductions (Sum of L2 thru L10)	2,047,940	2,048,148	2,047,118	2,081,847	2,081,909	2,080,837	2,216,884	2,217,062	2,216,132
12.	Taxable income (L1 - L11)	1,560,993	1,709,593	974,904	1,675,894	1,720,200	955,578	1,585,225	(2,754,029)	1,049,010
13.	State income tax (L12 x 2.50%)	39,025	42,740	24,373	41,897	43,005	23,889	39,631	0	26,225
14.	Federal taxable income (L12 - L13)	1,521,968	1,666,853	950,531	1,633,997	1,677,195	931,689	1,545,594	(2,754,029)	1,022,785
15.	Federal income tax (L14 x 21.00%)	319,613	350,039	199,611	343,139	352,211	195,655	324,575	0	214,785
16.	Excess deferred income tax amortization	(3,659)	0	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)
17.	Net amount (L12 - L13 - L15 - L16)	1,206,014	1,316,814	754,579	1,294,517	1,328,643	739,693	1,224,678	(2,750,370)	811,659
18.	Add: interest expense	322,116 [2]	322,116 [4]	322,116 [6]	315,761 [2]	315,761 [4]	315,761 [6]	346,482 [2]	346,482 [4]	346,482 [6]
19.	Net income for return (L17 + L18)	\$1,528,130	\$1,638,930	\$1,076,695	\$1,610,278	\$1,644,404	\$1,055,454	\$1,571,160	(\$2,403,888)	\$1,158,141

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

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

Public Staff Settlement Exhibit 1  
Schedule 3-18-RY(e)

**CALCULATION OF INCOME TAXES**  
or The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025  
**BROOKWOOD WATER OPERATIONS**

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates
		[1] (a)	[3] (b)	[5] (c)	[1] (d)	[3] (e)	[5] (f)	[1] (g)	[3] (h)	[5] (i)
1.	Operating revenue	\$8,448,951	\$9,122,602	\$8,769,924	\$9,122,602	\$9,561,818	\$9,188,998	\$9,561,818	\$10,025,479	\$9,678,931
	Operating revenue deductions:									
2.	O&M and G&A expense	3,801,559	3,801,559	3,801,559	3,838,406	3,838,406	3,838,406	3,941,639	3,941,639	3,941,639
3.	Depreciation and amortization expense	1,427,584	1,427,584	1,427,584	1,555,086	1,555,086	1,555,086	1,687,939	1,687,939	1,687,939
4.	Property taxes	113,954	113,954	113,954	117,722	117,722	117,722	121,615	121,615	121,615
5.	Payroll taxes	67,295	67,295	67,295	69,314	69,314	69,314	71,393	71,393	71,393
6.	Other taxes	38,482	38,482	38,482	38,482	38,482	38,482	38,482	38,482	38,482
7.	Benefit costs - Pension	(3,969)	(3,969)	(3,969)	(4,088)	(4,088)	(4,088)	(4,210)	(4,210)	(4,210)
8.	Regulatory fee	11,829	12,772	12,278	12,772	13,387	12,865	13,387	14,036	13,551
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	824,937 [2]	824,937 [4]	824,937 [6]	886,419 [2]	886,419 [4]	886,419 [6]	947,615 [2]	947,615 [4]	947,615 [6]
11.	Total deductions (Sum of L2 thru L10)	6,281,671	6,282,614	6,282,120	6,514,113	6,514,728	6,514,206	6,817,860	6,818,509	6,818,024
12.	Taxable income (L1 - L11)	2,167,280	2,839,988	2,487,804	2,608,489	3,047,090	2,674,792	2,743,958	3,206,970	2,860,907
13.	State income tax (L12 x 2.50%)	54,182	71,000	62,195	65,212	76,177	66,870	68,599	80,174	71,523
14.	Federal taxable income (L12 - L13)	2,113,098	2,768,988	2,425,609	2,543,277	2,970,913	2,607,922	2,675,359	3,126,796	2,789,384
15.	Federal income tax (L14 x 21.00%)	443,751	581,487	509,378	534,088	623,892	547,664	561,825	656,627	585,771
16.	Excess deferred income tax amortization	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)
17.	Net amount (L12 - L13 - L15 - L16)	1,685,587	2,203,741	1,932,471	2,025,429	2,363,261	2,076,498	2,129,774	2,486,409	2,219,853
18.	Add: interest expense	824,937 [2]	824,937 [4]	824,937 [6]	886,419 [2]	886,419 [4]	886,419 [6]	947,615 [2]	947,615 [4]	947,615 [6]
19.	Net income for return (L17 + L18)	\$2,510,524	\$3,028,678	\$2,757,408	\$2,911,848	\$3,249,680	\$2,962,917	\$3,077,389	\$3,434,024	\$3,167,468

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

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

Public Staff Settlement Exhibit 1  
Schedule BY

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
1	Increase / (decrease) in total revenues per Company	\$7,143,901	\$2,869,166	\$578,998	\$1,368,962	\$1,694,127	\$13,655,154
	<b>Settled Items:</b>						
2	Difference in calculation of revenue requirement based on Company amounts	(186,110)	63,539	(72,563)	10,882	(141,225)	(325,477)
3	Debt	(36,756)	(17,528)	(1,542)	(4,581)	(7,474)	(67,881)
4	Regulatory fee rate-RB	1,611	768	68	201	328	2,976
5	Regulatory fee rate-NOI	3,310	1,366	127	166	509	5,478
6	Allocate vehicle purchased	(57,284)	27,938	7,804	4,881	16,662	1
7	Post test year additions to A/D	(107,737)	(126,141)	(14,074)	(42,985)	(25,154)	(316,091)
8	A/D for vehicle allocations	2,274	(1,109)	(310)	(194)	(662)	(1)
9	A/D for WSIC/SSIC in service date	(3,138)	(973)	0	0	(365)	(4,476)
10	Post test year additions to CIAC	(169,485)	(77,801)	(6,735)	(1,141)	(1,137)	(256,299)
11	Post test year additions to accumulated amortization - CIAC	(49,191)	(65,027)	(6,095)	(5,700)	(4,111)	(130,124)
12	Post test year additions PAA	1,880	0	0	0	0	1,880
13	Adjustment for Mid South growth related PAA to 03/31/20	0	0	0	0	0	0
13	Post test year additions accumulated amortization - PAA	7,789	(2,551)	0	0	6	5,244
14	Update advances for construction to 03/31/20	20,485	8,435	829	0	0	29,749
15	ADIT - post test year additions	0	0	0	0	0	0
16	ADIT - unamortized rate case expense	0	0	0	0	0	0
17	ADIT - unamortized repair tax credit	0	0	0	0	0	0
15	ADIT - protected EDIT	65,703	47,370	(1,296)	3,777	25,034	140,588
16	Materials and supplies-RB	(6,996) 0	(1,066) 0	(67) 0	(21) 0	(261)	(8,411)
17	Update customer deposits to 03/31/20	1,601 0	35 0	23 0	0 0	556	2,215
18	Remove excess capacity	0 0	0 0	0 0	0 0	0	0
18	Cash working capital	(7,096) 0	(725) 0	1,186 0	1,299 0	1,606	(3,730)
19	Tank painting	(21,931) 0	0 0	0 0	0 0	0	(21,931)
20	Remove unamortized rate case expense	(13,828) 0	(3,394) 0	(1,015) 0	(653) 0	(3,101)	(21,991)
21	Depreciation study	0 0	0 0	0 0	0 0	0	0
21	Repair tax credit	2 0	5 0	(1) 0	(4) 0	3	5
22	Remove JoCO unamortized transmission charge	0 0	0 0	0 0	0 0	0	0
23	Remove JoCO transmission revenue deficit	0 0	0 0	0 0	0 0	0	0
24	Remove deferred accounting on post test year additions	0 0	0 0	0 0	0 0	0	0
22	Average tax accruals	(73) 0	(15) 0	5 0	19 0	(30)	(94)
23	Unclaimed refunds	0 0	0 0	0 0	0 0	9,976	9,976
24	Service revenues	(638,038) 0	(131,140) 0	24,470 0	24,577 0	27,779	(692,352)
25	Miscellaneous revenues	(29,917) 0	0 0	0 0	0 0	0	(29,917)
26	Adjustment for late payment fees	(1,059) 0	(147) 0	41 0	27 0	98	(1,039)
27	Uncollectibles and abatements	(167,808) 0	505 0	(327) 0	(73) 0	(87)	(167,790)
28	Remove capitalized labor	(358,024) 0	(61,686) 0	(9,454) 0	(7,692) 0	(23,017)	(459,873)
29	Remove proposed increase	(38,923) 0	(10,207) 0	(2,900) 0	(1,775) 0	(8,724)	(62,529)
30	Update salaries and wages August 31, 2022	(424,501) 0	(58,113) 0	113,785 0	118,868 0	83,792	(166,169)
31	Remove leave without pay	0 0	0 0	0 0	0 0	0	0
31	Reflect actual standby and overtime salaries and wages	(29,597) 0	(4,531) 0	1,234 0	3,091 0	557	(29,246)
32	Remove bonuses related to EPS	0 0	0 0	0 0	0 0	0	0

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

Public Staff Settlement Exhibit 1  
Schedule BY

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
32	Allocate executive compensation to shareholders	(134,361) 0	(37,739) 0	(10,542) 0	(6,593) 0	(29,259) 0	(218,494)
33	Reflect allocation from Corp Serv & ACO	0 0	0 0	0 0	0 0	0 0	0
33	Remove capitalize benefits	(647,923) 0	(112,908) 0	(17,780) 0	(15,218) 0	(43,955) 0	(837,784)
34	Update benefits	0 0	0 0	0 0	0 0	0 0	0
35	Reflect allocation from Corp Serv	0 0	0 0	0 0	0 0	0 0	0
34	Remove proposed inc for base yr	(21,699) 0	(5,841) 0	(1,648) 0	(1,014) 0	(4,829) 0	(35,031)
35	Remove open positions	(28,826) 0	(9,889) 0	(983) 0	(744) 0	(2,461) 0	(42,903)
36	Fuel for production	(1,152) 0	(13,967) 0	952 0	353 0	(834) 0	(14,648)
37	Sludge removal	0 0	(13,087) 0	0 0	14,839 0	0 0	1,752
38	Purchased power	9,352 0	22,991 0	(3,765) 0	1,726 0	(9,873) 0	20,431
39	Materials and supplies-NOI	(14,519) 0	(3,924) 0	(538) 0	(497) 0	(3,993) 0	(23,471)
40	Testing	(21,104) 0	(6,896) 0	(650) 0	(390) 0	(2,072) 0	(31,112)
41	Contractual services - legal	(11,901) 0	(5,251) 0	(2,357) 0	(1,059) 0	(9,488) 0	(30,056)
42	Insurance	(275,922) 0	(76,131) 0	3,241 0	(834) 0	10,996 0	(338,650)
43	Adjustment regulatory commission expense	109,894 0	44,071 0	9,245 0	5,273 0	21,902 0	190,385
44	Remove COVID expense	(38,551) 0	(8,883) 0	(2,104) 0	(1,312) 0	(7,273) 0	(58,123)
45	Remove unqualified misc exp. for Corporate Sundries	(30,596) 0	(10,098) 0	(1,556) 0	(1,263) 0	(4,682) 0	(48,195)
46	Annualization and consumption	73,262 0	(69,722) 0	2,740 0	(7,593) 0	6,061 0	4,748
47	Contra-OH allocations	1,328,029 0	210,908 0	35,793 0	26,636 0	87,881 0	1,689,247
48	Amortized EDIT	(96,956) 0	(27,232) 0	(7,607) 0	(4,757) 0	(21,114) 0	(157,666)
49	Payroll taxes	(219,110) 0	(40,039) 0	2,832 0	3,633 0	(8,869) 0	(261,553)
50	Purchased water & sewer	(168,149) 0	(94,245) 0	(329) 0	(1,244) 0	(1,006) 0	(264,973)
51	Contract services - other-proposed increase	(69,982) 0	(53,838) 0	(5,179) 0	(4,767) 0	(24,847) 0	(158,613)
52	Contract services - accounting	(29,570) 0	(8,289) 0	(2,315) 0	(1,451) 0	(6,451) 0	(48,076)
53	Chemicals	297,243 0	328,726 0	25,053 0	20,165 0	160,674 0	831,858
54	Rent	(7,773) 0	(1,739) 0	(559) 0	(350) 0	(908) 0	(11,329)
55	Transportation	(359,603) 0	(106,724) 0	(11,452) 0	(8,865) 0	(29,028) 0	(515,672)
56	Contract services - engineering	(12) 0	0 0	0 0	0 0	0 0	(12)
57	Rounding difference						
<b>Unsettled Items</b>							
58	Plant-without removing SAP SAP PFAS	(1,731,102)	(1,417,633)	(249,854)	(631,670)	(460,570)	(4,490,829)
59	SAP SIP revenue requirement impact	(\$767,244)	(\$221,117)	(\$61,764)	(\$38,628)	(\$171,432)	(\$1,280,185)
60	Wakefield revenue requirement impact	(\$23,180)	\$0	\$0	\$0	\$0	(\$23,180)
61	ROE	(1,312,331)	(625,774)	(55,058)	(163,566)	(266,852)	(2,423,581)
62	<b>Total revenue requirement impact</b>	<b>\$687,279</b>	<b>\$92,703</b>	<b>\$256,006</b>	<b>\$652,741</b>	<b>\$823,400</b>	<b>\$2,512,130</b>
63	<b>Company original Base Year revenue requirement</b>	<b>\$43,027,802</b>	<b>\$18,509,669</b>	<b>\$1,415,467</b>	<b>\$2,255,107</b>	<b>\$6,773,522</b>	<b>\$71,981,567</b>
64	<b>Total Public Staff revenue requirement</b>	<b>43,715,077</b>	<b>18,602,370</b>	<b>1,671,473</b>	<b>2,907,846</b>	<b>7,596,920</b>	<b>\$74,493,686</b>



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

Public Staff Settlement Exhibit 1  
Schedule RY1

PS  
Final  
Settlement

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
1	Increase / (decrease) in total revenues per Company	<u>\$2,344,151</u>	<u>\$995,051</u>	<u>\$243,233</u>	<u>\$126,877</u>	<u>\$700,220</u>	<u>\$4,409,532</u>
	<b>Settled Items</b>						
2	Difference in calculation of revenue requirement based on Company amounts	450,879	297,661	51,704	3,630	198,410	1,002,284
3	Adjust capital structure to 50% debt and 50% equity	0	0	0	0	0	0
4	Debt	(39,891)	(18,567)	(2,110)	(4,538)	(9,030)	(74,136)
5	Regulatory fee rate-RB	1,749	814	93	199	396	3,251
6	Regulatory fee rate-NOI	3,472	1,443	139	179	545	5,778
7	Accumulated depreciation	22,950	1,729	(3,777)	(23,278)	(1,790)	(4,166)
8	Contributions in aid of construction	(110,072)	(60,231)	(4,374)	(884)	(738)	(176,299)
9	Accumulated amortization of CIAC	9,820	2,841	373	37	46	13,117
10	Acquisition adjustments (PAA)	1,880	0	0	0	0	1,880
11	Accum. amort. of acquisition adjustments	(221)	(28)	0	0	0	(249)
12	Advances for construction	20,485	8,435	829	0	4,198	33,947
13	Customer deposits	1,601	35	23	0	(2,951)	(1,292)
14	Unclaimed refunds and cost-free capital	0	0	0	0	9,285	9,285
15	Accumulated deferred income taxes	134,373	72,752	(1,311)	(2,134)	52,395	256,075
16	Materials and supplies inventory	(14,205)	(2,165)	(136)	(42)	(529)	(17,077)
17	Excess capacity adjustment	0	0	0	0	0	0
18	Working capital allowance	(55,243)	(13,808)	(2,502)	(1,018)	(49,263)	(121,834)
19	Service revenues	(721,714)	(142,323)	34,624	39,788	37,585	(752,040)
20	Late payment fees	(13,045)	(136)	88	47	464	(12,582)
21	Miscellaneous revenues	(31,660)	(20,257)	2,970	(40)	10,329	(38,657)
22	Uncollectibles and abatements	(135,426)	482	(451)	(128)	(1,889)	(137,413)

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

Public Staff Settlement Exhibit 1  
Schedule RY1

Line No.	Item	Aqua		Fairways		Fairways		Brookwood		PS Final Settlement Total (f)
		Water (a)	Sewer (b)	Water (c)	Sewer (d)	Water (e)	Sewer (f)			
23	Salaries and wages	(1,014,969)	(177,445)	94,885	109,075	24,048			(964,406)	
24	Employee pensions and benefits	(719,699)	(132,578)	(21,046)	(17,499)	(52,851)			(943,673)	
25	Purchased water	(168,149)	(97,110)	(329)	(1,282)	(1,006)			(267,876)	
26	Sludge hauling	0	(13,485)	0	9,592	0			(3,893)	
27	Purchased power	9,636	23,690	(3,880)	1,779	(10,173)			21,052	
28	Fuel for power production	(1,205)	(15,210)	952	353	(875)			(15,985)	
29	Chemicals	306,279	338,719	25,814	20,778	165,556			857,146	
30	Materials and supplies	(14,961)	(4,044)	(556)	(512)	(4,114)			(24,187)	
31	Testing fees	(21,745)	(7,105)	(670)	(791)	(2,135)			(32,446)	
32	Transportation	(359,902)	(106,635)	(11,472)	(8,869)	(29,305)			(516,183)	
33	Contractual services - engineering	(12)	0	0	0	0			(12)	
34	Contractual services - accounting	(30,469)	(8,541)	(2,385)	(1,669)	(6,647)			(49,711)	
35	Contractual services - legal	(12,262)	(5,411)	(2,429)	(1,092)	(9,777)			(30,971)	
36	Contractual services - management fees	0	0	0	0	0			0	
37	Contractual services - other	(72,109)	(55,475)	(5,337)	(4,912)	(25,602)			(163,435)	
38	Rent	(8,009)	(1,792)	(576)	(711)	(936)			(12,024)	
39	Insurance	(284,310)	(78,445)	3,339	(860)	11,331			(348,945)	
40	Advertising	0	0	0	0	0			0	
41	Regulatory commission expense	109,894	44,071	9,245	5,272	21,902			190,384	
42	Miscellaneous expense	(31,526)	(10,405)	(1,603)	(1,301)	(4,824)			(49,659)	
43	Interest on customer deposits	0	0	0	0	0			0	
44	Annualization & consumption adjustments	75,600	(70,778)	2,826	(7,703)	6,259			6,204	
45	Non-recurring COVID expenses	0	0	0	0	0			0	
46	Contra-OH Allocations	1,368,400	217,322	36,880	27,446	90,552			1,740,600	
47	Depreciation and amortization expense	(725,041)	(102,968)	(84,493)	(200,206)	(158,797)			(1,271,505)	
48	Property taxes	0	0	0	0	0			0	
49	Payroll taxes	(71,525)	(41,240)	6,999	3,742	1,482			(100,542)	
50	Other taxes	(92,179)	1,037	(1,068)	178	(3,118)			(95,150)	
51	Benefit costs - Pension	(523)	(145)	(42)	(25)	(116)			(851)	
52	EDIT	(96,956)	(27,232)	(7,607)	(4,757)	(21,114)			(157,666)	
53	Rounding difference								0	
<b>Unsettled Items</b>										
54	Plant-without removing SAP SAP PFAS	(542,765)	(90,390)	(184,962)	(478,904)	(75,255)			(1,372,276)	
55	SAP SIP revenue requirement impact	(\$217,745)	(\$61,159)	(\$17,083)	(\$10,684)	(\$47,417)			(\$354,088)	
56	PFOS PFOA revenue requirement impact	(\$93,867)	\$0	\$0	\$0	(\$171,387)			(\$265,254)	
57	ROE	(1,424,219)	(662,898)	(75,349)	(162,046)	(322,392)			(2,646,903)	
58	<b>Total revenue requirement impact</b>	<b>(\$2,264,456)</b>	<b>(\$21,924)</b>	<b>\$79,469</b>	<b>(\$586,913)</b>	<b>\$320,972</b>			<b>(\$2,472,851)</b>	
59	<b>Company original Rate Year 1 revenue requirement</b>	<b>\$50,236,726</b>	<b>\$21,410,287</b>	<b>\$1,981,417</b>	<b>\$3,608,933</b>	<b>\$8,448,951</b>			<b>\$85,686,314</b>	
60	<b>Total Public Staff revenue requirement before cap</b>	<b>\$47,972,263</b>	<b>\$21,388,357</b>	<b>\$2,060,887</b>	<b>\$3,022,022</b>	<b>\$8,769,924</b>			<b>\$83,213,453</b>	
61	<b>Total Public Staff revenue requirement after cap</b>	<b>\$47,972,263</b>	<b>\$21,388,357</b>	<b>\$2,060,887</b>	<b>\$3,022,022</b>	<b>\$8,769,924</b>			<b>\$83,213,453</b>	

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

Public Staff Settlement Exhibit 1  
Schedule RY2

PS  
Final  
Settlement

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
1	Increase / (decrease) in total revenues per Company	<u>\$2,584,160</u>	<u>\$1,115,917</u>	<u>\$115,451</u>	<u>\$43,884</u>	<u>\$443,625</u>	<u>\$4,303,037</u>
	<b>Settled Items</b>						
2	Difference in calculation of revenue requirement based on Company amounts	1,125,142	1,012,432	110,552	(4,264)	648,254	2,892,116
3	Adjust capital structure to 50% debt and 50% equity	0	0	0	0	0	0
4	Debt	(42,186)	(20,902)	(2,193)	(4,464)	(9,728)	(79,473)
5	Regulatory fee rate-RB	1,849	916	96	196	426	3,483
6	Regulatory fee rate-NOI	3,697	1,524	153	186	604	6,164
7	Accumulated depreciation	102,268	4,985	6,493	(7,460)	22,106	128,392
8	Contributions in aid of construction	(110,072)	(60,231)	(4,374)	(884)	(738)	(176,299)
9	Accumulated amortization of CIAC	14,729	4,261	560	55	69	19,674
10	Acquisition adjustments (PAA)	1,880	0	0	0	0	1,880
11	Accum. amort. of acquisition adjustments	(359)	(42)	0	0	0	(401)
12	Advances for construction	20,485	8,435	829	0	4,198	33,947
13	Customer deposits	1,601	35	23	0	(2,951)	(1,292)
14	Unclaimed refunds and cost-free capital	0	0	0	0	9,285	9,285
15	Accumulated deferred income taxes	202,141	69,124	(2,972)	(12,576)	72,225	327,942
16	Materials and supplies inventory	(21,633)	(3,297)	(207)	(64)	(806)	(26,007)
17	Excess capacity adjustment	0	0	0	0	0	0
18	Working capital allowance	(35,786)	(8,170)	(908)	23	(4,455)	(49,296)
19	Service revenues	(621,723)	(3,028)	46,857	17,812	53,642	(506,441)
20	Late payment fees	(685)	60,409	114	25	520	60,383
21	Miscellaneous revenues	8,827	(80,563)	6,050	(40)	21,040	(44,686)
22	Uncollectibles and abatements	(168,749)	3	(519)	(61)	(2,144)	(171,470)
23	Salaries and wages	(1,045,417)	(182,769)	97,732	112,347	24,770	(993,337)
24	Employee pensions and benefits	(741,590)	(136,641)	(21,702)	(18,034)	(54,499)	(972,466)
25	Purchased water	(168,149)	(100,063)	(329)	(1,320)	(1,006)	(270,867)

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

Public Staff Settlement Exhibit 1  
Schedule RY2

PS  
Final  
Settlement

Line No.	Item	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)	Total (f)
26	Sludge hauling	0	(13,894)	0	9,884	0	(4,010)
27	Purchased power	9,930	24,411	(3,998)	1,833	(10,482)	21,694
28	Fuel for power production	(1,260)	(16,492)	952	353	(917)	(17,364)
29	Chemicals	315,590	349,016	26,599	21,410	170,589	883,204
30	Materials and supplies	(15,415)	(4,166)	(572)	(527)	(4,239)	(24,919)
31	Testing fees	(22,406)	(7,321)	(690)	(815)	(2,200)	(33,432)
32	Transportation	(360,440)	(106,608)	(11,500)	(8,877)	(29,612)	(517,037)
33	Contractual services - engineering	(12)	0	0	0	0	(12)
34	Contractual services - accounting	(31,395)	(8,801)	(2,457)	(1,720)	(6,849)	(51,222)
35	Contractual services - legal	(12,635)	(5,575)	(2,503)	(1,125)	(10,074)	(31,912)
36	Contractual services - management fees	0	0	0	0	0	0
37	Contractual services - other	(74,302)	(62,785)	(5,499)	(5,061)	(26,380)	(174,027)
38	Rent	(8,253)	(1,844)	(593)	(733)	(964)	(12,387)
39	Insurance	(292,954)	(80,829)	3,441	(886)	11,675	(359,553)
40	Advertising	0	0	0	0	0	0
41	Regulatory commission expense	(183,680)	(42,439)	(13,672)	(8,960)	(41,567)	(290,318)
42	Miscellaneous expense	(32,483)	(10,725)	(1,652)	(1,341)	(4,970)	(51,171)
43	Interest on customer deposits	0	0	0	0	0	0
44	Annualization & consumption adjustments	78,011	(71,868)	2,915	(7,816)	6,464	7,706
45	Non-recurring COVID expenses	0	0	0	0	0	0
46	Contra-OH Allocations	1,410,001	223,927	38,000	28,280	93,304	1,793,512
47	Depreciation and amortization expense	(1,643,555)	(148,459)	(156,526)	(218,551)	(521,781)	(2,688,872)
48	Property taxes	0	0	0	0	0	0
49	Payroll taxes	(73,671)	(42,477)	7,209	3,855	1,526	(103,558)
50	Other taxes	(69,450)	1,582	80	271	655	(66,862)
51	Benefit costs - Pension	(1,063)	(295)	(83)	(53)	(235)	(1,729)
52	EDIT	(96,956)	(27,232)	(7,607)	(4,757)	(21,114)	(157,666)
53	Rounding difference						0
<b>Unsettled Items</b>							
54	Plant-without removing SAP SAP PFAS	(773,842)	(134,422)	(197,612)	(486,603)	(233,363)	(1,825,842)
55	SAP SIP revenue requirement impact	(\$109,029)	(\$30,624)	(\$8,554)	(\$5,350)	(\$23,743)	(\$177,300)
56	PFOS PFOA revenue requirement impact	(\$146,016)	\$0	\$0	\$0	(\$156,446)	(\$302,462)
57	ROE	(1,506,154)	(746,279)	(78,302)	(159,397)	(347,318)	(2,837,451)
58	<b>Total revenue requirement impact</b>	<b>(\$2,531,009)</b>	<b>\$718,136</b>	<b>(\$60,918)</b>	<b>(\$721,326)</b>	<b>\$66,396</b>	<b>(\$2,528,721)</b>
59	<b>Company original Rate Year 2 revenue requirement</b>	<b>\$52,461,362</b>	<b>\$22,266,283</b>	<b>\$2,209,380</b>	<b>\$3,757,741</b>	<b>\$9,122,602</b>	<b>\$89,817,368</b>
60	<b>Total Public Staff revenue requirement before cap</b>	<b>\$49,930,346</b>	<b>\$22,984,418</b>	<b>\$2,148,459</b>	<b>\$3,036,415</b>	<b>\$9,188,998</b>	<b>\$87,288,636</b>
61	<b>Total Public Staff revenue requirement after cap</b>	<b>\$49,930,346</b>	<b>\$22,455,488</b>	<b>\$2,148,459</b>	<b>\$3,036,415</b>	<b>\$9,188,998</b>	<b>\$86,759,706</b>

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

Public Staff Settlement Exhibit 1  
Schedule RY3

Line No.	Item	Aqua Water		Aqua Sewer		Fairways Water		Fairways Sewer		Brookwood Water		PS Final Settlement Total
		(a)	[1]	(b)	[1]	(c)	[1]	(d)	[1]	(e)	[1]	
1	Increase / (decrease) in total revenues per Company	<u>\$2,692,883</u>		<u>\$1,167,844</u>		<u>\$115,634</u>		<u>\$127,208</u>		<u>\$475,785</u>		<u>\$4,579,354</u>
	<b>Settled Items</b>											
2	Difference in calculation of revenue requirement based on Company amounts	718,563		739,631		142,292		79,557		823,188		2,503,231
3	Adjust capital structure to 50% debt and 50% equity	0		0		0		0		0		0
4	Debt	(44,178)		(21,389)		(2,362)		(4,768)		(10,503)		(83,200)
5	Regulatory fee rate-RB	1,937		938		104		209		460		3,648
6	Regulatory fee rate-NOI	3,839		1,593		160		194		635		6,421
7	Accumulated depreciation	197,395		17,592		16,875		6,548		52,076		290,486
8	Contributions in aid of construction	(110,072)		(60,231)		(4,374)		(884)		(738)		(176,299)
9	Accumulated amortization of CIAC	19,639		5,681		746		74		92		26,232
10	Acquisition adjustments (PAA)	1,880		0		0		0		0		1,880
11	Accum. amort. of acquisition adjustments	(498)		(55)		0		0		0		(553)
12	Advances for construction	20,485		8,435		829		0		4,198		33,947
13	Customer deposits	1,601		35		23		0		(2,951)		(1,292)
14	Unclaimed refunds and cost-free capital	0		0		0		0		9,285		9,285
15	Accumulated deferred income taxes	287,146		75,949		(4,817)		(23,504)		90,885		425,659
16	Materials and supplies inventory	(29,287)		(4,463)		(281)		(87)		(1,091)		(35,209)
17	Excess capacity adjustment	0		0		0		0		0		0
18	Working capital allowance	(13,446)		(2,973)		916		1,211		508		(13,784)
19	Service revenues	(645,293)		1,014		49,007		17,325		56,526		(521,421)
20	Late payment fees	724		64,881		396		23		2,781		68,805
21	Miscellaneous revenues	29,280		(84,472)		9,244		(40)		32,148		(13,839)
22	Uncollectibles and abatements	(172,529)		(1,434)		(1,278)		(56)		(13,988)		(189,285)
23	Salaries and wages	(1,076,777)		(188,253)		100,664		115,718		25,513		(1,023,135)
24	Employee pensions and benefits	(764,151)		(140,824)		(22,374)		(18,591)		(56,202)		(1,002,142)
25	Purchased water	(168,149)		(103,104)		(329)		(1,361)		(1,006)		(273,949)
26	Sludge hauling	0		(14,317)		0		10,184		0		(4,133)
27	Purchased power	10,234		25,155		(4,119)		1,889		(10,801)		22,358
28	Fuel for power production	(1,316)		(17,813)		952		353		(960)		(18,784)
29	Chemicals	325,184		359,627		27,407		22,061		175,775		910,054
30	Materials and supplies	(15,883)		(4,291)		(590)		(543)		(4,368)		(25,675)
31	Testing fees	(23,087)		(7,542)		(711)		(840)		(2,267)		(34,447)
32	Transportation	(361,226)		(106,647)		(11,537)		(8,891)		(29,950)		(518,251)

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

Public Staff Settlement Exhibit 1  
Schedule RY3

Line No.	Item	Aqua		Fairways		Fairways		Brookwood		PS Final Settlement
		Water [1]	Sewer [1]	Water [1]	Sewer [1]	Water [1]	Sewer [1]	Total [1]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
33	Contractual services - engineering	(12)	0	0	0	0	0	0	(12)	
34	Contractual services - accounting	(32,350)	(9,067)	(2,532)	(1,772)	(7,057)	(7,057)	(52,778)		
35	Contractual services - legal	(13,018)	(5,745)	(2,579)	(1,159)	(10,380)	(10,380)	(32,881)		
36	Contractual services - management fees	0	1	0	(1)	0	0	0		
37	Contractual services - other	(76,562)	(199,693)	(5,666)	(5,215)	(27,182)	(27,182)	(314,318)		
38	Rent	(8,504)	(1,901)	(611)	(755)	(994)	(994)	(12,765)		
39	Insurance	(301,860)	(83,285)	3,545	(913)	12,030	12,030	(370,483)		
40	Advertising	0	0	0	0	0	0	0		
41	Regulatory commission expense	(183,680)	(42,439)	(13,672)	(8,960)	(41,567)	(41,567)	(290,318)		
42	Miscellaneous expense	(33,465)	(11,059)	(1,702)	(1,381)	(5,121)	(5,121)	(52,728)		
43	Interest on customer deposits	0	0	0	0	0	0	0		
44	Annualization & consumption adjustments	80,494	(72,991)	3,006	(7,934)	6,674	6,674	9,249		
45	Non-recurring COVID expenses	0	0	0	0	0	0	0		
46	Contra-OH Allocations	1,452,865	230,733	39,154	29,140	96,141	96,141	1,848,033		
47	Depreciation and amortization expense	(1,792,535)	(268,407)	(158,862)	(196,636)	(600,099)	(600,099)	(3,016,539)		
48	Property taxes	0	0	0	0	0	0	0		
49	Payroll taxes	(75,881)	(43,752)	7,426	3,970	1,572	1,572	(106,665)		
50	Other taxes	(48,923)	2,145	1,017	367	4,553	4,553	(40,841)		
51	Benefit costs - Pension	(1,619)	(448)	(126)	(80)	(358)	(358)	(2,631)		
52	EDIT	(96,956)	(27,232)	(7,607)	(4,757)	(21,114)	(21,114)	(157,666)		
53	Rounding difference							0		
<b>Unsettled Items</b>										
54	Plant-without removing SAP SAP PFAS	(989,383)	(154,052)	(203,448)	(490,039)	(357,611)	(357,611)	(2,194,533)		
55	SAP SIP revenue requirement impact	(\$73,354)	(\$20,603)	(\$5,755)	(\$3,599)	(\$15,974)	(\$15,974)	(\$119,285)		
56	PFOS PFOA revenue requirement impact	(\$83,438)	\$0	\$0	\$0	(\$156,446)	(\$156,446)	(\$239,884)		
57	ROE	(1,577,270)	(763,655)	(84,334)	(170,234)	(374,984)	(374,984)	(2,970,476)		
58	<b>Total revenue requirement impact</b>	<b>(\$2,970,553)</b>	<b>\$239,118</b>	<b>(\$20,269)</b>	<b>(\$536,969)</b>	<b>\$117,114</b>	<b>(\$3,171,559)</b>			
59	<b>Company original Rate Year 3 revenue requirement</b>	<b>\$55,051,010</b>	<b>\$23,379,031</b>	<b>\$2,319,964</b>	<b>\$3,802,109</b>	<b>\$9,561,818</b>	<b>\$94,113,932</b>			
60	<b>Total Public Staff revenue requirement before cap</b>	<b>\$52,080,452</b>	<b>\$23,618,142</b>	<b>\$2,299,695</b>	<b>\$3,265,142</b>	<b>\$9,678,931</b>	<b>\$90,942,362</b>			
61	<b>Total Public Staff revenue requirement after cap</b>	<b>\$52,080,452</b>	<b>\$23,578,286</b>	<b>\$2,250,746</b>	<b>\$3,188,063</b>	<b>\$9,629,643</b>	<b>\$90,727,190</b>			







Source: Form W-1, Item 28 filed on March 31, 2023.

Depreciation Rate	Row Labels	2025			Total Sum of ANC		
		Sum of ANC Cost	Sum of ANC Retirement	Sum of Net Addition	Total Sum of ANC Cost	Total Sum of Net Addition	
	<b>Allocate</b>	<b>\$ 1,874,210.04</b>	<b>\$ 187,421.00</b>	<b>\$ 1,686,789.04</b>	<b>\$ 6,965,459.38</b>	<b>\$ 696,547.01</b>	<b>\$ 6,268,912.37</b>
20.00%	340550	\$ 736,710.00	\$ 73,671.00	\$ 663,039.00	\$ 2,537,677.48	\$ 253,768.00	\$ 2,283,909.48
7.86%	341500	\$ 1,125,000.00	\$ 112,500.00	\$ 1,012,500.00	\$ 3,387,071.36	\$ 338,707.00	\$ 3,048,364.36
5.00%	340500				\$ 48,632.09	\$ 4,863.00	\$ 43,769.09
10.00%	340560	\$ 12,500.04	\$ 1,250.00	\$ 11,250.04	\$ 992,078.45	\$ 99,209.01	\$ 892,869.44
	<b>ANC Water</b>	<b>\$ 19,938,750.86</b>	<b>\$ 1,993,875.09</b>	<b>\$ 17,944,875.77</b>	<b>\$ 72,496,501.68</b>	<b>\$ 7,318,652.30</b>	<b>\$ 65,177,849.38</b>
1.57%	304200	\$ 1,827,306.98	\$ 182,730.70	\$ 1,644,576.28	\$ 6,631,855.03	\$ 663,189.00	\$ 5,968,666.03
1.31%	307200	\$ 177,916.00	\$ 17,791.60	\$ 160,124.40	\$ 842,428.55	\$ 84,247.80	\$ 758,180.75
4.56%	309200	\$ 519,253.00	\$ 51,925.30	\$ 467,327.70	\$ 2,296,621.47	\$ 229,665.90	\$ 2,066,955.57
1.79%	310000	\$ 65,184.00	\$ 6,518.40	\$ 58,665.60	\$ 285,552.00	\$ 28,555.20	\$ 256,996.80
2.80%	311200	\$ 1,115,560.00	\$ 111,556.00	\$ 1,004,004.00	\$ 3,581,985.31	\$ 358,199.00	\$ 3,223,786.31
3.86%	320300	\$ 4,608,756.00	\$ 460,875.60	\$ 4,147,880.40	\$ 21,988,495.05	\$ 2,238,839.98	\$ 19,749,655.07
2.15%	330400	\$ 526,393.00	\$ 52,639.30	\$ 473,753.70	\$ 2,905,596.46	\$ 290,558.90	\$ 2,615,037.56
1.71%	331400	\$ 7,809,428.00	\$ 780,942.80	\$ 7,028,485.20	\$ 16,365,964.52	\$ 1,665,592.40	\$ 14,700,372.12
4.81%	333400	\$ 1,125,192.00	\$ 112,519.20	\$ 1,012,672.80	\$ 4,985,937.23	\$ 498,602.60	\$ 4,487,334.63
3.30%	334400	\$ 1,691,632.00	\$ 169,163.20	\$ 1,522,468.80	\$ 9,989,823.76	\$ 998,978.30	\$ 8,990,845.46
5.00%	343500	\$ 32,598.00	\$ 3,259.80	\$ 29,338.20	\$ 139,878.13	\$ 13,987.40	\$ 125,890.73
5.00%	344500	\$ 17,292.00	\$ 1,729.20	\$ 15,562.80	\$ 56,260.39	\$ 5,626.60	\$ 50,633.79
10.00%	346500	\$ 412,739.92	\$ 41,273.99	\$ 371,465.93	\$ 2,048,328.11	\$ 204,832.23	\$ 1,843,495.88
1.65%	30456	\$ 9,499.96	\$ 950.00	\$ 8,549.96	\$ 34,499.96	\$ 3,450.00	\$ 31,049.96
0.00%	345500				\$ 165,602.69	\$ 16,560.00	\$ 149,042.69
1.48%	304300				\$ 95,292.47	\$ 9,528.00	\$ 85,764.47
1.79%	310200				\$ 68,798.57	\$ 6,880.00	\$ 61,918.57
2.39%	335400				\$ 10,495.97	\$ 1,050.00	\$ 9,445.97
2.65%	304400				\$ 3,086.01	\$ 309.00	\$ 2,777.01
	<b>ANC WW</b>	<b>\$ 6,549,062.04</b>	<b>\$ 654,906.20</b>	<b>\$ 5,894,155.84</b>	<b>\$ 39,336,114.48</b>	<b>\$ 3,973,617.41</b>	<b>\$ 35,362,497.07</b>
3.86%	320300				\$ 13,325.21	\$ 1,332.00	\$ 11,993.21
2.08%	354200	\$ 2,005,467.04	\$ 200,546.70	\$ 1,804,920.34	\$ 7,763,727.68	\$ 816,370.91	\$ 6,947,356.77
3.05%	355200	\$ 287,478.00	\$ 28,747.80	\$ 258,730.20	\$ 933,051.45	\$ 93,305.40	\$ 839,746.05
1.53%	360200	\$ 151,115.00	\$ 15,111.50	\$ 136,003.50	\$ 1,281,342.96	\$ 128,134.50	\$ 1,153,208.46
1.85%	361200	\$ 116,858.00	\$ 11,685.80	\$ 105,172.20	\$ 1,207,216.57	\$ 120,720.40	\$ 1,086,496.17
2.45%	363200	\$ 339,072.00	\$ 33,907.20	\$ 305,164.80	\$ 1,229,926.19	\$ 122,993.60	\$ 1,106,932.59
1.23%	364200	\$ 33,000.00	\$ 3,300.00	\$ 29,700.00	\$ 45,667.15	\$ 4,567.00	\$ 41,100.15
7.41%	371300	\$ 1,145,125.08	\$ 114,512.51	\$ 1,030,612.57	\$ 4,605,716.73	\$ 460,572.52	\$ 4,145,144.21
2.77%	380400	\$ 2,172,351.92	\$ 217,235.19	\$ 1,955,116.73	\$ 21,389,531.58	\$ 2,138,956.58	\$ 19,250,575.00
13.22%	391700	\$ 55,000.00	\$ 5,500.00	\$ 49,500.00	\$ 111,717.49	\$ 11,173.00	\$ 100,544.49
5.00%	393700	\$ 17,959.00	\$ 1,795.90	\$ 16,163.10	\$ 58,893.97	\$ 5,889.70	\$ 53,004.27
5.00%	394700	\$ 219,413.00	\$ 21,941.30	\$ 197,471.70	\$ 381,046.01	\$ 38,104.90	\$ 342,941.11
6.67%	396700	\$ 6,223.00	\$ 622.30	\$ 5,600.70	\$ 26,644.60	\$ 2,665.90	\$ 23,978.70
1.30%	354400				\$ 137,665.63	\$ 13,766.00	\$ 123,899.63
3.05%	355400				\$ 46,236.89	\$ 4,625.00	\$ 41,611.89
3.04%	355300				\$ 104,404.37	\$ 10,440.00	\$ 93,964.37
	<b>Brookwood</b>	<b>\$ 4,557,429.00</b>	<b>\$ 455,742.90</b>	<b>\$ 4,101,686.10</b>	<b>\$ 18,806,861.45</b>	<b>\$ 1,891,389.70</b>	<b>\$ 16,915,471.75</b>
1.57%	304200	\$ 325,993.00	\$ 32,599.30	\$ 293,393.70	\$ 1,116,829.68	\$ 111,683.90	\$ 1,005,145.78
1.31%	307200	\$ 33,116.00	\$ 3,311.60	\$ 29,804.40	\$ 106,694.81	\$ 10,668.80	\$ 96,026.01
4.56%	309200	\$ 74,981.00	\$ 7,498.10	\$ 67,482.90	\$ 319,482.76	\$ 31,949.30	\$ 287,533.46
1.79%	310000	\$ 50,000.00	\$ 5,000.00	\$ 45,000.00	\$ 150,000.00	\$ 15,000.00	\$ 135,000.00
2.80%	311200	\$ 143,155.00	\$ 14,315.50	\$ 128,839.50	\$ 517,391.40	\$ 51,738.50	\$ 465,652.90
3.86%	320300	\$ 590,186.00	\$ 59,018.60	\$ 531,167.40	\$ 2,293,163.46	\$ 229,314.80	\$ 2,063,848.66
2.15%	330400	\$ 17,111.00	\$ 1,711.10	\$ 15,399.90	\$ 111,333.00	\$ 11,133.30	\$ 100,199.70
1.71%	331400	\$ 2,577,666.00	\$ 257,766.60	\$ 2,319,899.40	\$ 10,953,188.05	\$ 1,106,018.80	\$ 9,847,169.25
4.81%	333400	\$ 657,156.00	\$ 65,715.60	\$ 591,440.40	\$ 2,792,773.87	\$ 279,279.80	\$ 2,513,494.07
3.30%	334400	\$ 80,963.00	\$ 8,096.30	\$ 72,866.70	\$ 266,232.99	\$ 26,625.90	\$ 239,607.09
5.00%	343500	\$ 3,475.00	\$ 347.50	\$ 3,127.50	\$ 10,425.00	\$ 1,042.50	\$ 9,382.50
5.00%	344500	\$ 869.00	\$ 86.90	\$ 782.10	\$ 2,607.00	\$ 260.70	\$ 2,346.30
10.00%	346500	\$ 2,758.00	\$ 275.80	\$ 2,482.20	\$ 36,610.28	\$ 3,660.40	\$ 32,949.88
1.48%	304300				\$ 71,829.92	\$ 7,184.00	\$ 64,645.92
1.79%	310200				\$ 58,299.23	\$ 5,829.00	\$ 52,470.23
	<b>Fairways Wa</b>	<b>\$ 1,188,336.28</b>	<b>\$ 118,833.63</b>	<b>\$ 1,069,502.65</b>	<b>\$ 5,130,884.55</b>	<b>\$ 545,584.38</b>	<b>\$ 4,585,300.17</b>
1.57%	304200	\$ 305,009.00	\$ 30,500.90	\$ 274,508.10	\$ 626,798.43	\$ 62,678.70	\$ 564,119.73
1.31%	307200	\$ 500,000.00	\$ 50,000.00	\$ 450,000.00	\$ 1,026,815.52	\$ 135,181.00	\$ 891,634.52
4.56%	309200	\$ 14,177.00	\$ 1,417.70	\$ 12,759.30	\$ 47,136.67	\$ 4,713.10	\$ 42,423.57
2.80%	311200	\$ 49,622.00	\$ 4,962.20	\$ 44,659.80	\$ 157,141.63	\$ 15,714.60	\$ 141,427.03
3.86%	320300	\$ 9,078.00	\$ 907.80	\$ 8,170.20	\$ 34,403.50	\$ 3,440.40	\$ 30,963.10
2.15%	330400	\$ 390.00	\$ 39.00	\$ 351.00	\$ 1,769,348.14	\$ 176,934.50	\$ 1,592,413.64
1.71%	331400	\$ 73,804.00	\$ 7,380.40	\$ 66,423.60	\$ 719,337.23	\$ 71,934.20	\$ 647,403.03
4.81%	333400	\$ 20,232.00	\$ 2,023.20	\$ 18,208.80	\$ 68,913.22	\$ 6,891.60	\$ 62,021.62
3.30%	334400	\$ 47,157.00	\$ 4,715.70	\$ 42,441.30	\$ 145,594.45	\$ 14,557.10	\$ 131,037.35
5.00%	343500	\$ 4,708.00	\$ 470.80	\$ 4,237.20	\$ 14,124.00	\$ 1,412.40	\$ 12,711.60
5.00%	344500	\$ 1,033.00	\$ 103.30	\$ 929.70	\$ 5,200.16	\$ 519.90	\$ 4,680.26
10.00%	346500	\$ 163,126.28	\$ 16,312.63	\$ 146,813.65	\$ 490,474.85	\$ 49,046.88	\$ 441,427.97
1.48%	304300				\$ 14,749.08	\$ 1,475.00	\$ 13,274.08
1.79%	310200				\$ 5,178.53	\$ 518.00	\$ 4,660.53
2.39%	335400				\$ 5,669.14	\$ 567.00	\$ 5,102.14
	<b>Fairways WW</b>	<b>\$ 2,433,000.00</b>	<b>\$ 243,300.00</b>	<b>\$ 2,189,700.00</b>	<b>\$ 3,622,317.28</b>	<b>\$ 362,236.00</b>	<b>\$ 3,260,081.28</b>
2.08%	354200	\$ 130,734.00	\$ 13,073.40	\$ 117,660.60	\$ 402,965.31	\$ 40,297.20	\$ 362,668.11
3.05%	355200	\$ 31,162.00	\$ 3,116.20	\$ 28,045.80	\$ 156,140.68	\$ 15,614.60	\$ 140,526.08
1.53%	360200	\$ 6,474.00	\$ 647.40	\$ 5,826.60	\$ 19,422.00	\$ 1,942.20	\$ 17,479.80
1.85%	361200	\$ 8,300.00	\$ 830.00	\$ 7,470.00	\$ 32,984.42	\$ 3,299.00	\$ 29,685.42
2.45%	363200	\$ 34,056.00	\$ 3,405.60	\$ 30,650.40	\$ 108,105.50	\$ 10,810.80	\$ 97,294.70
7.41%	371300	\$ 73,754.00	\$ 7,375.40	\$ 66,378.60	\$ 306,312.82	\$ 30,632.20	\$ 275,680.62
2.77%	380400	\$ 2,144,075.00	\$ 214,407.50	\$ 1,929,667.50	\$ 2,551,068.08	\$ 255,107.50	\$ 2,295,960.58
2.46%	382400	\$ 43.00	\$ 4.30	\$ 38.70	\$ 129.00	\$ 12.90	\$ 116.10
5.00%	393700	\$ 1,098.00	\$ 109.80	\$ 988.20	\$ 3,294.00	\$ 329.40	\$ 2,964.60
5.00%	394700	\$ 2,229.00	\$ 222.90	\$ 2,006.10	\$ 20,287.76	\$ 2,028.70	\$ 18,259.06
6.67%	396700	\$ 1,075.00	\$ 107.50	\$ 967.50	\$ 10,761.93	\$ 1,076.50	\$ 9,685.43
1.30%	354400				\$ 10,845.78	\$ 1,085.00	\$ 9,760.78
	<b>Grand Total</b>	<b>\$ 36,540,788.22</b>	<b>\$ 3,654,078.82</b>	<b>\$ 32,886,709.40</b>	<b>\$ 146,358,138.82</b>	<b>\$ 14,788,026.81</b>	<b>\$ 131,570,112.01</b>

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Mar 31 2023

IT Blankets and Post In Service Charges

Type		(Multiple Items)			
		Column Labels			
		2023			
Depr Rate	Row Labels	Sum of ANC Cost	Sum of ANC Retirement	Sum of Net Addition	
	<b>Allocate</b>	<b>\$ 1,453,658.33</b>	<b>\$ 145,370.00</b>	<b>\$ 1,308,288.33</b>	
20.00%	340550	\$ 256,098.01	\$ 25,612.00	\$ 230,486.01	
7.86%	341500	\$ 1,138,874.04	\$ 113,888.00	\$ 1,024,986.04	
5.00%	340500	\$ 19,415.57	\$ 1,942.00	\$ 17,473.57	
10.00%	340560	\$ 39,270.71	\$ 3,928.00	\$ 35,342.71	
	<b>ANC Water</b>	<b>\$ 1,560,882.93</b>	<b>\$ 156,089.00</b>	<b>\$ 1,404,793.93</b>	
1.57%	304200	\$ 342,903.37	\$ 34,286.00	\$ 308,617.37	
1.31%	307200	\$ (257,115.85)	\$ (25,713.00)	\$ (231,402.85)	
4.56%	309200	\$ (16,947.61)	\$ (1,696.00)	\$ (15,251.61)	
2.80%	311200	\$ (316,887.88)	\$ (31,684.00)	\$ (285,203.88)	
3.86%	320300	\$ 849,377.12	\$ 84,936.00	\$ 764,441.12	
2.15%	330400	\$ 92,369.75	\$ 9,238.00	\$ 83,131.75	
1.71%	331400	\$ 389,108.10	\$ 38,912.00	\$ 350,196.10	
4.81%	333400	\$ 59,767.62	\$ 5,977.00	\$ 53,790.62	
10.00%	346500	\$ 66,815.94	\$ 6,681.00	\$ 60,134.94	
1.48%	304300	\$ 315,757.89	\$ 31,579.00	\$ 284,178.89	
1.79%	310200	\$ 20,627.29	\$ 2,062.00	\$ 18,565.29	
1.04%	304500	\$ 15,107.19	\$ 1,511.00	\$ 13,596.19	
	<b>ANC WW</b>	<b>\$ 6,011,976.33</b>	<b>\$ 601,213.00</b>	<b>\$ 5,410,763.33</b>	
2.80%	311200	\$ 27,010.45	\$ 2,701.00	\$ 24,309.45	
3.86%	320300	\$ 25,858.43	\$ 2,588.00	\$ 23,270.43	
2.08%	354200	\$ 141,404.02	\$ 14,143.00	\$ 127,261.02	
3.05%	355200	\$ 11,612.21	\$ 1,161.00	\$ 10,451.21	
1.53%	360200	\$ 115,413.40	\$ 11,541.00	\$ 103,872.40	
1.85%	361200	\$ 14,193.10	\$ 1,419.00	\$ 12,774.10	
1.23%	364200	\$ 56,834.39	\$ 5,684.00	\$ 51,150.39	
7.41%	371300	\$ 409,548.72	\$ 40,957.00	\$ 368,591.72	
2.77%	380400	\$ 4,572,034.78	\$ 457,204.00	\$ 4,114,830.78	
1.30%	354400	\$ (12,823.77)	\$ (1,275.00)	\$ (11,548.77)	
3.05%	355400	\$ (9,040.87)	\$ (904.00)	\$ (8,136.87)	
2.32%	354300	\$ (580.45)	\$ (58.00)	\$ (522.45)	
2.77%	380500	\$ 3,927.10	\$ 394.00	\$ 3,533.10	
2.00%	389400	\$ 597,303.61	\$ 59,730.00	\$ 537,573.61	
0.00%	353200	\$ 4,306.98	\$ 431.00	\$ 3,875.98	
1.67%	354700	\$ 54,974.23	\$ 5,497.00	\$ 49,477.23	
	<b>Brookwood</b>	<b>\$ 456,422.26</b>	<b>\$ 45,637.00</b>	<b>\$ 410,785.26</b>	
1.57%	304200	\$ (25,011.26)	\$ (2,501.00)	\$ (22,510.26)	
1.31%	307200	\$ (61,258.06)	\$ (6,127.00)	\$ (55,131.06)	
2.80%	311200	\$ (4,833.61)	\$ (485.00)	\$ (4,348.61)	
3.86%	320300	\$ 4,931.08	\$ 493.00	\$ 4,438.08	
1.71%	331400	\$ 320,407.62	\$ 32,040.00	\$ 288,367.62	
4.81%	333400	\$ 194,326.31	\$ 19,432.00	\$ 174,894.31	
1.48%	304300	\$ 1,362.89	\$ 135.00	\$ 1,227.89	
2.39%	335400	\$ 6,159.32	\$ 616.00	\$ 5,543.32	
1.04%	304500	\$ 20,337.97	\$ 2,034.00	\$ 18,303.97	
	<b>Fairways Water</b>	<b>\$ 10,886.50</b>	<b>\$ 1,089.00</b>	<b>\$ 9,797.50</b>	
1.31%	307200	\$ (2,282.26)	\$ (228.00)	\$ (2,054.26)	
3.86%	320300	\$ 11,630.60	\$ 1,163.00	\$ 10,467.60	
1.79%	310200	\$ 1,538.16	\$ 154.00	\$ 1,384.16	
	<b>Fairways WW</b>	<b>\$ 232,762.42</b>	<b>\$ 23,275.00</b>	<b>\$ 209,487.42</b>	
2.08%	354200	\$ 80,352.43	\$ 8,035.00	\$ 72,317.43	
3.05%	355200	\$ 2,089.79	\$ 209.00	\$ 1,880.79	
1.53%	360200	\$ 126,591.78	\$ 12,659.00	\$ 113,932.78	
7.41%	371300	\$ 22,922.91	\$ 2,292.00	\$ 20,630.91	
1.30%	354400	\$ 2,002.92	\$ 200.00	\$ 1,802.92	
2.32%	354300	\$ (1,197.41)	\$ (120.00)	\$ (1,077.41)	
	<b>Grand Total</b>	<b>\$ 9,726,588.77</b>	<b>\$ 972,673.00</b>	<b>\$ 8,753,915.77</b>	