



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

November 5, 2021

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

Re: Docket No. W-354, Sub 384 – Application by Carolina Water Service, Inc. of North Carolina, 4944 Parkway Plaza Boulevard, Suite 375, Charlotte North Carolina 28217 for Authority to Adjust and Increase Rates for Water and Sewer Utility Service in All of Its Service Areas in North Carolina

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket are the testimony and exhibits of Lynn Feasel, Staff Accountant, Public Staff Accounting Division.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
s/John D. Little
Staff Attorney
john.little@psncuc.nc.gov

Attachments

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(919) 733-5610

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-354, SUB 384

In the Matter of)	TESTIMONY OF
Application by Carolina Water Service,)	LYNN FEASEL
Inc. of North Carolina, 4944 Parkway)	PUBLIC STAFF-NORTH
Plaza Boulevard, Suite 375, Charlotte,)	CAROLINA UTILITIES
North Carolina 28217 for Authority to)	COMMISSION
Adjust and Increase Rates for Water)	
and Sewer Service in All of Its Service)	
Areas in North Carolina)	

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-354, SUB 384

TESTIMONY OF LYNN FEASEL

**ON BEHALF OF THE PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION**

NOVEMBER 5, 2021

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

3 A. My name is Lynn Feasel. My business address is 430 North
4 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am an
5 accountant with the Accounting Division of the Public Staff – North
6 Carolina Utilities Commission.

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

9 A. I have been employed by the Public Staff since November 6, 2016.

10 **Q. BRIEFLY STATE YOUR QUALIFICATIONS AND DUTIES.**

11 A. My qualifications and duties are included in Appendix A.

12 **Q. WHAT ARE YOUR DUTIES?**

13 A. I am responsible for analyzing testimony, exhibits, and other data
14 presented by parties before the North Carolina Utilities Commission

1 (Commission). I have the further responsibility of examining the
2 books and any other data and data request responses provided by
3 public utilities in proceedings before the Commission, and
4 summarizing the results of my investigation into testimony and
5 exhibits for presentation to the Commission.

6 **Q. WHAT IS THE NATURE OF THE APPLICATION IN THIS**
7 **PROCEEDING?**

8 A. On July 2, 2021, Carolina Water Service, Inc. of North Carolina
9 (CWSNC or Company) filed an application with the Commission
10 seeking authority to adjust rates and charges for water and sewer
11 service in all of its service areas in North Carolina, approve the
12 creation of a new Water Efficiency Program, and address certain
13 other items. On October 8, 2021, the Company filed updated
14 schedules for this rate case with new revenue requirements for all
15 four rate divisions. My investigation included a review of the original
16 and updated application filed by the Company, an examination of the
17 Company's books and records for the test year and post test year, and a
18 review of any additional documentation provided by the Company in
19 response to written and verbal data requests.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. The purpose of my testimony in this proceeding is to present the
2 results of my investigation of the levels of revenue, expenses, and
3 investment filed by CWSNC in support of its requested increase in
4 operating revenues for its uniform water operations (CWSNC
5 Uniform Water), uniform sewer operations (CWSNC Uniform Sewer),
6 Bradfield Farms, Fairfield Harbour, and Treasure Cove water
7 operations (BF/FH/TC Water), and Bradfield Farms and Fairfield
8 Harbour sewer operations (BF/FH Sewer).

9 **Q. WOULD YOU BRIEFLY DESCRIBE THE PRESENTATION OF**
10 **YOUR TESTIMONY AND EXHIBITS?**

11 A. Yes. My testimony contains a discussion of each issue resulting from
12 my investigation, and my exhibit consists of schedules showing the
13 calculation of my adjustments to revenues, expenses, and rate base.
14 My schedules also reflect adjustments recommended by other Public
15 Staff witnesses. Schedules 1(a) through 1(d) of Exhibit I present the
16 return on original cost rate base for water and sewer operations
17 under present rates, the Company's proposed rates, and the Public
18 Staff's recommended rates. Schedules 2(a) through 2(d) of Exhibit I,
19 along with their supporting schedules, present the original cost rate
20 base for water and sewer operations. Schedule 3(a) through 3(d) of
21 Exhibit I, along with their supporting schedules, present the

1 calculation of net operating income for a return under present rates,
2 the Company's proposed rates, and the Public Staff's recommended
3 rates.

4 **Q. WHAT MODIFICATIONS TO THE TEST PERIOD HAVE YOU**
5 **MADE IN THIS PROCEEDING?**

6 A. In its application, CWSNC made pro forma adjustments to rate base
7 to include construction work in progress (CWIP) projects, net of
8 retirements, which will be placed in service between April 1, 2021
9 and September 30, 2021. On October 8, 2021, CWSNC filed updated
10 rate base schedules and net operating income schedules to reflect
11 the updated post test year rate base additions, updated expenses for
12 certain items, and the new revenue requirement. The Public Staff
13 agrees with the Company that the test year should be updated for
14 certain events that occurred after the test year. Those events,
15 however, should be known and measurable as of a certain date
16 before they should be considered in evaluating the need for rate
17 relief. Therefore, Public Staff witnesses have made adjustments in
18 this proceeding to update the Company's test year to recognize
19 certain known and measurable events that occurred through
20 September 30, 2021 and affected rate base, revenues, and certain
21 expenses such as salaries, payroll taxes, pension and benefits, and

1 rent. For other expenses, Public Staff witnesses have made
2 adjustments as a result of certain known and measurable events that
3 occurred through the applicable most recent dates.

4 As part of this overall update adjustment, I have made adjustments
5 to recognize changes to plant in service, accumulated depreciation,
6 contributions in aid of construction (CIAC), purchase acquisition
7 adjustment (PAA), and other rate base changes that occurred
8 through September 30, 2021. Deferred charges have been
9 amortized through March 31, 2022.

10 In addition, several major CWIP projects that were completed and
11 placed in service, but have not been recorded on the Company's
12 books, have also been included in the rate base.

13 **Q. WHAT ARE THE COMPANY'S PROPOSED INCREASES IN**
14 **SERVICE REVENUES IN THE APPLICATION IN THIS CASE?**

15 A. The service revenues under present rates, the Company's proposed
16 increases, and the Company's proposed rates in the application are
17 as follows:

18

19

	Present Rates	Proposed Increase	Proposed Rates
CWSNC Water	\$19,981,801	\$1,961,211	\$21,943,012
CWSNC Sewer	16,212,831	1,777,781	17,990,612
BF/FH/TC Water	1,432,804	424,082	1,856,886
BF/FH Sewer	2,296,014	311,348	2,607,362
Total	<u>\$39,923,450</u>	<u>\$4,474,422</u>	<u>\$44,397,872</u>

1 **Q. WHAT CONCLUSIONS HAVE YOU REACHED AS TO THE**
 2 **COMPANY’S RATE INCREASE REQUEST?**

3 A. Based on my investigation, the original cost rate base as of March
 4 31, 2021, updated to September 30, 2021, is as follows:

CWSNC Water	\$68,583,974
CWSNC Sewer	62,646,415
BF/FH/TC Water	3,335,330
BF/FH Sewer	9,174,101
Total	<u>\$143,739,820</u>

5 Based on the overall rate of return of 8.93% recommended by Public
 6 Staff witness Hinton, I recommend that rates be set to produce the
 7 following revenues:

8

	Service Revenues	Other Revenues & Uncollectible	Total Operating Revenues
CWSNC Water	\$21,415,069	\$163,005	\$21,578,074
CWSNC Sewer	17,047,704	95,197	17,142,901
BF/FH/TC Water	1,807,647	1,329	1,808,976
BF/FH Sewer	2,542,186	20,732	2,562,918
Total	\$42,812,606	\$280,263	\$43,092,869

1 Based on these levels of revenues, I recommend the following
 2 increases to the adjusted present service revenues:

CWSNC Water	\$	1,433,268
CWSNC Sewer		834,873
BF/FH/TC Water		374,843
BF/FH Sewer		246,172
Total	\$	2,889,156

3 **Q. DOES FEASEL EXHIBIT I REFLECT ADJUSTMENTS**
 4 **SUPPORTED BY OTHER PUBLIC STAFF WITNESSES?**

5 A. Yes, my exhibit reflects the following adjustments supported by other
 6 Public Staff witnesses:

1 (1) The recommendations of Public Staff witness Lindsay
2 Darden regarding the following items:

3 (a) Service revenues at present rates;

4 (b) Service revenues at the Company's proposed rates;
5 and

6 (c) Credit card fees.

7 (2) The recommendations of Public Staff witness Gina
8 Casselberry regarding the following items:

9 (a) Purchased water;

10 (b) Sludge Removal Water and Sewer; and

11 (c) Maintenance testing.

12 (3) The recommendations of Public Staff witness Bob
13 Hinton regarding the following items:

14 (a) Capital structure;

15 (b) Embedded cost of long-term debt; and

16 (c) Return on common equity.

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

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

20 (a) Plant in service;

21 (b) Accumulated depreciation;

22 (c) Cash working capital;

23 (d) Contributions in aid of construction (CIAC);

24 (e) Accumulated deferred income taxes (ADIT);

25 (f) Customer deposits;

26 (g) Inventory;

27 (h) Gain on sale and flow back taxes;

28 (i) Plant acquisition adjustment (PAA);

- 1 (j) Average tax accruals;
- 2 (k) Deferred charges;
- 3 (l) Pro forma plant;
- 4 (m) Miscellaneous revenues;
- 5 (n) Uncollectibles;
- 6 (o) Salaries and wages;
- 7 (p) Purchase power;
- 8 (q) Maintenance and repair;
- 9 (r) Meter reading;
- 10 (s) Chemicals;
- 11 (t) Capitalized salaries;
- 12 (u) Office supplies and other office expense;
- 13 (v) Regulatory commission expense;
- 14 (w) Pension and other benefits;
- 15 (x) Rent;
- 16 (y) Insurance;
- 17 (z) Office utility;
- 18 (aa) Miscellaneous expense;
- 19 (ab) Depreciation expense;
- 20 (ac) Amortization of CIAC;
- 21 (ad) Amortization of PAA;
- 22 (ae) Property taxes;
- 23 (af) Payroll taxes;
- 24 (ag) Regulatory fee;
- 25 (ah) Deferred income tax;
- 26 (ai) State income tax; and
- 27 (aj) Federal income tax.

28

PLANT IN SERVICE

1 Q. IN WHAT AREAS HAVE YOU MADE ADJUSTMENTS TO PLANT
2 IN SERVICE?

3 A. First, I made an adjustment to reclassify plant in service allocated
4 from CWS Systems cost center, Bradfield Farm Fairfield Harbour
5 Treasure Cove cost center, and CWSNC Uniform cost center from
6 allocated plant in service to direct plant in service. In January 2021,
7 CWSNC changed its accounting system from JDE to Fusion Oracle
8 and as a result, the methodology of allocation changed as well. In
9 prior rate cases, rate base items and net operating income items
10 from the cost centers above were categorized as direct cost because
11 these costs were incurred within the CWSNC rate divisions instead
12 of getting allocated from Corix Infrastructure Inc. (Corix) or Water
13 Service Corporation (WSC). After the conversion of accounting
14 systems, plant in service from the above cost centers was treated as
15 allocated cost, but since these costs were still incurred within the
16 CWSNC rate divisions, instead of getting allocated from Corix or
17 WSC, they should be treated as direct cost. This reclassification does
18 not change the amount of plant in service during the test year.

19 Second, I reclassified general ledger account 141255-Power Sewers
20 Treatment Plant from the Uniform Water division to the Uniform

1 Sewer division in line with CWSNC's response to a Public Staff data
2 request.

3 Third, I removed the over calculated IDC cost (interest during
4 construction cost) for projects closed after March 31, 2019 through
5 August 31, 2021 based on the Company's response to Public Staff
6 Data Request No. 56.

7 Fourth, I adjusted direct plant in service to include actual general
8 ledger additions, net of retirements, made on the Company's books
9 from April 1, 2021 through September 30, 2021, which was the
10 update period for rate base items. These additions include additions
11 allocated from the CWS Systems cost center, Bradfield Farm
12 Fairfield Harbour Treasure Cove cost center, and CWSNC Uniform
13 cost center.

14 Direct plant in service was also adjusted to include actual costs, net
15 of retirement, for CWIP projects, which have been completed and
16 placed in service but not closed to the Company's books.

17 Lastly, I added a rate base allocation adjustment from the regional
18 and state level. On the Schedule 1-Allocated Plant in Service
19 schedule filed by the Company, CWSNC adjusted the allocated rate
20 base using the difference between the unadjusted equivalent

1 residential connections (ERC) percentage and adjusted ERC
2 percentage from the WSC level, but did not adjust the allocations of
3 rate base from the Regional and State cost centers level using the
4 adjusted ERC percentages. I added a rate base allocation
5 adjustment from the Regional and State cost center level based on
6 the calculation provided by CWSNC in response to a Public Staff
7 data request.

8 **ACCUMULATED DEPRECIATION**

9 **Q. HOW HAVE YOU ADJUSTED ACCUMULATED DEPRECIATION?**

10 A. First, I adjusted accumulated depreciation to include actual and
11 known additions made on the Company's books from April 1, 2021,
12 through September 30, 2021, for direct accumulated depreciation.
13 These additions include amounts allocated from the CWS Systems
14 cost center, Bradfield Farm Fairfield Harbour Treasure Cove cost
15 center, and CWSNC Uniform cost center. I have also made a
16 matching adjustment to accumulated depreciation based on the
17 Public Staff's recommended level of depreciation expense.

18 Second, I made an adjustment to reclassify accumulated
19 depreciation allocated from the CWS Systems cost center, Bradfield
20 Farm Fairfield Harbour Treasure Cove cost center, and CWSNC
21 Uniform cost center from allocated accumulated depreciation to

1 direct accumulated depreciation. This reclassification does not
2 change the amount of accumulated depreciation during the test year.

3 Lastly, I adjusted accumulated depreciation related to adjustments
4 discussed above for corrections to allocated amounts from the WSC,
5 Regional, and State cost centers.

6 **CASH WORKING CAPITAL**

7 **Q. PLEASE DESCRIBE YOUR CALCULATION OF CASH WORKING**
8 **CAPITAL.**

9 A. Cash working capital provides the Company with the funds
10 necessary to carry on the day to day operations of the Company. In
11 my calculation, I have included 1/8 of total adjusted Operating and
12 Maintenance (O&M) and General and Administrative (G&A)
13 expenses, less purchased water and sewer expense, as a measure
14 of cash working capital.

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

16 **Q. PLEASE EXPLAIN YOUR ADJUSTMENTS TO CIAC.**

17 A. CIAC has been adjusted to include actual and known additions made
18 on the Company's books from April 1, 2021, through September 30,
19 2021, for both CIAC and accumulated amortization. These additions

1 include amounts allocated from the CWS Systems cost enter,
2 Bradfield Farm Fairfield Harbour Treasure Cove cost center, and
3 CWSNC Uniform cost center. I have also made a matching
4 adjustment to accumulated amortization based on the Public Staff's
5 recommended level of amortization expense. I also reclassified CIAC
6 gross up tax that was mistakenly recorded in CIAC general ledger
7 accounts to CIAC gross up tax account. This reclassification
8 increases the CIAC rate base amount.

9 **ACCUMULATED DEFERRED INCOME TAXES (ADIT)**

10 **Q. HOW HAVE YOU ADJUSTED ADIT?**

11 A. I have made several adjustments to ADIT. First, I have updated ADIT
12 associated with rate case expense to reflect the unamortized
13 balance recommended by the Public Staff. Second, I have adjusted
14 ADIT to include the amount associated with the Public Staff's
15 recommended levels of unamortized deferred maintenance. Lastly, I
16 have adjusted ADIT to include the amount associated with the Public
17 Staff's recommended levels of post-test year plant in service
18 additions.

19 The Public Staff will be recommending additional adjustments to
20 ADIT once updated information has been received from the
21 Company, including updated rate case expense.

1 **CUSTOMER DEPOSITS**

2 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO CUSTOMER**
3 **DEPOSITS.**

4 A. Customer deposits were adjusted to reflect the balance as of
5 September 30, 2021, for both customer deposits and accrued
6 customer deposit interest. These additions include amounts
7 allocated from CWS Systems cost enter, Bradfield Farm Fairfield
8 Harbour Treasure Cove cost center, and CWSNC Uniform cost
9 center. I also added accrued customer interest for the test year
10 ending March 31, 2021, which was excluded in CWSNC's
11 application. These additions to customer deposits result in a
12 decrease in rate base for CWSNC Uniform Water, CWSNC Uniform
13 Sewer, BF/FH/TC Water, and BF/FH Sewer.

14 **INVENTORY**

15 **Q. PLEASE DESCRIBE YOUR ADJUSTMENT TO INVENTORY.**

16 A. Inventory has been adjusted to include actual general ledger
17 additions made on the Company's books as of September 30, 2021.
18 These additions include amounts allocated from the CWSNC
19 Uniform cost center.

20 **GAIN ON SALE AND FLOW BACK TAXES**

1 **Q. WHAT ADJUSTMENT DID YOU MAKE TO GAIN ON SALE AND**
2 **FLOW BACK TAXES?**

3 A. The Company did not include an amount for gain on sale and flow
4 back of taxes on its application. I adjusted rate base to include the
5 gain on sale and flow back of taxes.

6 **PLANT ACQUISITION ADJUSTMENT (PAA)**

7 **Q. PLEASE DESCRIBE YOUR ADJUSTMENTS TO PAA.**

8 A. PAA has been adjusted to include actual general ledger additions
9 made on the Company's books as of September 30, 2021, for both
10 PAA and accumulated amortization. These additions include
11 amounts allocated from CWS Systems cost center, Bradfield Farm
12 Fairfield Harbour Treasure Cove cost center, and CWSNC Uniform
13 cost center. PAA amortization has also been adjusted to include an
14 annualized level of amortization based on the Public Staff's adjusted
15 level of PAA amortization expense.

16 **AVERAGE TAX ACCRUALS**

17 **Q. HOW DID YOU CALCULATE AVERAGE TAX ACCRUALS?**

18 A. Average tax accruals, calculated as 1/2 of property taxes plus 1/5 of
19 regulatory fee, are taxes that the Company collects in rates but does
20 not pay to the collecting governmental agency every month. Since

1 the Company has the use of the money until it is paid to the
2 governmental agency, these tax accruals should be deducted from
3 rate base. Payroll taxes are not included in my calculation of average
4 tax accruals since they are paid to the taxing agencies on a more
5 frequent basis.

6 **DEFERRED CHARGES**

7 **Q. PLEASE DESCRIBE YOUR ADJUSTMENTS TO DEFERRED**
8 **CHARGES.**

9 A. First, I have adjusted deferred charges to reflect the unamortized
10 balance of deferred maintenance costs for tank painting, tank
11 inspection, and wastewater treatment plant painting as of March 31,
12 2022. I did not include the unamortized balance of the Belvedere
13 pump and haul costs in deferred charges. It is the Public Staff's
14 recommendation that the Company should not be able to earn a
15 return on these unusual and nonrecurring expenses that are
16 abnormally high due to a disagreement with the Belvedere golf
17 course. My exclusion of the unamortized balance of the pump and
18 haul expenses is consistent with the treatment CWSNC and the
19 Public Staff stipulated to in the Company's W-354, Sub 364 rate case
20 proceeding.

21 Next, I have removed unamortized rate case expense. The Public

1 Staff has reevaluated the past practice of the water and/or
2 wastewater utility's unamortized rate case expense balance being
3 included in rate base upon which the utility earns a return. The Public
4 Staff sees no reason for this practice to continue. The Public Staff
5 recommends in this rate case proceeding and all future water and/or
6 wastewater utility general rate cases that the unamortized rate case
7 expense balance not be included in rate base with the utility earning
8 a return. It is the Public Staff's position that rate case expense does
9 not rise to the level of being extraordinary in nature, and, therefore,
10 does not require rate base treatment. The unamortized balance
11 would continue to be amortized in the Commission approved
12 revenue requirement, thereby allowing the Company recovery of the
13 expenses, but not allowing the utility to earn a profit on the rate case
14 expenses.

15 This change will provide Commission regulated water and/or
16 wastewater utilities the same rate case expense treatment as the
17 Commission regulated electric and natural gas utilities which do not
18 earn a return on their unamortized rate case expense balances. The
19 customers will pay the Company's rate case expenses, but it is
20 unreasonable for customers to pay the utility a return on equity for
21 regularly occurring expenses that by their nature and magnitude
22 should just be normalized, not treated as a regulatory asset.

1 Lastly, I reclassified the previously-unallocated costs related to the
2 Company's new Fusion cloud-based enterprise resource planning
3 (ERP) system from pro forma plant shown on the Company's
4 updated schedules to deferred assets. According to CWSNC's
5 response to a Public Staff data request and email, the new Fusion
6 project is recorded under general ledger 194006-Other Non-Current
7 Assets account. Therefore, the system should be categorized under
8 deferred asset, similar to the tank painting projects, instead of pro
9 forma plant in the Company's updated schedule. There were two
10 portions of the project that the Company proposed to be treated
11 differently.

12 For the portion of the two phases of the project that went alive in June
13 2020 and November 2020, which the Company requested to be
14 treated as capitalized assets (capitalized assets portion), I calculated
15 the deferred amortization expense and the unamortized balance
16 based on the respective go alive date of each phase of the project,
17 the amortization periods, and the project cost for each phase. The
18 go alive date, amortization periods, and the project cost for each
19 phase of the Fusion project is shown on the updated Schedule 25 -
20 Corporate Allocation (CAM) Pro-Forma Q2 - 100821.

21 As part of its updated filing made on October 8, 2021, CWSNC

1 requested that certain implementation and support costs that have
2 not been capitalized for the Fusion cloud-based ERP project be given
3 regulatory asset treatment (regulatory assets portion). CWSNC
4 states that FASB ASC 350-40 requires that certain preliminary and
5 post implementation costs be accounted for separately from the
6 capitalized costs of the project. Under ASC 350-40, costs related to
7 implementation activities in the preliminary and post-implementation
8 phases of a project are expenses as incurred.

9 According to documentation provided by the Company, the
10 implementation and support cost for the Fusion project that CWSNC
11 is requesting deferral accounting treatment occurred in 2019, 2020,
12 2021. CWSNC has requested that these costs be amortized over
13 seven years beginning in the month that rates from this proceeding
14 become effective.

15 The Public Staff does not object to deferral accounting treatment for
16 the implementation and support cost of the Fusion project but, only
17 the costs incurred during the test year and post-test year should be
18 deferred. Given the fact that these cost should be expensed as
19 incurred, they are not generally normal operating expenses that are
20 booked to expenses on an annual basis. Therefore, the test year
21 amount should be amortized over a number of years to smooth out

1 the impact of these unusual cost on rates. Any cost incurred prior to
2 the test year should have been expensed in the year incurred and
3 not be included in test year expenses. Therefore, I removed the
4 expenses incurred prior to test year, allocated the remaining portion
5 to CWSNC, and calculated the deferred amortization expense based
6 on the amortization periods proposed by the Company. The
7 unamortized balance for this portion has also been adjusted to an
8 annualized level of amortization expense.

9 For both capitalized assets portion and the regulatory assets portion,
10 I allocated the cost from Corix to CWSNC based on the updated ERC
11 percentage of 17.73% as of the end of August 2021, instead of the
12 Company's proposed 17.8% as of the end of March 2021.

13 The deferred amortization expense and unamortized balance for the
14 Fusion project is reflected under maintenance and repair expense
15 under net operating income and deferred charge under rate base
16 respectively.

17 **PRO FORMA PLANT**

18 **Q. WHY DID YOU ADJUST PRO FORMA PLANT?**

19 A. In this proceeding, CWSNC included in rate base estimated amounts
20 for CWIP projects expected to be completed and in service by the

1 hearing date. I have removed the estimated cost for these projects
2 from rate base and adjusted plant in service to include the actual
3 costs of CWIP projects completed and in service.

4 **MISCELLANEOUS REVENUES**

5 **Q. WHY DID YOU ADJUST MISCELLANEOUS REVENUES?**

6 A. First, I adjusted miscellaneous revenues to correct the Company's
7 error in omitting allocated proceeds from the sale of utility property
8 from its original application.

9 Second, I calculated a forfeited discount rate for CWSNC water and
10 sewer, BF/FH/TC water, and BF/FH sewer operations by dividing the
11 respective test year forfeited discounts by test year service
12 revenues. The resulting rates were then applied to the Public Staff's
13 present, proposed, and recommended levels of service revenues to
14 determine an appropriate level of forfeited discounts to include in
15 miscellaneous revenues.

16 Lastly, I updated other miscellaneous revenues, such as
17 management service revenue, as of the 12 months ending
18 September 2021.

19 **UNCOLLECTIBLES**

1 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO UNCOLLECTIBLES.**

2 A. I have calculated uncollectibles percentages for CWSNC Water
3 operations, CWSNC Sewer operations, BF/FH/TC Water operations,
4 and BF/FH Sewer operations based on the per books levels of
5 uncollectibles and service revenues for the test year. I then applied
6 these percentages to my adjusted levels of service revenues under
7 present, Company proposed, and recommended rates to derive my
8 adjusted levels of uncollectibles expense.

9 **SALARIES AND WAGES**

10 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO SALARIES AND**
11 **WAGES.**

12 A. I have adjusted salaries and wages to reflect the updated payroll
13 information provided by CWSNC. The Company's updated payroll
14 includes salary and wage increases granted since the end of the test
15 year, the removal of terminated employees, and the addition of new
16 employees hired since the end of the test year. In the original filing,
17 the Company used salary levels as of May 30, 2021, after taking into
18 consideration an estimated salary increase of 3% in April 2021. I
19 removed this forecasted salary as of May 30, 2021 and used the
20 actual, up-to-date salary and wages expense incurred by the
21 Company as of September 30, 2021.

1 **PURCHASED POWER**

2 **Q. HOW HAVE YOU ADJUSTED PURCHASED POWER EXPENSE?**

3 A. In the process of reviewing purchased power invoices, I noticed that
4 the Company, in a consistent pattern, recorded the total past due
5 balance as the monthly purchased power expense for certain
6 vendors for multiple months, whereas the Company should have
7 recorded the current charges only for the applicable months.
8 Recording the total, past due balance each month will overstate the
9 expenses that were actually incurred because the past due amounts
10 were already recorded in the previous applicable months and if they
11 were recorded again in the following months when they were not
12 paid, these past due amounts would then be recorded multiple times.
13 I calculated the current charges that should have been recorded on
14 the Company's books based on the CWSNC's response to several
15 Public Staff data requests, compared my numbers with the
16 Company's numbers and removed the over stated past due
17 amounts.

18 **MAINTENANCE AND REPAIR**

19 **Q. HOW HAVE YOU ADJUSTED MAINTENANCE AND REPAIR**
20 **EXPENSE?**

1 A. Maintenance and repair expense has been adjusted to include
2 amounts recommended by Public Staff witness Casselberry. In
3 addition, I made the following adjustments to maintenance and
4 repair:

5 (1) I adjusted maintenance and repair to reflect one year of
6 annual amortization expense based on the Public Staff's
7 recommended level of deferred charges, which have been discussed
8 previously.

9 (2) I reclassified certain expenses that were mistakenly recorded
10 under miscellaneous expense to maintenance expense based on the
11 Company's response to a Public Staff data request.

12 **MAINTENANCE READING**

13 **Q. HOW HAVE YOU ADJUSTED MAINTENANCE READING**
14 **EXPENSE?**

15 A. I adjusted maintenance reading expense to remove amounts that did
16 not tie to supporting invoices.

17 **CHEMICALS**

18 **Q. HOW HAVE YOU ADJUSTED CHEMICAL EXPENSE?**

1 A. I adjusted chemical expense to remove an amount that did not have
2 a supporting invoice.

3 **CAPITALIZED SALARIES**

4 **Q. HOW HAVE YOU ADJUSTED CAPITALIZED SALARIES**
5 **EXPENSE?**

6 A. I have calculated an updated amount for capitalized salaries and
7 wages by multiplying the updated capitalized rate by the employees'
8 historical cap time hours. The updated capitalized rate was based on
9 the Company's responses to the Public Staff's data requests.

10 **OFFICE SUPPLIES AND OTHER OFFICE EXPENSE**

11 **Q. HOW HAVE YOU ADJUSTED OFFICE SUPPLIES AND OTHER**
12 **OFFICE EXPENSE?**

13 A. In addition to the credit card expense adjustment recommended by
14 Public Staff witness Darden, I also removed ineligible office supplies
15 expenses, such as late fees and amounts that did not tie to
16 supporting invoices.

17 **REGULATORY COMMISSION EXPENSE**

18 **Q. PLEASE EXPLAIN HOW YOU CALCULATED REGULATORY**
19 **COMMISSION EXPENSE.**

1 A. Based on information provided by the Company regarding costs
2 incurred to date and expected costs that will occur to complete this
3 rate case proceeding, I have included rate case expenses for this
4 proceeding, which are comprised of legal fees; capitalized salaries
5 and wages; customer printing; and consulting fees. I have allocated
6 total rate case expense to CWSNC Uniform Water, CWSNC Uniform
7 Sewer, BF/FH/TC Water, and BF/FH Sewer based on the updated
8 customer allocation percentages calculated from the Company's
9 ERCs. I also removed the annualized amortization expense from the
10 regulatory asset portion of the Fusion project because I included this
11 portion of the Fusion project under deferred assets and the
12 annualized amortization expense has been included under
13 maintenance and repair expenses. Including this expense under
14 regulatory commission expense again will cause double counting of
15 the annualized amortization expense for this portion of the Fusion
16 project.

17 **PENSION AND OTHER BENEFITS**

18 **Q. PLEASE EXPLAIN HOW YOU ADJUSTED PENSION AND OTHER**
19 **BENEFITS EXPENSE.**

1 A. I updated 2021 pension and other benefits expense to reflect the
2 updated list of employees based on responses provided by the
3 Company to Public Staff's data requests.

4 **RENT**

5 **Q. PLEASE EXPLAIN HOW YOU ADJUSTED RENT EXPENSE.**

6 A. First, I removed non-regulated rent expense from MZ Parkway Plaza
7 LLC based on the Company's response to Public Staff Data Request
8 No. 53.

9 Second, I corrected rent expense for the Charlotte Warehouse to
10 reflect the actual, most updated rent payment expense, instead of
11 the Company's proposed rent expense.

12 Third, I reclassified rent expenses for Garner Office, Hestron Park
13 Sewer and Mt. Mitchell Land Use to the rate divisions for which they
14 provided service. This adjustment does not change the total rent
15 expense for these locations.

16 Lastly, I updated the rent expense for Garner office to the most
17 recent rate.

18 **INSURANCE EXPENSE**

19 **Q. PLEASE EXPLAIN HOW YOU ADJUSTED INSURANCE**

1 (a) I updated the allocation percentage to North Carolina regulated
2 companies to the updated 17.73% based on Company's response to
3 a Public Staff data request, instead of the Company's proposed
4 17.8%;

5 (b) I removed some ineligible miscellaneous expenses, such as
6 expense without invoice support, out of state expense, and credit
7 card processing fees;

8 (c) I removed a duplicated recorded customer interest expense in
9 the amount of \$857; and

10 (d) I reclassified certain expenses that were mistakenly recorded
11 under miscellaneous expense to maintenance expense based on the
12 Company's response to a Public Staff data request.

13 **DEPRECIATION EXPENSE**

14 **Q. HOW DID YOU ADJUST DEPRECIATION EXPENSE?**

15 A. I have adjusted depreciation expense to reflect an ongoing, annual
16 level of depreciation expense for direct plant in service, based on the
17 Public Staff's adjusted level of plant in service and the depreciation
18 lives for each plant account.

19 Finally, I adjusted allocated depreciation expense by removing the
20 Company's per book allocated depreciation expenses from CWS

1 Systems cost center, Bradfield Farm Fairfield Harbour Treasure
2 Cove cost center, and CWSNC Uniform cost center. Depreciation
3 expense for these cost centers have already been calculated for
4 direct plant in service for both the test year and post test year plant
5 additions. Including the per book allocated depreciation expenses
6 from these cost centers will cause double counting of allocated
7 depreciation expenses.

8 **AMORTIZATION OF CIAC**

9 **Q. WHAT ADJUSTMENT DID YOU MAKE TO AMORTIZATION OF**
10 **CIAC?**

11 A. CIAC amortization expense was adjusted to reflect the Public Staff's
12 recommended level of CIAC multiplied by the individual amortization
13 rates for each plant in service account related to CIAC.

14 **AMORTIZATION OF PAA**

15 **Q. WHY DID YOU ADJUST AMORTIZATION OF PAA?**

16 A. PAA amortization expense was adjusted to reflect the Public Staff's
17 recommended level of PAA multiplied by the amortization
18 percentage, which is based on the composite, overall depreciation
19 rate for the Public Staff's adjusted level of direct plant in service.

1 **PROPERTY TAXES**

2 **Q. WHY DID YOU ADJUST PROPERTY TAXES?**

3 A. I removed a penalty expense from property tax expenses.

4 **PAYROLL TAXES**

5 **Q. WHY DID YOU ADJUST PAYROLL TAXES?**

6 A. I have made an adjustment to reflect payroll taxes for operations and
7 maintenance, North Carolina leadership, and Regional Leadership,
8 based on the Public Staff's recommended level of salaries at the
9 current payroll tax rates.

10 **REGULATORY FEE**

11 **Q. WHAT ADJUSTMENT HAVE YOU MADE TO THE REGULATORY**
12 **FEE?**

13 A. I have calculated the regulatory fee using the statutory rate of 0.13%
14 and applying it to total revenue under present, Company proposed,
15 and Public Staff recommended rates.

16 **DEFERRED INCOME TAX**

17 **Q. WHAT ADJUSTMENT HAVE YOU MADE TO DEFERRED**
18 **INCOME TAX?**

1 A. In the present case, the Company inadvertently excluded the net
2 operating income (NOI) impact of the annual amortization of the
3 protected EDIT balance to ratepayers. The Company removed the
4 annual amortization amount of \$69,127 from rate base; however,
5 CWSNC did not make the corresponding entry as a reduction to
6 income taxes. In response to a Public Staff data request, the
7 Company stated it “believes an adjustment is correct and necessary
8 for the annual amortization associated with the return of protected
9 EDIT in the amount of \$69,127.” I have included an adjustment in
10 the amount of \$69,127 to properly flow the protected EDIT to
11 ratepayers. I have allocated the protected federal EDIT adjustment
12 to the CWSNC Water, CWSNC Sewer, BF/FH/TC Water, and BF/FH
13 Sewer rate divisions based on the ADIT percentage calculated from
14 the deferred charge and post test year plant additions items under
15 rate base.

16 **STATE INCOME TAX**

17 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO STATE INCOME**
18 **TAX.**

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

21 **FEDERAL INCOME TAX**

1 Q. WHAT ADJUSTMENT HAVE YOU MADE TO FEDERAL INCOME
2 TAX?

3 A. Federal income tax was calculated based on the adjusted levels of
4 revenues and expenses, and the Federal income tax rate of 21%.

5 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

6 A. Yes, it does.

QUALIFICATIONS AND EXPERIENCE

LYNN FEASEL

I am a graduate of Baldwin Wallace University with a Master of Business Administration degree in Accounting. I am a Certified Public Accountant licensed in the State of North Carolina. Prior to joining the Public Staff, I was employed by Franklin International in Columbus, Ohio until June 2013. Additionally, I worked for ABB Inc. from September 2013 until October 2016. I joined the Public Staff as a Staff Accountant in November 2016. Since joining the Public Staff, I have worked on rate cases involving water and sewer and natural gas companies, filed testimony and affidavits in various general rate cases, calculated quarterly earnings for Carolina Water Service, Inc. of North Carolina and Aqua North Carolina, Inc., calculated quarterly earnings for various natural gas companies, calculated refunds to consumers from AH4R and Progress Residential and reviewed franchise and contiguous filings for multiple water and sewer companies.

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$34,154,819 [2]	4.85% [1]	2.42%	\$1,656,509 [8]
2	Equity	50.20%	34,429,155 [2]	5.73% [6]	2.88%	1,972,098 [9]
3	Total	100.00%	\$68,583,974 [3]		5.30%	\$3,628,607 [10]
Company Proposed Rates:						
4	Debt	49.80%	\$34,154,819 [4]	4.85% [1]	2.42%	\$1,656,509 [8]
5	Equity	50.20%	34,429,155 [4]	10.11% [6]	5.08%	3,480,606 [11]
6	Total	100.00%	\$68,583,974 [3]		7.50%	\$5,137,115 [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$34,154,819 [5]	4.85% [1]	2.42%	\$1,656,509 [8]
8	Equity	50.20%	34,429,155 [5]	8.93% [1]	4.48%	3,074,524 [13]
9	Total	100.00%	\$68,583,974 [3]		6.90%	\$4,731,033 [14]

[1] Per Public Staff Financial Analyst Hilton.

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

[3] Feasel Exhibit I, Schedule 2(a), Column (c), Line 18.

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

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

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

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

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

[10] Feasel Exhibit I, Schedule 3(a), Column (c), Line 38.

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

[12] Feasel Exhibit I, Schedule 3(a), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(a), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$31,197,915 [2]	4.85% [1]	2.42%	\$1,513,099 [8]
2	Equity	50.20%	31,448,500 [2]	6.88% [6]	3.45%	2,165,166 [9]
3	Total	100.00%	\$62,646,415 [3]		5.87%	\$3,678,265 [10]
Company Proposed Rates:						
4	Debt	49.80%	\$31,197,915 [4]	4.85% [1]	2.42%	\$1,513,099 [8]
5	Equity	50.20%	31,448,500 [4]	11.24% [6]	5.64%	3,534,773 [11]
6	Total	100.00%	\$62,646,415 [3]		8.06%	\$5,047,872 [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$31,197,915 [5]	4.85% [1]	2.42%	\$1,513,099 [8]
8	Equity	50.20%	31,448,500 [5]	8.93% [1]	4.48%	2,808,351 [13]
9	Total	100.00%	\$62,646,415 [3]		6.90%	\$4,321,450 [14]

[1] Per Public Staff Financial Analyst Hilton.

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

[3] Feasel Exhibit I, Schedule 2(b), Column (c), Line 18.

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

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

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

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

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

[10] Feasel Exhibit I, Schedule 3(b), Column (c), Line 38.

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

[12] Feasel Exhibit I, Schedule 3(b), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(b), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$1,660,994 [2]	4.85% [1]	2.42%	\$80,558 [8]
2	Equity	50.20%	1,674,336 [2]	-8.15% [6]	-4.09%	(136,407) [9]
3	Total	100.00%	\$3,335,330 [3]		-1.67%	(\$55,849) [10]
Company Proposed Rates:						
4	Debt	49.80%	\$1,660,994 [4]	4.85% [1]	2.42%	\$80,558 [8]
5	Equity	50.20%	1,674,336 [4]	11.17% [6]	5.61%	187,078 [11]
6	Total	100.00%	\$3,335,330 [3]		8.03%	\$267,636 [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$1,660,994 [5]	4.85% [1]	2.42%	\$80,558 [8]
8	Equity	50.20%	1,674,336 [5]	8.93% [1]	4.48%	149,518 [13]
9	Total	100.00%	\$3,335,330 [3]		6.90%	\$230,076 [14]

[1] Per Public Staff Financial Analyst Hilton.

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

[3] Feasel Exhibit I, Schedule 2(c), Column (c), Line 18.

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

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

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

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

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

[10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 38.

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

[12] Feasel Exhibit I, Schedule 3(c), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(c), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

RETURN ON ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$4,568,702 [2]	4.85% [1]	2.42%	\$221,582 [8]
2	Equity	50.20%	4,605,399 [2]	4.81% [6]	2.41%	221,440 [9]
3	Total	100.00%	\$9,174,101 [3]		4.83%	\$443,022 [10]
Company Proposed Rates:						
4	Debt	49.80%	\$4,568,702 [4]	4.85% [1]	2.42%	\$221,582 [8]
5	Equity	50.20%	4,605,399 [4]	10.02% [6]	5.03%	461,518 [11]
6	Total	100.00%	\$9,174,101 [3]		7.45%	\$683,100 [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$4,568,702 [5]	4.85% [1]	2.42%	\$221,582 [8]
8	Equity	50.20%	4,605,399 [5]	8.93% [1]	4.48%	411,262 [13]
9	Total	100.00%	\$9,174,101 [3]		6.90%	\$632,844 [14]

[1] Per Public Staff Financial Analyst Hilton.

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

[3] Feasel Exhibit I, Schedule 2(d), Column (c), Line 18.

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

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

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

[7] Column (a) multiplied by Column (c).

[8] Column (b) multiplied by Column (c).

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

[10] Feasel Exhibit I, Schedule 3(d), Column (c), Line 38.

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

[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 38.

[13] Line 9 minus Line 7, Column (e).

[14] Feasel Exhibit I, Schedule 3(d), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
1	Plant in service	\$122,859,030	\$1,161,071	\$ 124,020,101 [3]
2	Accumulated depreciation	(34,852,660)	792,790	(34,059,870) [4]
3	Net plant in service (L1 + L2)	88,006,370	1,953,860	89,960,231
4	Cash working capital	1,425,901	(20,411)	1,405,490 [5]
5	Contributions in aid of construction	(17,012,317)	68,125	(16,944,192) [6]
6	Advances in aid of construction	(20,666)	0	(20,666) [6]
7	Accumulated deferred income taxes	(2,883,849)	105,436	(2,778,413) [7]
8	Customer deposits	(178,310)	(35,930)	(214,239) [8]
9	Inventory	137,825	4,864	142,689 [9]
10	Gain on sale and flow back taxes	0	(196,947)	(196,947) [10]
11	Plant acquisition adjustment	(1,946,044)	67,346	(1,878,698) [11]
12	Excess book value	0	0	0
13	Cost-free capital	(121,791)	0	(121,791)
14	Average tax accruals	111,699	(224,357)	(112,658) [12]
15	Regulatory liability for excess deferred taxes	(1,984,185)	0	(1,984,185)
16	Deferred charges	1,151,101	176,253	1,327,353 [13]
17	Pro forma plant	2,097,697	(2,097,697)	0 [14]
18	Original cost rate base (Sum of L3 thru L17)	\$68,783,433	(\$199,459)	\$68,583,974

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

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

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

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

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

[6] Feasel Exhibit I, Schedule 2-4, Column (c), Line 9.

[7] Feasel Exhibit I, Schedule 2-5(a), Column (d), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (a), Line 3.

[9] Calculated based on Company's response to data request.

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

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

[12] Feasel Exhibit I, Schedule 2-3, Column (a), Line 9.

[13] Feasel Exhibit I, Schedule 2-9, Column (a), Line 3.

[14] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
1	Plant in service	\$108,575,598	\$1,600,593	\$ 110,176,191 [3]
2	Accumulated depreciation	(27,892,591)	69,418	(27,823,173) [4]
3	Net plant in service (L1 + L2)	80,683,006	1,670,011	82,353,018
4	Cash working capital	1,067,035	(18,740)	1,048,295 [5]
5	Contributions in aid of construction	(17,022,223)	8,908	(17,013,315) [6]
6	Advances in aid of construction	(12,274)	0	(12,274) [7]
7	Accumulated deferred income taxes	(3,389,270)	(311,246)	(3,700,516) [8]
8	Customer deposits	(99,193)	(25,137)	(124,331) [9]
9	Inventory	93,141	2,888	96,029 [10]
10	Gain on sale and flow back taxes	0	(92,681)	(92,681) [11]
11	Plant acquisition adjustment	351,841	(498)	351,344 [12]
12	Excess book value	0	0	0 [13]
13	Cost-free capital	(139,708)	0	(139,708) [14]
14	Average tax accruals	13,949	(29,828)	(15,879) [15]
15	Regulatory liability for excess deferred taxes	(1,178,367)	0	(1,178,367) [16]
16	Deferred charges	969,347	105,453	1,074,799 [17]
17	Pro forma plant	2,083,167	(2,083,167)	0 [18]
18	Original cost rate base (Sum of L3 thru L17)	\$63,420,450	(\$774,035)	\$62,646,415

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

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

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

[4] Feasel Exhibit I, Schedule 2-1(b), Column (c), Line 6.

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

[6] Feasel Exhibit I, Schedule 2-4, Column (f), Line 9.

[7] Feasel Exhibit I, Schedule 2-5(a), Column (e), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (b), Line 3.

[9] Calculated based on Company's response to data request.

[10] Feasel Exhibit I, Schedule 2-7, Column (b), Line 6.

[11] Feasel Exhibit I, Schedule 2-8, Column (f), Line 7.

[12] Feasel Exhibit I, Schedule 2-3, Column (b), Line 9.

[13] Feasel Exhibit I, Schedule 2-9, Column (b), Line 3.

[14] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2(c)**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b) [1]	Amount Per Public Staff (c) [2]
1	Plant in service	\$6,868,674	(\$22,808)	\$6,845,866 [3]
2	Accumulated depreciation	(2,327,528)	(38,309)	(2,365,836) [4]
3	Net plant in service (L1 + L2)	4,541,146	(61,117)	4,480,030
4	Cash working capital	173,669	(4,197)	169,472 [5]
5	Contributions in aid of construction	(1,071,205)	20,094	(1,051,111) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(99,444)	25,472	(73,972) [7]
8	Customer deposits	(19,338)	(3,435)	(22,773) [8]
9	Inventory	5,285	0	5,285
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	(2,046)	(8,010)	(10,057) [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	8,598	(16,677)	(8,079) [10]
15	Regulatory liability for excess deferred taxes	(296,294)	0	(296,294)
16	Deferred charges	120,006	22,823	142,829 [11]
17	Pro forma plant	99,090	(99,090)	0 [12]
18	Original cost rate base (Sum of L3 thru L17)	\$3,459,467	(\$124,137)	\$3,335,330

- [1] Column (c) minus Column (a).
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 3.
[4] Feasel Exhibit I, Schedule 2-1(c), Column (c), Line 6.
[5] Feasel Exhibit I, Schedule 2-3, Column (c), Line 4.
[6] Feasel Exhibit I, Schedule 2-4, Column (i), Line 9.
[7] Feasel Exhibit I, Schedule 2-5(b), Column (d), Line 27.
[8] Feasel Exhibit I, Schedule 2-6, Column (c), Line 3.
[9] Feasel Exhibit I, Schedule 2-8, Column (i), Line 7.
[10] Feasel Exhibit I, Schedule 2-3, Column (c), Line 9.
[11] Feasel Exhibit I, Schedule 2-9, Column (c), Line 3.
[12] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Plant in service	\$15,233,059	\$1,062,144	\$16,295,203 [3]
2	Accumulated depreciation	(3,129,426)	(204,236)	(3,333,662) [4]
3	Net plant in service (L1 + L2)	12,103,633	857,908	12,961,541
4	Cash working capital	177,986	286	178,272 [5]
5	Contributions in aid of construction	(3,790,178)	(2,811)	(3,792,989) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(780,292)	(37,239)	(817,531) [7]
8	Customer deposits	(16,965)	(3,096)	(20,062) [8]
9	Inventory	2,179	0	2,179
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	904,137	(28,735)	875,401 [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	1,832	(3,202)	(1,370) [10]
15	Regulatory liability for excess deferred taxes	(303,006)	0	(303,006)
16	Deferred charges	69,156	22,510	91,666 [11]
17	Pro forma plant	1,362,711	(1,362,711)	0 [12]
18	Original cost rate base (Sum of L3 thru L17)	\$9,731,192	(\$557,091)	\$9,174,101

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

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

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

[4] Feasel Exhibit I, Schedule 2-1(d), Column (c), Line 6.

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

[6] Feasel Exhibit I, Schedule 2-4, Column (l), Line 9.

[7] Feasel Exhibit I, Schedule 2-5(b), Column (e), Line 27.

[8] Feasel Exhibit I, Schedule 2-6, Column (d), Line 3.

[9] Feasel Exhibit I, Schedule 2-8, Column (l), Line 7.

[10] Feasel Exhibit I, Schedule 2-3, Column (d), Line 9.

[11] Feasel Exhibit I, Schedule 2-9, Column (d), Line 3.

[12] To remove estimated plant cost in the future.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
Plant In Service:				
1	Direct plant in service	\$110,985,510	\$ 5,898,306	\$116,883,817 [3]
2	Allocation of common plant in service: Corix, Regional and NC	11,873,520	(4,737,235)	7,136,284 [4]
3	Total plant in service (L1 + L2)	<u>\$122,859,030</u>	<u>\$1,161,071</u>	<u>\$124,020,101</u>
Accumulated Depreciation:				
4	Direct accumulated depreciation	(\$26,987,466)	(\$1,493,278)	(\$28,480,743) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	(7,865,194)	2,286,067	(5,579,127) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$34,852,660)</u>	<u>\$792,790</u>	<u>(\$34,059,870)</u>

[1] Column (c) minus Column (a), unless otherwise footnoted.

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

[3] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d), Line 51.

[4] Calculated based on information provided by the Company.

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
Plant In Service:				
1	Direct plant in service	\$102,256,460	\$3,638,936	\$105,895,396 [3]
2	Allocation of common plant in service: Corix, Regional and NC	6,319,138	(2,038,343)	4,280,795 [4]
3	Total plant in service (L1 + L2)	<u>\$108,575,598</u>	<u>\$1,600,593</u>	<u>\$110,176,191</u>
Accumulated Depreciation:				
4	Direct accumulated depreciation	(\$23,814,281)	(\$837,392)	(\$24,651,674) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	(4,078,310)	906,811	(3,171,499) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$27,892,591)</u>	<u>\$69,418</u>	<u>(\$27,823,173)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d), Line 66.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (b), Line 9.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
Plant In Service:				
1	Direct plant in service	\$5,786,300	\$70,153	\$5,856,453 [3]
2	Allocation of common plant in service: Corix, Regional and NC	1,082,374	(92,960)	989,413 [4]
3	Total plant in service (L1+ L2)	<u>\$6,868,674</u>	<u>(\$22,808)</u>	<u>\$6,845,866</u>
Accumulated Depreciation:				
4	Direct accumulated depreciation	(\$1,561,123)	(\$68,707)	(\$1,629,830) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	(766,405)	30,398	(736,007) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$2,327,528)</u>	<u>(\$38,309)</u>	<u>(\$2,365,836)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d), Line 46.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (c), Line 9.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
**CALCULATION OF PLANT IN SERVICE AND
ACCUMULATED DEPRECIATION**
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
Plant In Service:				
1	Direct plant in service	\$14,189,079	\$1,097,090	\$15,286,169 [3]
2	Allocation of common plant in service: Corix, Regional and NC	1,043,980	(34,945)	1,009,035 [4]
3	Total plant in service (L1+ L2)	<u>\$15,233,059</u>	<u>\$1,062,144</u>	<u>\$16,295,203</u>
Accumulated Depreciation:				
4	Direct accumulated depreciation	(\$2,354,975)	(\$228,145)	(\$2,583,120) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	(774,451)	23,909	(750,542) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$3,129,426)</u>	<u>(\$204,236)</u>	<u>(\$3,333,662)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d), Line 59.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (d), Line 9.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(a)(1)

CWSNC WATER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$483,877	\$0	\$155	\$484,032
2	141202	Franchises	229,516	0	0	229,516
3	141102	Land & land rights pump	50,795	0	0	50,795
4	141103	Land and Rights Water	357,109	0	0	357,109
5	141104	Land and Rights Trans	18,896	0	0	18,896
6	141101	Land & land rights gen. plt.	708,146	0	9,662	717,808
7	141204	Struct & improv. src. supply	4,388,823	0	(3,572)	4,385,251
8	141205	Struct & improv. wtr. trt. plt.	1,499,965	0	(18,577)	1,481,387
9	141206	Struct & improv. trans. dist.	283,578	0	(3,872)	279,706
10	141203	Struct & improv. gen. plt.	351,645	0	6,528	358,173
11	141221	Collecting reservoirs	13,922	0	0	13,922
12	141223	Wells & springs	14,715,848	(1,077)	(27,611)	14,687,160
13	141224	Infiltration gallery	45,185	0	0	45,185
14	141225	Supply mains	715,555	0	(2,622)	712,933
15	141226	Power generation equip.	162,616	0	0	162,616
16	141227	Electric pump equip. src. plt.	2,943,492	(4)	(94,641)	2,848,847
17	141228	Electric pump equip. wtp.	9,059,572	0	(109,447)	8,950,125
18	141229	Electric pump equip. trans.	3,869,767	0	(17,590)	3,852,177
19	141230	Water treatment equip.	4,868,118	(649)	819,602	5,687,071
20	141231	Dist. resv. & standpipes	8,521,091	(179)	262,341	8,783,254
21	141232	Trans. & distr. mains	35,376,074	(138)	3,139	35,379,075
22	141233	Service lines	14,233,937	0	(87,686)	14,146,251
23	141234	Meters	6,468,169	(46)	6,157	6,474,281
24	141235	Meter installations	2,049,133	(973)	(11,967)	2,036,192
25	141236	Hydrants	1,327,297	0	8,849	1,336,146
26	141237	Backflow prevention devic.	37,453	0	(775)	36,678
27	141268	Other plt. & misc. equip. src. su.	260	0	0	260
28	141269	Other plt. & misc. equip. wtp.	12,104	0	3,460	15,564
29	141220	Office struct & improv.	(199,003)	(17)	327,743	128,722
30	141303	Office furn. & equip.	271,256	0	2,286	273,543
31	141305	Stores equipment	16,618	0	(646)	15,973
32	141308	Tool shop & misc. equip.	1,075,392	0	272	1,075,664
33	141306	Laboratory equipment	130,314	0	0	130,314
34	141309	Power operated equip.	353,987	0	(1,919)	352,068
35	141310	Communication equip.	263,488	0	(1,239)	262,248
36	141311	Misc. equipment	193,336	0	(2,314)	191,022
37	141278	Water plant allocated	207,809	0	0	207,809
38	141271	Other tangible plt. water	38,399	0	0	38,399
39	141248	Receiving Wells	-	(141)	176,744	176,603
40	141401	Transportation equip.	397,139	0	39,321	436,460
41	141503	Mainframe computer - wtr	(965)	0	965	0
42	141504	Mini computer - wtr	8,179	0	(3,344)	4,835
43	141602	Comp. system cost - wtr	61,077	0	(1,332)	59,744
44	141603	Micro system cost - wtr	(444)	0	444	(0)
45	141255	Plant Sewers Treatment Plt	23,751	(23,751)	0	0
46	141299	Utility Plant Clearing	(0)	0	0	(0)
47	141699	Computer Clearing	(3,322)	0	3,322	(0)
48	141501	Computer Hardware	713	0	(713)	0
49	141502	Desktop/Laptop Computers	(1,162)	0	1,162	0
50	141601	Computer Software	82,594	0	(82,594)	0
51		Total plant in service (Sum of L1 thru L50)	<u>\$115,711,100</u>	<u>(\$26,976)</u>	<u>\$1,199,693</u>	<u>\$116,883,817</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(a)(2), column (c).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
CALCULATION OF DIRECT PLANT IN SERVICE
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 2-1(b)(1)

CWSNC SEWER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$883,147	\$0	\$0	\$883,147
2	141202	Franchises intang. plt.	127,476	0	0	127,476
3	141101	Land and Rights General	(5,402)	0	5,402	0
4	141107	Land and Rights Treatment	39,167	0	0	39,167
5	141108	Land and Rights Reclaim	1,150	0	0	1,150
6	141207	Struct/improv. coll. plt.	92,470	0	2,231	94,701
7	141208	Struct/improv. pump plt. ls.	9,631,047	(2,090)	966,416	10,595,373
8	141209	Struct/improv. treat. plt.	20,039,364	(31)	791	20,040,124
9	141210	Struct/improv. reclaim. wtp.	3,271	0	0	3,271
10	141211	Struct/improv. reclaim. wtr.	180,664	0	(183)	180,481
11	141203	Struct/improv. gen. plt.	1,742,829	0	7,281	1,750,110
12	141238	Power gen. equip. coll. plt.	107,623	0	0	107,623
13	141239	Power gen. equip. pump plt.	53,009	0	0	53,009
14	141240	Power gen. equip. treat. plt.	237,666	0	0	237,666
15	141241	Sewer force main/serv. lin.	3,748,199	(37)	(1,070)	3,747,092
16	141242	Sewer gravity main	18,127,774	(122)	108,390	18,236,043
17	141243	Manholes	1,408,815	(69)	6,304	1,415,051
18	141244	Special coll. structures	7,032	0	0	7,032
19	141245	Services to customers	2,061,403	0	(5,974)	2,055,429
20	141246	Flow measure devices	142,965	0	(177)	142,787
21	141247	Flow measure install	1,106	0	0	1,106
22	141248	Receiving wells	123,500	0	8,265	131,765
23	141249	Pumping equipment pump plt.	4,883,950	0	(65,806)	4,818,144
24	141250	Pumping equipment reclaim.	33,926	0	(670)	33,256
25	141251	Pumping equipment rcl. wtr.	69,777	0	(2,264)	67,513
26	141252	Treat./disp. equip. lagoon	593,775	0	(1,673)	592,103
27	141253	Treat./disp. equip. trt. plt.	19,389,406	0	(55,625)	19,333,782
28	141254	Treat./disp. equip. rct. wtp.	13,823	0	47	13,870
29	141255	Plant sewers treat. plt.	17,823,152	23,574	33,721	17,880,447
30	141256	Plant sewers reclaim wtp.	5,155	0	646	5,802
31	141257	Outfall lines	542,466	(446)	11,764	553,783
32	141271	Other plt. tangible	8,416	0	0	8,416
33	141272	Other plt. collection	21,442	0	0	21,442
34	141273	Other plt. pump	51,974	0	776	52,750
35	141274	Other plt. treatment	45,438	(76)	241,030	286,391
36	141275	Other plt. reclaim wtr. trt.	650	0	0	650
37	141276	Other plt. reclaim wtr. dis.	460	0	0	460
38	141220	Office struct & improv.	(115,102)	0	182,868	67,766
39	141303	Office furn. & equip.	156,554	0	1,025	157,578
40	141305	Stores equipment	7,366	0	(600)	6,766
41	141308	Tool shop & misc. equip.	551,390	0	(1,260)	550,130
42	141306	Laboratory equipment	191,617	0	(1,940)	189,677
43	141309	Power operated equip.	452,408	0	(14,773)	437,635
44	141310	Communication equip.	155,388	0	97,776	253,164
45	141311	Misc equip. sewer	28,690	0	5,103	33,793
46	141278	Sewer plant allocated	526,952	0	0	526,952
47	0	Other tangible plt. sewer	-	0	0	0
48	141263	Reuse dist. reservoirs	3,507	0	0	3,507
49	141264	Reuse transmission & dist.	79,865	0	(923)	78,942
50	141401	Transportation equip.	238,563	0	20,647	259,210
51	141502	Desktop computer - wtr	(648)	0	648	0
52	141503	Mainframe computer - wtr	(430)	0	430	0
53	141504	Mini computer - wtr	3,962	0	(1,177)	2,785
54	141602	Comp. system cost - wtr	38,845	0	(3,364)	35,482
55	141603	Micro system cost - wtr	(194)	0	194	(0)
56	141501	Computer Hardware	399	0	(399)	0
57	141601	Computer Software	46,254	0	(46,254)	0
58	141699	Computer Clearing	(1,857)	0	1,857	(0)
59	141231	Dist Resv and Standpipes	(303)	0	303	0
60	141232	Trans and Distr Mains	(1,003)	0	1,003	0
61	141299	Utility Plant Clearing	(0)	0	(0)	(0)
62	141399	Building and Equipment Clearing	-	0	0	0
63	141233	Service Lines	935	0	0	935
64	141293	Plt. held for future use	(227,340)	0	0	(227,340)
65		Pro forma plant additions	-	0	0	0
66		Total plant in service (Sum of L1 thru L65)	<u>\$104,373,904</u>	<u>\$20,703</u>	<u>\$1,500,788</u>	<u>\$105,895,396</u>

[1] Per examination of Company's financial records.
 [2] Feasel Exhibit I, Schedule 2-1(b)(2), column (c).
 [3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(c)(1)

BF/FH/TC WATER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$100,890	\$0	\$0	\$100,890
2	141202	Franchises	51,240	0	0	51,240
3	141501	Computer Hardware	96	0	(96)	0
4	141502	Desktop/Laptop Computers	(159)	0	159	0
5	141601	Computer Software	11,138	0	(11,138)	0
6	141101	Land & land rights gen. plt.	12,696	0	1,309	14,006
7	141204	Struct & improv. src. supply	192,372	0	(227)	192,145
8	141205	Struct & improv. wtr. trt. plt.	146,621	0	(284)	146,337
9	141206	Struct & improv. trans. dist.	461	0	0	461
10	141203	Struct & improv. gen. plt.	2,244	0	0	2,244
11	141221	Collecting reservoirs	-	0	0	0
12	141223	Wells & springs	518,470	0	0	518,470
13	141224	Infiltration gallery	-	0	0	0
14	141225	Supply mains	7,054	0	332	7,386
15	141226	Power generation equip.	-	0	0	0
16	141227	Electric pump equip. src. plt.	53,629	0	(207)	53,422
17	141228	Electric pump equip. wtp.	375,605	0	6,637	382,243
18	141229	Electric pump equip. trans.	64,425	0	(1,806)	62,620
19	141230	Water treatment equip.	147,995	0	(2,884)	145,111
20	141231	Dist. resv. & standpipes	784,053	0	(2,785)	781,269
21	141232	Trans. & distr. mains	1,883,812	0	(1,596)	1,882,216
22	141233	Service lines	854,604	0	(25,118)	829,486
23	141234	Meters	141,987	0	0	141,987
24	141235	Meter installations	164,063	0	474	164,537
25	141236	Hydrants	166,466	0	422	166,888
26	141237	Backflow prevention devic.	98	0	0	98
27	141268	Other plt. & misc. equip. src. su.	-	0	0	0
28	141269	Other plt. & misc. equip. wtp.	-	0	0	0
29	141220	Office struct & improv.	(36,922)	0	44,668	7,745
30	141303	Office furn. & equip.	3,735	0	487	4,222
31	141305	Stores equipment	376	0	(27)	349
32	141308	Tool shop & misc. equip.	96,853	0	3	96,855
33	141306	Laboratory equipment	14,469	0	0	14,469
34	141309	Power operated equip.	9,774	0	0	9,774
35	141310	Communication equip.	62,187	0	(5,327)	56,860
36	141311	Misc. equipment	389	0	0	389
37	141278	Water plant allocated	-	0	0	0
38	141271	Other tangible plt. water	-	0	0	0
39	141401	Transportation equip.	(6,266)	0	6,266	(0)
40	141503	Mainframe computer - wtr	(208)	0	208	0
41	141504	Mini computer - wtr	1,603	0	84	1,687
42	141602	Comp. system cost - wtr	(1,656)	0	1,656	0
43	141603	Micro system cost - wtr	(98)	0	98	(0)
44	141102	Land & land rights pump	21,048	0	0	21,048
45	141699	Computer Clearing	(450)	0	450	0
46		Total plant in service (Sum of L1 thru L45)	<u>\$5,844,694</u>	<u>\$0</u>	<u>\$11,759</u>	<u>\$5,856,453</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(c)(2), column (c).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
CALCULATION OF DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(d)(1)

BF/FH SEWER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$14,682	\$0	\$0	\$14,682
2	141202	Franchises intang. plt.	41,938	0	0	41,938
3	141501	Computer Hardware	98	0	(98)	0
4	141601	Computer Software	11,350	0	(11,350)	0
5	141699	Computer Clearing	(459)	0	459	0
6	141101	Land and Rights General	(1,334)	0	1,334	0
7	141208	Struct/improv. pump plt. ls.	1,730,180	(80)	376,205	2,106,304
8	141209	Struct/improv. treat. plt.	2,019,018	0	773,063	2,792,081
9	141210	Struct/improv. reclaim. wtp.	-	0	0	0
10	141211	Struct/improv. reclaim. wtr.	2,477	0	0	2,477
11	141203	Struct/improv. gen. plt.	267,332	0	(720)	266,612
12	141238	Power gen. equip. coll. plt.	-	0	0	0
13	141239	Power gen. equip. pump plt.	41,826	0	0	41,826
14	141240	Power gen. equip. treat. plt.	-	0	0	0
15	141241	Sewer force main/serv. lin.	220,227	0	190	220,416
16	141242	Sewer gravity main	5,329,351	0	0	5,329,351
17	141243	Manholes	47,225	0	0	47,225
18	141244	Special coll. structures	775	0	0	775
19	141245	Services to customers	234,090	0	(90,663)	143,427
20	141246	Flow measure devices	17,806	0	0	17,806
21	141247	Flow measure install	-	0	0	0
22	141248	Receiving wells	-	0	0	0
23	141249	Pumping equipment pump plt.	813,761	0	(2,958)	810,803
24	141250	Pumping equipment reclaim.	63,520	0	5,115	68,635
25	141251	Pumping equipment rcl. wtr.	-	0	0	0
26	141252	Treat./disp. equip. lagoon	56	0	0	56
27	141253	Treat./disp. equip. trt. plt.	2,842,179	0	(16,673)	2,825,507
28	141254	Treat./disp. equip. rct. wtp.	-	0	0	0
29	141255	Plant sewers treat. plt.	395,654	0	(1,144)	394,509
30	141256	Plant sewers reclaim wtp.	-	0	0	0
31	141257	Outfall lines	15,379	0	3,798	19,176
32	0	Other plt. tangible	-	0	0	0
33	141272	Other plt. collection	(224)	0	0	(224)
34	141273	Other plt. pump	2,873	0	0	2,873
35	141274	Other plt. treatment	-	0	0	0
36	141275	Other plt. reclaim wtr. trt.	8,372	0	0	8,372
37	141276	Other plt. reclaim wtr. dis.	-	0	0	0
38	141220	Office struct & improv.	(24,912)	0	45,504	20,592
39	141303	Office furn. & equip.	1,133	0	491	1,624
40	141305	Stores equipment	2,827	0	(28)	2,799
41	141308	Tool shop & misc. equip.	17,123	0	3	17,125
42	141306	Laboratory equipment	6,227	0	0	6,227
43	141309	Power operated equip.	50,343	0	0	50,343
44	141310	Communication equip.	9,982	0	1,585	11,567
45	141311	Misc equip. sewer	12,678	0	3,332	16,010
46	141231	Dist Resv and Standpipes	(103)	0	103	0
47	141232	Trans and Distr Mains	(339)	0	339	0
48	141263	Reuse dist. reservoirs	2,763	0	0	2,763
49	141264	Reuse transmission & dist.	2,491	0	0	2,491
50	141401	Transportation equip.	(6,355)	0	6,355	(0)
51	141502	Desktop computer - wtr	(162)	0	162	0
52	141503	Mainframe computer - wtr	(209)	0	209	0
53	141504	Mini computer - wtr	(64)	0	64	(0)
54	141602	Comp. system cost - wtr	(1,631)	0	1,631	0
55	141603	Micro system cost - wtr	(99)	0	99	(0)
56	141299	Utility Plant Clearing	-	0	0	0
57	141293	Plt. held for future use	-	0	0	0
58		Pro forma plant additions	-	0	0	0
59		Total plant in service (Sum of L1 thru L58)	<u>\$14,189,843</u>	<u>(\$80)</u>	<u>\$1,096,406</u>	<u>\$15,286,169</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 2-1(d)(2), column (c).
[3] Sum of Column (a) through Column (c).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(a)(2)

CWSNC WATER OPERATIONS

Line No.	New Account No.	Item	Reclassification	AFUDC	Adjustments
			of Utility Accounts [1]	Adjustment [1]	Amount Per Public Staff [2]
			(a)	(b)	(c)
1	141201	Organization	\$0	\$0	\$0
2	141202	Franchises	0	0	-
3	141102	Land & land rights pump	0	0	-
4	141103	Land & land rights water tr.	0	0	-
5	141104	Land & land rights trans.	0	0	-
6	141101	Land & land rights gen. plt.	0	0	-
7	141204	Struct & improv. src. supply	0	0	-
8	141205	Struct & improv. wtr. trt. plt.	0	0	-
9	141206	Struct & improv. trans. dist.	0	0	-
10	141203	Struct & improv. gen. plt.	0	0	-
11	141221	Collecting reservoirs	0	0	-
12	141223	Wells & springs	0	(1,077)	(1,077)
13	141224	Infiltration gallery	0	0	-
14	141225	Supply mains	0	0	-
15	141226	Power generation equip.	0	0	-
16	141227	Electric pump equip. src. plt.	0	(4)	(4)
17	141228	Electric pump equip. wtp.	0	0	-
18	141229	Electric pump equip. trans.	0	0	-
19	141230	Water treatment equip.	0	(649)	(649)
20	141231	Dist. resv. & standpipes	0	(179)	(179)
21	141232	Trans. & distr. mains	0	(138)	(138)
22	141233	Service lines	0	0	-
23	141234	Meters	0	(46)	(46)
24	141235	Meter installations	0	(973)	(973)
25	141236	Hydrants	0	0	-
26	141237	Backflow prevention devic.	0	0	-
27	141248	Receiving Wells	0	(141)	(141)
28	141268	Other plt. & misc. equip. src. su.	0	0	-
29	141269	Other plt. & misc. equip. wtp.	0	0	-
30	141220	Office struct & improv.	0	(17)	(17)
31	141303	Office furn. & equip.	0	0	-
32	141305	Stores equipment	0	0	-
33	141308	Tool shop & misc. equip.	0	0	-
34	141306	Laboratory equipment	0	0	-
35	141309	Power operated equip.	0	0	-
36	141310	Communication equip.	0	0	-
37	141311	Misc. equipment	0	0	-
38	141278	Water plant allocated	0	0	-
39	141271	Other tangible plt. water	0	0	-
40	141401	Transportation equip.	0	0	-
41	141503	Mainframe computer - wtr	0	0	-
42	141504	Mini computer - wtr	0	0	-
43	141602	Comp. system cost - wtr	0	0	-
44	141603	Micro system cost - wtr	0	0	-
45	141255	Plant Sewers Treatment Plt	(23,751)	0	(23,751)
46	141299	Utility Plant Clearing	0	0	-
47	141699	Computer Clearing	0	0	-
48	141293	Plt. held for future use	0	0	-
49		Pro forma plant additions	0	0	-
50		Total plant in service (Sum of L1 thru L49)	<u>(\$23,751)</u>	<u>(\$3,225)</u>	<u>(\$26,976)</u>

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (b).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(b)(2)

CWSNC SEWER OPERATIONS

Line No.	New Account No.	Item	Reclassification	AFUDC	Adjustments
			of Utility Accounts [1]	Adjustment [1]	Amount Per Public Staff [2]
			(a)	(b)	(c)
1	141201	Organization	\$0	\$0	\$0
2	141202	Franchises intang. plt.	0	0	-
3	141107	Land & land rights trmnt plt	0	0	-
4	141108	Land & land rights reclaim.	0	0	-
5	0	Land & land rights gen. plt.	0	0	-
6	141207	Struct/improv. coll. plt.	0	0	-
7	141208	Struct/improv. pump plt. ls.	0	(2,090)	(2,090)
8	141209	Struct/improv. treat. plt.	0	(31)	(31)
9	141210	Struct/improv. reclaim. wtp.	0	0	-
10	141211	Struct/improv. reclaim. wtr.	0	0	-
11	141203	Struct/improv. gen. plt.	0	0	-
12	141238	Power gen. equip. coll. plt.	0	0	-
13	141239	Power gen. equip. pump plt.	0	0	-
14	141240	Power gen. equip. treat. plt.	0	0	-
15	141241	Sewer force main/serv. lin.	0	(37)	(37)
16	141242	Sewer gravity main	0	(122)	(122)
17	141243	Manholes	0	(69)	(69)
18	141244	Special coll. structures	0	0	-
19	141245	Services to customers	0	0	-
20	141246	Flow measure devices	0	0	-
21	141247	Flow measure install	0	0	-
22	141248	Receiving wells	0	0	-
23	141249	Pumping equipment pump plt.	0	0	-
24	141250	Pumping equipment reclaim.	0	0	-
25	141251	Pumping equipment rcl. wtr.	0	0	-
26	141252	Treat./disp. equip. lagoon	0	0	-
27	141253	Treat./disp. equip. trt. plt.	0	0	-
28	141254	Treat./disp. equip. rct. wtp.	0	0	-
29	141255	Plant sewers treat. plt.	23,751	(178)	23,574
30	141256	Plant sewers reclaim wtp.	0	0	-
31	141257	Outfall lines	0	(446)	(446)
32	141271	Other plt. tangible	0	0	-
33	141272	Other plt. collection	0	0	-
34	141273	Other plt. pump	0	0	-
35	141274	Other plt. treatment	0	(76)	(76)
36	141275	Other plt. reclaim wtr. trt.	0	0	-
37	141276	Other plt. reclaim wtr. dis.	0	0	-
38	141220	Office struct & improv.	0	0	-
39	141303	Office furn. & equip.	0	0	-
40	141305	Stores equipment	0	0	-
41	141308	Tool shop & misc. equip.	0	0	-
42	141306	Laboratory equipment	0	0	-
43	141309	Power operated equip.	0	0	-
44	141310	Communication equip.	0	0	-
45	141311	Misc equip. sewer	0	0	-
46	141278	Sewer plant allocated	0	0	-
47	0	Other tangible plt. sewer	0	0	-
48	141263	Reuse dist. reservoirs	0	0	-
49	141264	Reuse transmission & dist.	0	0	-
50	141401	Transportation equip.	0	0	-
51	141502	Desktop computer - wtr	0	0	-
52	141503	Mainframe computer - wtr	0	0	-
53	141504	Mini computer - wtr	0	0	-
54	141602	Comp. system cost - wtr	0	0	-
55	141603	Micro system cost - wtr	0	0	-
56	141299	Utility Plant Clearing	0	0	-
57	141399	Building and Equipment Clearing	0	0	-
58	141233	Service Lines	0	0	-
59	141293	Plt. held for future use	0	0	-
60		Pro forma plant additions	0	0	-
61		Total plant in service (Sum of L1 thru L60)	<u>\$23,751</u>	<u>(\$3,048)</u>	<u>\$20,703</u>

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (b).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(c)(2)

BF/FH/TC WATER OPERATIONS

Line No.	New Account No.	Item	Reclassification	AFUDC	Adjustments
			of Utility Accounts [1]	Adjustment [1]	Amount Per Public Staff [2]
			(a)	(b)	(c)
1	141201	Organization	\$0	\$0	\$0
2	141202	Franchises	0	0	-
3	141102	Land & land rights pump	0	0	-
4	141103	Land & land rights water tr.	0	0	-
5	141104	Land & land rights trans.	0	0	-
6	141101	Land & land rights gen. plt.	0	0	-
7	141204	Struct & improv. src. supply	0	0	-
8	141205	Struct & improv. wtr. trt. plt.	0	0	-
9	141206	Struct & improv. trans. dist.	0	0	-
10	141203	Struct & improv. gen. plt.	0	0	-
11	141221	Collecting reservoirs	0	0	-
12	141223	Wells & springs	0	0	-
13	141224	Infiltration gallery	0	0	-
14	141225	Supply mains	0	0	-
15	141226	Power generation equip.	0	0	-
16	141227	Electric pump equip. src. plt.	0	0	-
17	141228	Electric pump equip. wtp.	0	0	-
18	141229	Electric pump equip. trans.	0	0	-
19	141230	Water treatment equip.	0	0	-
20	141231	Dist. resv. & standpipes	0	0	-
21	141232	Trans. & distr. mains	0	0	-
22	141233	Service lines	0	0	-
23	141234	Meters	0	0	-
24	141235	Meter installations	0	0	-
25	141236	Hydrants	0	0	-
26	141237	Backflow prevention devic.	0	0	-
27	141268	Other plt. & misc. equip. src. su.	0	0	-
28	141269	Other plt. & misc. equip. wtp.	0	0	-
29	141220	Office struct & improv.	0	0	-
30	141303	Office furn. & equip.	0	0	-
31	141305	Stores equipment	0	0	-
32	141308	Tool shop & misc. equip.	0	0	-
33	141306	Laboratory equipment	0	0	-
34	141309	Power operated equip.	0	0	-
35	141310	Communication equip.	0	0	-
36	141311	Misc. equipment	0	0	-
37	141278	Water plant allocated	0	0	-
38	141271	Other tangible plt. water	0	0	-
39	141401	Transportation equip.	0	0	-
40	141503	Mainframe computer - wtr	0	0	-
41	141504	Mini computer - wtr	0	0	-
42	141602	Comp. system cost - wtr	0	0	-
43	141603	Micro system cost - wtr	0	0	-
44	141293	Plt. held for future use	0	0	-
45		Pro forma plant additions	0	0	-
46		Total plant in service (Sum of L1 thru L45)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

[1] Per examination of Company's financial records.
[2] Sum of Column (a) through Column (b).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT PLANT IN SERVICE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-1(d)(2)

BF/FH SEWER OPERATIONS

Line No.	New Account No.	Item	Reclassification	AFUDC	Adjustments
			of Utility Accounts [1]	Adjustment [1]	Amount Per Public Staff [2]
			(a)	(b)	(c)
1	141201	Organization	\$0	\$0	\$0
2	141202	Franchises intang. plt.	0	0	0
3	141107	Land & land rights trmnt plt	0	0	0
4	141108	Land & land rights reclaim.	0	0	0
5	0	Land & land rights gen. plt.	0	0	0
6	141207	Struct/improv. coll. plt.	0	0	0
7	141208	Struct/improv. pump plt. ls.	0	(80)	(80)
8	141209	Struct/improv. treat. plt.	0	0	0
9	141210	Struct/improv. reclaim. wtp.	0	0	0
10	141211	Struct/improv. reclaim. wtr.	0	0	0
11	141203	Struct/improv. gen. plt.	0	0	0
12	141238	Power gen. equip. coll. plt.	0	0	0
13	141239	Power gen. equip. pump plt.	0	0	0
14	141240	Power gen. equip. treat. plt.	0	0	0
15	141241	Sewer force main/serv. lin.	0	0	0
16	141242	Sewer gravity main	0	0	0
17	141243	Manholes	0	0	0
18	141244	Special coll. structures	0	0	0
19	141245	Services to customers	0	0	0
20	141246	Flow measure devices	0	0	0
21	141247	Flow measure install	0	0	0
22	141248	Receiving wells	0	0	0
23	141249	Pumping equipment pump plt.	0	0	0
24	141250	Pumping equipment reclaim.	0	0	0
25	141251	Pumping equipment rcl. wtr.	0	0	0
26	141252	Treat./disp. equip. lagoon	0	0	0
27	141253	Treat./disp. equip. trt. plt.	0	0	0
28	141254	Treat./disp. equip. rct. wtp.	0	0	0
29	141255	Plant sewers treat. plt.	0	0	0
30	141256	Plant sewers reclaim wtp.	0	0	0
31	141257	Outfall lines	0	0	0
32	0	Other plt. tangible	0	0	0
33	141272	Other plt. collection	0	0	0
34	141273	Other plt. pump	0	0	0
35	141274	Other plt. treatment	0	0	0
36	141275	Other plt. reclaim wtr. trt.	0	0	0
37	141276	Other plt. reclaim wtr. dis.	0	0	0
38	141220	Office struct & improv.	0	0	0
39	141303	Office furn. & equip.	0	0	0
40	141305	Stores equipment	0	0	0
41	141308	Tool shop & misc. equip.	0	0	0
42	141306	Laboratory equipment	0	0	0
43	141309	Power operated equip.	0	0	0
44	141310	Communication equip.	0	0	0
45	141311	Misc equip. sewer	0	0	0
46	0	Sewer plant allocated	0	0	0
47	0	Other tangible plt. sewer	0	0	0
48	141263	Reuse dist. reservoirs	0	0	0
49	141264	Reuse transmission & dist.	0	0	0
50	141401	Transportation equip.	0	0	0
51	141502	Desktop computer - wtr	0	0	0
52	141503	Mainframe computer - wtr	0	0	0
53	141504	Mini computer - wtr	0	0	0
54	141602	Comp. system cost - wtr	0	0	0
55	141603	Micro system cost - wtr	0	0	0
56	141299	Utility Plant Clearing	0	0	0
57	141293	Plt. held for future use	0	0	0
58		Pro forma plant additions	0	0	0
			\$0	(\$80)	(\$80)
59		Total plant in service (Sum of L1 thru L58)	\$0	(\$80)	(\$80)

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

[2] Sum of Column (a) through Column (b).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DIRECT ACCUMULATED DEPRECIATION
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Direct accumulated depreciation per Company updates	(\$25,827,338)	(\$22,770,538)	(\$1,610,302)	(\$2,509,947)
2	Adjustment to include company updates 10.08.2021	(1,160,128)	(1,043,743)	49,179	154,973
3	Direct accumulated depreciation after adjusted for company updates (L1 + L2)	(26,987,466)	(23,814,281)	(1,561,123)	(2,354,975)
4	Remove Company adjustment (-L2)	1,160,128	1,043,743	(49,179)	(154,973)
5	Adjustment to include actual general ledger A/D additions through 9/30/2021	(425,242) [1]	(739,410) [1]	(12,240) [1]	(32,668) [1]
6	Adjustment to reclass accumulated depreciaton from CWSNC cost cente	(2,278,055) [1]	(961,231) [1]	(6,617) [1]	(393) [1]
7	Adjustment to reflect annual level of depreciation	49,891 [1]	(180,496) [1]	(670) [1]	(40,111) [1]
8	Adjustment to accumulated depreciation (Sum of L4 thru L7)	(1,493,278)	(837,392)	(68,707)	(228,145)
9	Direct accumulated depreciation per Public Staff (L3 + L8)	(28,480,743)	(24,651,674)	(1,629,830)	(2,583,120)

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
CALCULATION OF CASH WORKING CAPITAL
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-3

Line No.	<u>Item</u>	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
<u>Cash Working Capital:</u>					
1	Maintenance expenses, less purchased water and sewer	\$2,996,180 [1]	\$3,417,660 [5]	\$366,801 [9]	\$400,016 [13]
2	General expenses	8,247,736 [2]	4,968,698 [6]	988,974 [10]	1,026,163 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$11,243,916</u>	<u>\$8,386,359</u>	<u>\$1,355,775</u>	<u>\$1,426,178</u>
4	Cash working capital (L3 x 1/8)	<u>1,405,490</u>	<u>1,048,295</u>	<u>169,472</u>	<u>178,272</u>
<u>Average Tax Accruals:</u>					
5	Property taxes	214,840 [3]	23,278 [7]	15,410 [11]	1,536 [15]
6	Average accrual (L5 x 1/2)	<u>107,420</u>	<u>11,639</u>	<u>7,705</u>	<u>768</u>
7	Regulatory fee	26,188 [4]	21,199 [8]	1,868 [12]	3,011 [16]
8	Average accrual (L7 x 1/5)	<u>5,238</u>	<u>4,240</u>	<u>374</u>	<u>602</u>
9	Total tax accrual (L6 + L8)	<u>112,658</u>	<u>15,879</u>	<u>8,079</u>	<u>1,370</u>
10	Total cash working capital (L4 - L9)	<u>\$1,292,832</u>	<u>\$1,032,416</u>	<u>\$161,393</u>	<u>\$176,902</u>

<p>[1] Feasel Exhibit I, Schedule 3(a), Column (c), Line 15 minus Line 7. [2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 24. [3] Feasel Exhibit I, Schedule 3(a), Column (c), Line 30. [4] Feasel Exhibit I, Schedule 3(a), Column (c), Line 32. [5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 15 minus Line 7. [6] Feasel Exhibit I, Schedule 3(b), Column (c), Line 24. [7] Feasel Exhibit I, Schedule 3(b), Column (c), Line 30. [8] Feasel Exhibit I, Schedule 3(b), Column (c), Line 32.</p>	<p>[9] Feasel Exhibit I, Schedule 3(c), Column (c), Line 15 minus Line 7. [10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 24. [11] Feasel Exhibit I, Schedule 3(c), Column (c), Line 30. [12] Feasel Exhibit I, Schedule 3(c), Column (c), Line 32. [13] Feasel Exhibit I, Schedule 3(d), Column (c), Line 15 minus Line 7. [14] Feasel Exhibit I, Schedule 3(d), Column (c), Line 24. [15] Feasel Exhibit I, Schedule 3(d), Column (c), Line 30. [16] Feasel Exhibit I, Schedule 3(d), Column (c), Line 32.</p>
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CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-4

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations		
		CIAC (a)	Accumulated Amortization (b)	CIAC, Net of Amortization [2] (c)	CIAC (d)	Accumulated Amortization (e)	CIAC, Net of Amortization [3] (f)
1	CIAC and accumulated amortization per application	<u>(\$29,116,630)</u>	<u>\$12,098,627</u>	<u>(\$17,018,003)</u>	<u>(\$28,458,558)</u>	<u>\$11,409,318</u>	<u>(\$17,049,240)</u>
2	Adjustment to include company updates 10.08.2021	(286,025)	291,711	5,686	(233,911)	260,927	27,017
3	CIAC and accumulated amortization after adjusted for company updates (L1 + L2)	(29,402,655)	12,390,338	(17,012,317)	(28,692,469)	11,670,246	(17,022,223)
4	Remove Company adjustment (-L2)	286,025	(291,711)	(5,686)	233,911	(260,927)	(27,017)
5	Adjustment to include actual general ledger additions through 9/30/2021	(302,218) [1]	350,409 [1]	48,190	(250,044) [1]	313,202 [1]	63,159
6	Adjustment to reclassify the CIAC gross up tax			0	17,655 [1]	(5,420) [1]	12,235
7	Adjustment to reflect annual level of amortization	<u>0</u>	<u>25,621 [1]</u>	<u>25,621</u>	<u>0</u>	<u>(39,469) [1]</u>	<u>(39,469)</u>
8	Adjustment to CIAC (L2 + L4 + L5 + L6 + L7)	<u>(302,218)</u>	<u>376,029</u>	<u>73,811</u>	<u>(232,388)</u>	<u>268,313</u>	<u>35,925</u>
9	CIAC per Public Staff (L1 + L8)	<u>(\$29,418,848)</u>	<u>\$12,474,656</u>	<u>(\$16,944,192)</u>	<u>(\$28,690,946)</u>	<u>\$11,677,631</u>	<u>(\$17,013,315)</u>

- [1] Per examination of Company's financial records.
- [2] Column (a) plus Column (b).
- [3] Column (d) plus Column (e).
- [4] Column (g) plus Column (h).
- [5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
CONSTRUCTION, NET OF AMORTIZATION**
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-4

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		CIAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization [4] (i)	CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization [5] (l)
1	CIAC and accumulated amortization per applica:	<u>(\$2,268,453)</u>	<u>\$1,220,442</u>	<u>(\$1,048,011)</u>	<u>(\$7,106,629)</u>	<u>\$3,258,550</u>	<u>(\$3,848,079)</u>
2	Adjustment to include company updates 10.08.:	<u>(39,889)</u>	<u>16,695</u>	<u>(23,194)</u>	<u>(2,542)</u>	<u>60,443</u>	<u>57,901</u>
3	CIAC and accumulated amortization after adjusted for company updates (L1 + L2)	<u>(2,308,342)</u>	<u>1,237,137</u>	<u>(1,071,205)</u>	<u>(7,109,172)</u>	<u>3,318,993</u>	<u>(3,790,178)</u>
4	Remove Company adjustment (-L2)	<u>39,889</u>	<u>(16,695)</u>	<u>23,194</u>	<u>2,542</u>	<u>(60,443)</u>	<u>(57,901)</u>
5	Adjustment to include actual general ledger addi through 9/30/2021	<u>(41,289) [1]</u>	<u>20,068 [1]</u>	<u>(21,220)</u>	<u>(2,542) [1]</u>	<u>72,532 [1]</u>	<u>69,990</u>
6	Adjustment to reclassify the CIAC gross up tax			<u>0</u>			<u>0</u>
7	Adjustment to reflect annual level of amortizatio	<u>0</u>	<u>18,121 [1]</u>	<u>18,121</u>	<u>0</u>	<u>(14,900) [1]</u>	<u>(14,900)</u>
8	Adjustment to CIAC (L2 + L4 + L5 + L6 + L7)	<u>(41,289)</u>	<u>38,189</u>	<u>(3,100)</u>	<u>(2,542)</u>	<u>57,632</u>	<u>55,090</u>
9	CIAC per Public Staff (L1 + L8)	<u>(\$2,309,742)</u>	<u>\$1,258,631</u>	<u>(\$1,051,111)</u>	<u>(\$7,109,172)</u>	<u>\$3,316,182</u>	<u>(\$3,792,989)</u>

- [1] Per examination of Company's financial records.
- [2] Column (a) plus Column (b).
- [3] Column (d) plus Column (e).
- [4] Column (g) plus Column (h).
- [5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC. OF NC
 Docket No. W-354, Sub 384
**CALCULATION OF ACCUMULATED DEFERRED
 INCOME TAXES**
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 2-5(a)

CWSNC UNIFORM OPERATIONS

Line No.	Item	Total ADIT Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [3] (c)	CWS Uniform Water [7] (d)	CWS Uniform Sewer [7] (e)
1	ACCUM DEF INCOME TAX-FED	\$131,576	\$0	\$131,576	\$82,906	\$48,670
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	2,391,164	0	2,391,164	1,506,672	884,492
4	DEF FED TAX - RATE CASE	(181,948)	181,948	0 [4]	0 [8]	0 [8]
5	DEF FED TAX - DEF MAINT	(131,652)	(360,189)	(491,841) [4]	(271,791) [9]	(220,050) [9]
6	DEF FED TAX - ORGN EXP	(194,154)	0	(194,154)	(122,337)	(71,818)
7	DEF FED TAX - BAD DEBT	193,678	0	193,678	122,037	71,642
8	DEF FED TAX - Post TY Plant Additions	0	(5,176)	(5,176) [5]	(3,261) [10]	(1,915) [10]
9	DEF FED TAX - DEPRECIATIO	(11,253,164)	0	(11,253,164)	(5,959,676)	(5,293,488)
10	DEF FED TAX - NOL	3,628,290	0	3,628,290	2,286,185	1,342,104
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(5,416,211)</u>	<u>(183,416)</u>	<u>(5,599,628)</u>	<u>(2,359,265)</u>	<u>(3,240,363)</u>
12	ACCUM DEF INCOME TAX - ST	(442,419)	0	(442,419)	(278,768)	(163,651)
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	738,124	0	738,124	465,092	273,032
15	DEF ST TAX - RATE CASE	(22,216)	22,216	0 [6]	0 [8]	0 [8]
16	DEF ST TAX - DEF MAINT	(16,075)	(43,979)	(60,054) [6]	(33,186) [9]	(26,868) [9]
17	DEF ST TAX - ORGN EXP	(109,028)	0	(109,028)	(68,698)	(40,329)
18	DEF ST TAX - BAD DEBT	18,062	0	18,062	11,381	6,681
19	DEF ST TAX - Post TY Plant Additions	0	(632)	(632) [5]	(398) [10]	(234) [10]
20	DEF ST TAX - DEPRECIATION	(1,295,972)	0	(1,295,972)	(686,347)	(609,625)
21	DEF ST TAX - NOL	273,398	0	273,398	172,268	101,130
22	Total State ADIT (Sum of L12 thru L21)	<u>(856,127)</u>	<u>(22,395)</u>	<u>(878,522)</u>	<u>(418,656)</u>	<u>(459,864)</u>
23	Total Direct ADIT (L11 + L22)	(6,272,338)	(205,812)	(6,478,150)	(2,777,921)	(3,700,227)
24	ADIT allocated from WSC	(781)		(781)	(492)	(289)
25	Total ADIT (L23 + L24)	(6,273,119)	(205,812)	(6,478,931)	(2,778,413)	(3,700,516)
26	Excess deferred income tax	0	0	0	0	0
27	Total ADIT, after EDIT impact	<u>(\$6,273,119)</u>	<u>(\$205,812)</u>	<u>(\$6,478,931)</u>	<u>(\$2,778,413)</u>	<u>(\$3,700,516)</u>

[1] Form W-1, Item 10, Supplemental Schedules.
 [2] Column (c) minus Column (a), unless otherwise footnoted.
 [3] Column (a) plus Column (b), unless otherwise footnoted.
 [4] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.
 [5] Calculated ADIT impact based on Post TY Additions.
 [6] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.
 [7] Column (c) allocated based on customers, unless otherwise footnoted.
 [8] Column (c) allocated based on unamortized rate case expense.
 [9] Column (c) allocated based on unamortized deferred maintenance.
 [10] Column (c) allocated based on Post TY Additions.

CAROLINA WATER SERVICE, INC. OF NC
 Docket No. W-354, Sub 384
CALCULATION OF ACCUMULATED DEFERRED INCOME TAXES
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 2-5(b)

BF/FH/TC OPERATIONS

Line No.	Item	Total ADIT Per Updates [1]	Public Staff Adjustments [2]	Amount To Be Allocated Per Public Staff [3]	BF/FH/TC Water [7]	BF/FH Sewer [7]
		(a)	(b)	(c)	(d)	(e)
1	ACCUM DEF INCOME TAX-FED	\$127,750	\$0	\$127,750	\$63,160	\$64,591
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	262,717	0	262,717	129,887	132,830
4	DEF FED TAX - RATE CASE	(27,845)	27,845	0 [4]	0 [8]	0 [8]
5	DEF FED TAX - DEF MAINT	(15,227)	(32,786)	(48,013) [4]	(29,245) [9]	(18,768) [9]
6	DEF FED TAX - ORGN EXP	(18,554)	0	(18,554)	(9,173)	(9,381)
7	DEF FED TAX - BAD DEBT	30,161	0	30,161	14,911	15,249
8	DEF FED TAX - Post TY Plant Additions	0	(5,545)	(5,545) [5]	(2,741) [10]	(2,804) [10]
9	DEF FED TAX - DEPRECIATIO	(1,692,517)	0	(1,692,517)	(500,646)	(1,191,870)
10	DEF FED TAX - NOL	484,504	0	484,504	239,539	244,965
11	Total Federal ADIT (Sum of L1 thru L10)	(849,010)	(10,486)	(859,496)	(94,308)	(765,188)
12	ACCUM DEF INCOME TAX - ST	12,497	0	12,497	6,179	6,318
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	77,813	0	77,813	38,471	39,342
15	DEF ST TAX - RATE CASE	(3,400)	3,400	0 [6]	0 [8]	0 [8]
16	DEF ST TAX - DEF MAINT	(1,859)	(4,003)	(5,862) [6]	(3,571) [9]	(2,291) [9]
17	DEF ST TAX - ORGN EXP	(6,286)	0	(6,286)	(3,108)	(3,178)
18	DEF ST TAX - BAD DEBT	4,017	0	4,017	1,986	2,031
19	DEF ST TAX - Post TY Plant Additions	0	(678)	(678) [5]	(335) [10]	(343) [10]
20	DEF ST TAX - DEPRECIATION	(185,460)	0	(185,460)	(54,859)	(130,601)
21	DEF ST TAX - NOL	72,072	0	72,072	35,632	36,440
22	Total State ADIT (Sum of L12 thru L21)	(30,606)	(1,281)	(31,887)	20,395	(52,282)
23	Total Direct ADIT (L11 + L22)	(879,616)	(11,767)	(891,383)	(73,913)	(817,470)
24	ADIT allocated from WSC	(120)		(120)	(59)	(61)
25	Total ADIT (L23 + L24)	(879,736)	(11,767)	(891,503)	(73,972)	(817,531)
26	Excess deferred income tax	0	0	0	0	0
27	Total ADIT, after EDIT impact	(\$879,736)	(\$11,767)	(\$891,503)	(\$73,972)	(\$817,531)

[1] Form W-1, Item 10, Supplemental Schedules.
 [2] Column (c) minus Column (a), unless otherwise footnoted.
 [3] Column (a) plus Column (b), unless otherwise footnoted.
 [4] Total unamortized balance per Public Staff multiplied by federal income tax rate of 21%.
 [5] Calculated ADIT impact based on Post TY Additions.
 [6] Total unamortized balance per Public Staff multiplied by state income tax rate of 2.5%.
 [7] Column (c) allocated based on customers, unless otherwise footnoted.
 [8] Column (c) allocated based on unamortized rate case expense.
 [9] Column (c) allocated based on unamortized deferred maintenance.
 [10] Column (c) allocated based on Post TY Additions.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO CUSTOMER DEPOSITS

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2-6

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Customer deposits per updates	(\$178,310)	(\$99,193)	(\$19,338)	(\$16,965)
2	Adjustment to update customer deposits to 9/30/2021	<u>(35,930) [1]</u>	<u>(25,137) [1]</u>	<u>(3,435) [1]</u>	<u>(3,096) [1]</u>
3	Customer deposits per Public Staff (L1 + L2)	<u>(\$214,239)</u>	<u>(\$124,331)</u>	<u>(\$22,773)</u>	<u>(\$20,062)</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO GAIN ON SALE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2-7

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>
1	Gain on sale per updates	<u>\$0</u>	<u>\$0</u>
2	Gain on sale of systems sold to CMUD	(152,858) [1]	(77,871) [1]
3	Less: accumulated amortization	<u>152,858 [2]</u>	<u>77,871 [2]</u>
4	Gain on sale of systems, net of amortization (L2 + L3)	<u>0</u>	<u>0</u>
5	Gain on sale and flow back of taxes	<u>(196,947) [1]</u>	<u>(92,681) [1]</u>
6	Gain on sale per Public Staff (L4 + L5)	<u>(196,947)</u>	<u>(92,681)</u>
7	Adjustment to gain on sale (L6 - L1)	<u>(\$196,947)</u>	<u>(\$92,681)</u>
8	Gain on sale amortization expense per application	\$0 [1]	\$0 [1]
9	Gain on sale amortization expense per Public Staff	<u>0 [3]</u>	<u>0 [3]</u>
10	Adjustment to gain on sale amortization expense (L9 - L8)	<u>\$0</u>	<u>\$0</u>

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

[2] Gain on sale of systems sold to CMUD fully amortized by March 31, 2022.

[3] Calculated \$0 amortization expense due to fully amortized gain on sale of systems sold to CMUD.

CAROLINA WATER SERVICE, INC., OF NC
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ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-8

Line No.	Item	CWSNC Water Operations			CWSNC Sewer Operations		
		PAA (a)	Accumulated Amortization (b)	PAA, Net of Amortization [2] (c)	PAA (d)	Accumulated Amortization (e)	PAA, Net of Amortization [3] (f)
1	PAA and accumulated amortization per application	(\$4,221,508)	\$2,275,465	(\$1,946,044)	(\$627,070)	\$978,911	\$351,841
2	Adjustment to include company updates 10.08.2021	\$0 [1]	\$0	\$0	\$0	\$0	\$0
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	(\$4,221,508)	\$2,275,465	(\$1,946,044)	(\$627,070)	\$978,911	\$351,841
4	Adjustment to include actual general ledger additions through 9/30/2021	0	51,421 [1]	51,421	0	17,930 [1]	17,930
5	Adjustment to reflect annual level of amortization	0	15,925 [1]	15,925	0	(18,428) [1]	(18,428)
6	Total adjustment to PAA (L2 + L4 + L5)	0	67,346	67,346	0	(498)	(498)
7	PAA per Public Staff (L1 + L6)	(\$4,221,508)	\$2,342,811	(\$1,878,698)	(\$627,070)	\$978,413	\$351,344

- [1] Per examination of Company's financial records.
- [2] Column (a) plus Column (b).
- [3] Column (d) plus Column (e).
- [4] Column (g) plus Column (h).
- [5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO PURCHASE ACQUISITION
ADJUSTMENT, NET OF AMORTIZATION
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-8

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		PAA (g)	Accumulated Amortization (h)	PAA, Net of Amortization [4] (i)	PAA (j)	Accumulated Amortization (k)	PAA, Net of Amortization [5] (l)
1	PAA and accumulated amortization per application	\$607,431	(\$609,477)	(\$2,046)	\$1,680,077	(\$775,940)	\$904,137
2	Adjustment to include company updates 10.08.2021	0	0	0	0	0	0
3	PAA and accumulated amortization after adjusted for company updates (L1 + L2)	\$607,431	(\$609,477)	(\$2,046)	\$1,680,077	(\$775,940)	\$904,137
4	Adjustment to include actual general ledger additions through 9/30/2021	0	(5,837) [1]	(5,837)	0	(15,115) [1]	(15,115)
5	Adjustment to reflect annual level of amortization	0	(2,174) [1]	(2,174)	0	(13,621) [1]	(13,621)
6	Total adjustment to PAA (L2 + L4 + L5)	0	(8,010)	(8,010)	0	(28,735)	(28,735)
7	PAA per Public Staff (L1 + L6)	<u>\$607,431</u>	<u>(\$617,488)</u>	<u>(\$10,057)</u>	<u>\$1,680,077</u>	<u>(\$804,675)</u>	<u>\$875,401</u>

- [1] Per examination of Company's financial records.
[2] Column (a) plus Column (b).
[3] Column (d) plus Column (e).
[4] Column (g) plus Column (h).
[5] Column (j) plus Column (k).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF DEFERRED CHARGES

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2-9

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Unamortized deferred maintenance - water	\$1,327,353 [1]	\$0	\$142,829 [3]	\$0
2	Unamortized deferred maintenance - sewer	<u>0</u>	<u>1,074,799</u> [2]	<u>0</u>	<u>91,666</u> [4]
3	Unamortized deferred charges per Public Staff (L1 + L2)	<u>\$1,327,353</u>	<u>\$1,074,799</u>	<u>\$142,829</u>	<u>\$91,666</u>

[1] Feasel Exhibit I, Schedule 2-9(a), Column (f), Line 5.

[2] Feasel Exhibit I, Schedule 2-9(a), Column (f), Line 7 plus Line 8.

[3] Feasel Exhibit I, Schedule 2-9(a), Column (f), Line 14.

[4] Feasel Exhibit I, Schedule 2-9(a), Column (f), Line 17.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
CALCULATION OF DEFERRED MAINTENANCE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-9(a)

Line No.	Item	Total Cost Per Public Staff [1] (a)	Amortization Period In Years [1] (b)	Date Amortization Began [1] (c)	Annual Amortization [2] (d)	Accumulated Amortization [3] (e)	Unamortized Balance [4] (f)
<u>Deferred maintenance - CWSNC Uniform Water</u>							
1	Deferred elevated storage tank painting	\$779,037	10	Various	\$77,904	\$494,027	\$285,010
2	Deferred hydro storage tank painting	584,705	5	Various	116,941	483,707	100,998
3	Deferred hydro storage tank inspection	909,763	5	Various	181,953	706,826	202,937
4	Fusion Oracle ERP	915,162	9	Various	102,635	176,754	738,408
5	Total deferred maintenance - water (Sum of L1 thru L4)	<u>3,188,667</u>			<u>479,433</u>	<u>1,861,314</u>	<u>1,327,353</u>
<u>Deferred maintenance - CWSNC Uniform Sewer</u>							
6	Belvedere pump and haul	3,424,839	10	Various	342,484	3,082,938	341,901
7	WWTP	1,065,076	5	Various	213,015	428,812	636,264
8	Fusion Oracle ERP	543,508	9	Various	60,390	104,973	438,535
9	Total deferred maintenance - sewer (L6 + L7 + L8)	<u>5,033,423</u>			<u>615,889</u>	<u>3,616,722</u>	<u>1,416,701</u>
<u>Deferred maintenance - BF/FH/TC Water</u>							
10	Deferred elevated storage tank painting	66,028	10	Various	6,603	30,813	35,215
11	Deferred hydro storage tank painting	36,500	5	Various	7,300	36,500	0
12	Deferred hydro storage tank inspection	61,139	5	Various	12,228	43,173	17,967
13	Fusion Oracle ERP	111,106	9	Various	12,345	21,459	89,647
14	Total deferred maintenance - water (Sum of L10 thru L13)	<u>274,773</u>			<u>38,476</u>	<u>131,945</u>	<u>142,829</u>
<u>Deferred maintenance - BF/FH Sewer</u>							
15	WWTP	110,492	5	Various	22,098	110,492	0
16	Fusion Oracle ERP	113,608	9	Various	12,623	21,942	91,666
17	Total deferred maintenance - sewer (L15 + L16)	<u>224,099</u>			<u>34,721</u>	<u>132,434</u>	<u>91,666</u>
18	Total deferred maintenance (L5 + L9 +L14 +L17)	<u>\$8,720,962</u>			<u>\$1,168,519</u>	<u>\$5,742,414</u>	<u>\$2,978,548</u>

[1] Per examination of Company's financial records.
 [2] Column (a) divided by Column (b).
 [3] Total monthly amortization through March 31, 2022.
 [4] Column (a) minus Column (e).

CAROLINA WATER SERVICE, INC., OF NC
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NET OPERATING INCOME FOR A RETURN
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3(a)
Page 1 of 2

CWSNC WATER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates			Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [30]	Operations After Rate Increase [31]	Net Public Staff Increase [37]	Operations After Rate Increase [38]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues:									
1	Service revenues	\$19,985,529	(\$3,728)	\$19,981,801 [3]	\$1,961,211	\$21,943,012 [3]	\$1,433,268	\$21,415,069 [39]	
2	Miscellaneous revenues	160,294	68,795	229,089 [4]	6,276	235,365 [32]	4,586	233,675 [40]	
3	Uncollectible accounts	(209,832)	143,892	(65,940) [5]	(6,472)	(72,412) [33]	(4,730)	(70,670) [41]	
4	Total operating revenues (Sum of L1 thru L3)	19,935,991	208,959	20,144,950	1,961,015	22,105,965	1,433,124	21,578,074	
Maintenance Expenses:									
5	Salaries and wages	0	0	0	0	0	0	0	
6	Purchased power	1,073,381	(60,146)	1,013,235 [6]	0	1,013,235	0	1,013,235	
7	Purchased water	1,588,925	(47,293)	1,541,632 [7]	0	1,541,632	0	1,541,632	
8	Maintenance and repair	1,135,405	81,431	1,216,836 [8]	0	1,216,836	0	1,216,836	
9	Maintenance testing	224,634	26,832	251,466 [9]	0	251,466	0	251,466	
10	Meter reading	215,163	(630)	214,533 [10]	0	214,533	0	214,533	
11	Chemicals	348,519	(3,503)	345,016 [11]	0	345,016	0	345,016	
12	Transportation	226,911	0	226,911	0	226,911	0	226,911	
13	Operating expenses charged to plant	(293,984)	18,158	(275,825) [12]	0	(275,825)	0	(275,825)	
14	Outside services - other	4,008	0	4,008	0	4,008	0	4,008	
15	Total maintenance expenses (Sum of L5 thru L14)	4,522,963	14,849	4,537,813	0	4,537,813	0	4,537,813	
General Expenses:									
16	Salaries and wages	3,606,564	(128,211)	3,478,353 [13]	0	3,478,353	0	3,478,353	
17	Office supplies and other office expense	338,397	(17,645)	320,752 [14]	0	320,752	0	320,752	
18	Regulatory commission expense	200,509	(49,905)	150,604 [15]	0	150,604	0	150,604	
19	Pension and other benefits	718,543	7,825	726,368 [16]	0	726,368	0	726,368	
20	Rent	140,769	(3,112)	137,657 [17]	0	137,657	0	137,657	
21	Insurance	663,129	(18,165)	644,964 [18]	0	644,964	0	644,964	
22	Office utilities	208,126	(239)	207,887 [19]	0	207,887	0	207,887	
23	Miscellaneous	2,597,136	(15,985)	2,581,151 [20]	0	2,581,151	0	2,581,151	
24	Total general expenses (Sum of L16 thru L23)	8,473,173	(225,437)	8,247,736	0	8,247,736	0	8,247,736	
Depreciation and Taxes:									
25	Depreciation expense	3,490,487	(59,076)	3,431,411 [21]	0	3,431,411	0	3,431,411	
26	Amortization of CIAC	(700,669)	(20,646)	(721,315) [22]	0	(721,315)	0	(721,315)	
27	Amortization of PAA	(102,531)	(12,716)	(115,247) [23]	0	(115,247)	0	(115,247)	
28	Amortization of ITC	(326)	0	(326)	0	(326)	0	(326)	
29	Franchise and other taxes	71,356	0	71,356	0	71,356	0	71,356	
30	Property taxes	214,908	(68)	214,840 [24]	0	214,840	0	214,840	
31	Payroll taxes	278,147	(8,668)	269,479 [25]	0	269,479	0	269,479	
32	Regulatory fee	29,339	(3,151)	26,188 [26]	2,550	28,738 [34]	1,863	28,051 [42]	
33	Deferred Income Tax	0	(26,057)	(26,057) [27]	0	(26,057)	0	(26,057)	
34	State income tax	115,860	(52,697)	63,163 [28]	48,961	112,124 [35]	35,781	98,944 [43]	
35	Federal income tax	948,894	(431,592)	517,302 [29]	400,996	918,298 [36]	293,051	810,353 [44]	
36	Total depreciation and taxes (Sum of L25 thru L35)	4,345,465	(614,670)	3,730,795	452,507	4,183,302	330,695	4,061,490	
37	Total operating revenue deductions (L15 + L24 + L36)	17,341,601	(825,258)	16,516,343	452,507	16,968,850	330,695	16,847,038	
38	Net operating income for a return (L4 - L37)	\$2,594,390	\$1,034,217	\$3,628,607	\$1,508,508	\$5,137,115	\$1,102,429	\$4,731,036	

CAROLINA WATER SERVICE, INC., OF NC
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Feasel Exhibit I
Schedule 3(b)
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CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [26]	Operations After Rate Increase [27]	Net Public Staff Increase [33]	Operations After Rate Increase [34]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$15,942,434	\$270,397	\$16,212,831 [3]	\$1,777,781	\$17,990,612 [3]	\$834,873	\$17,047,704 [35]
2	Miscellaneous revenues	71,132	37,405	108,537 [4]	4,266	112,803 [28]	2,003	110,540 [36]
3	Uncollectible accounts	(89,447)	74,855	(14,592) [5]	(1,600)	(16,192) [29]	(751)	(15,343) [37]
4	Total operating revenues (Sum of L1 thru L3)	15,924,119	382,657	16,306,776	1,780,447	18,087,223	836,125	17,142,901
Maintenance Expenses:								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	791,824	(5,626)	786,198 [6]	0	786,198	0	786,198
7	Purchased sewer	925,737	0	925,737	0	925,737	0	925,737
8	Maintenance and repair	1,853,966	37,570	1,891,536 [7]	0	1,891,536	0	1,891,536
9	Maintenance testing	315,483	(23,786)	291,697 [8]	0	291,697	0	291,697
10	Meter reading	8,702	0	8,702	0	8,702	0	8,702
11	Chemicals	428,449	(0)	428,449	0	428,449	0	428,449
12	Transportation	119,562	0	119,562	0	119,562	0	119,562
13	Operating expenses charged to plant	(140,440)	(21,471)	(161,910) [9]	0	(161,910)	0	(161,910)
14	Outside services - other	53,428	0	53,428	0	53,428	0	53,428
15	Total maintenance expenses (Sum of L5 thru L14)	4,356,711	(13,313)	4,343,398	0	4,343,398	0	4,343,398
General Expenses:								
16	Salaries and wages	2,141,911	(100,106)	2,041,804 [10]	0	2,041,804	0	2,041,804
17	Office supplies and other office expense	188,394	(10,361)	178,033 [11]	0	178,033	0	178,033
18	Regulatory commission expense	117,027	(30,274)	86,753 [12]	0	86,753	0	86,753
19	Pension and other benefits	395,502	30,879	426,381 [13]	0	426,381	0	426,381
20	Rent	83,602	(2,356)	81,246 [14]	0	81,246	0	81,246
21	Insurance	393,827	(15,230)	378,597 [15]	0	378,597	0	378,597
22	Office utilities	230,765	(195)	230,570 [16]	0	230,570	0	230,570
23	Miscellaneous	1,554,276	(8,962)	1,545,314 [17]	0	1,545,314	0	1,545,314
24	Total general expenses (Sum of L16 thru L23)	5,105,305	(136,607)	4,968,698	0	4,968,698	0	4,968,698
Depreciation and Taxes:								
25	Depreciation expense	2,924,906	148,667	3,073,573 [18]	0	3,073,573	0	3,073,573
26	Amortization of CIAC	(622,894)	40,632	(582,263) [19]	0	(582,263)	0	(582,263)
27	Amortization of PAA	(34,048)	16,615	(17,433) [20]	0	(17,433)	0	(17,433)
28	Amortization of ITC	(193)	0	(193)	0	(193)	0	(193)
29	Franchise and other taxes	39,306	0	39,306	0	39,306	0	39,306
30	Property taxes	23,278	0	23,278	0	23,278	0	23,278
31	Payroll taxes	165,189	(7,004)	158,185 [21]	0	158,185	0	158,185
32	Regulatory fee	23,116	(1,917)	21,199 [22]	2,314	23,513 [30]	1,087	22,286 [38]
33	Deferred Income Tax	0	(34,710)	(34,710) [23]	0	(34,710)	0	(34,710)
34	State income tax	106,822	(37,674)	69,148 [24]	44,454	113,602 [31]	20,876	90,024 [39]
35	Federal income tax	874,870	(308,546)	566,324 [25]	364,072	930,396 [32]	170,974	737,298 [40]
36	Total depreciation and taxes (Sum of L25 thru L35)	3,500,351	(183,937)	3,316,415	410,840	3,727,255	192,937	3,509,352
37	Total operating revenue deductions (L15 + L24 + L36)	12,962,367	(333,856)	12,628,511	410,840	13,039,351	192,937	12,821,448
38	Net operating income for a return (L4 - L37)	\$2,961,753	\$716,512	\$3,678,265	\$1,369,607	\$5,047,872	\$643,188	\$4,321,453

CAROLINA WATER SERVICE, INC., OF NC
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BF/FH/TC WATER OPERATIONS

Line No.	Present Rates			Company Proposed Rates		Public Staff Recommended Rates		
	Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [26]	Operations After Rate Increase [27]	Net Public Staff Increase [33]	Operations After Rate Increase [34]	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues:								
1	Service revenues	\$1,432,484	\$320	\$1,432,804 [3]	\$424,082	\$1,856,886 [3]	\$374,843	\$1,807,647 [35]
2	Miscellaneous revenues	11,973	8,695	20,668 [4]	1,230	21,898 [28]	1,087	21,755 [36]
3	Uncollectible accounts	(34,412)	18,221	(16,191) [5]	(4,792)	(20,983) [29]	(4,235)	(20,426) [37]
4	Total operating revenues (Sum of L1 thru L3)	1,410,045	27,236	1,437,281	420,520	1,857,801	371,695	1,808,976
Maintenance Expenses:								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	75,078	0	75,078	0	75,078	0	75,078
7	Purchased water	12	(12)	0 [6]	0	0	0	0
8	Maintenance and repair	142,668	13,123	155,792 [7]	0	155,792	0	155,792
9	Maintenance testing	18,615	2,510	21,125 [8]	0	21,125	0	21,125
10	Meter reading	36,681	0	36,681	0	36,681	0	36,681
11	Chemicals	72,519	0	72,519	0	72,519	0	72,519
12	Transportation	28,981	0	28,981	0	28,981	0	28,981
13	Operating expenses charged to plant	(21,010)	(12,227)	(33,237) [9]	0	(33,237)	0	(33,237)
14	Outside services - other	9,862	0	9,862	0	9,862	0	9,862
15	Total maintenance expenses (Sum of L5 thru L14)	363,407	3,394	366,801	0	366,801	0	366,801
General Expenses:								
16	Salaries and wages	437,859	(18,716)	419,142 [10]	0	419,142	0	419,142
17	Office supplies and other office expense	42,039	(2,193)	39,847 [11]	0	39,847	0	39,847
18	Regulatory commission expense	24,930	(6,000)	18,930 [12]	0	18,930	0	18,930
19	Pension and other benefits	89,691	(2,163)	87,528 [13]	0	87,528	0	87,528
20	Rent	17,090	(1,349)	15,741 [14]	0	15,741	0	15,741
21	Insurance	82,201	(4,482)	77,719 [15]	0	77,719	0	77,719
22	Office utilities	16,449	(250)	16,199 [16]	0	16,199	0	16,199
23	Miscellaneous	315,701	(1,832)	313,868 [17]	0	313,868	0	313,868
24	Total general expenses (Sum of L16 thru L23)	1,025,958	(36,985)	988,974	0	988,974	0	988,974
Depreciation and Taxes:								
25	Depreciation expense	163,315	2,293	165,608 [18]	0	165,608	0	165,608
26	Amortization of CIAC	(38,608)	(19,298)	(57,905) [19]	0	(57,905)	0	(57,905)
27	Amortization of PAA	11,672	2,177	13,849 [20]	0	13,849	0	13,849
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	7,640	0	7,640	0	7,640	0	7,640
30	Property taxes	15,410	0	15,410	0	15,410	0	15,410
31	Payroll taxes	33,769	(1,296)	32,472 [21]	0	32,472	0	32,472
32	Regulatory fee	2,472	(604)	1,868 [22]	547	2,415 [30]	484	2,352 [38]
33	Deferred Income Tax	0	(693)	(693) [23]	0	(693)	0	(693)
34	State income tax	5,827	(10,277)	(4,450) [24]	10,499	6,049 [31]	9,280	4,830 [39]
35	Federal income tax	47,725	(84,169)	(36,444) [25]	85,989	49,545 [32]	76,005	39,561 [40]
36	Total depreciation and taxes (Sum of L25 thru L35)	249,222	(111,867)	137,356	97,035	234,391	85,769	223,125
37	Total operating revenue deductions (L15 + L24 + L36)	1,638,588	(145,458)	1,493,130	97,035	1,590,165	85,769	1,578,899
38	Net operating income for a return (L4 - L37)	(\$228,543)	\$172,694	(\$55,849)	\$323,485	\$267,636	\$285,926	\$230,077

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3(d)
Page 1 of 2

BF/FH SEWER OPERATIONS

Line No.	Item	Present Rates		Company Proposed Rates			Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [32]	Operations After Rate Increase [33]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues:									
1	Service revenues	\$2,290,044	\$5,970	\$2,296,014 [3]	\$311,348	\$2,607,362 [3]	\$246,172	\$2,542,186 [34]	
2	Miscellaneous revenues	12,064	8,307	20,371 [4]	778	21,149 [27]	615	20,986 [35]	
3	Uncollectible accounts	(15,446)	15,216	(230) [5]	(31)	(261) [28]	(24)	(254) [36]	
4	Total operating revenues (Sum of L1 thru L3)	2,286,662	29,493	2,316,155	312,095	2,628,250	246,763	2,562,918	
Maintenance Expenses:									
5	Salaries and wages	0	0	0	0	0	0	0	
6	Purchased power	135,856	0	135,856	0	135,856	0	135,856	
7	Purchased sewer	12	(12)	0 [6]	0	0	0	0	
8	Maintenance and repair	190,975	29,260	220,235 [7]	0	220,235	0	220,235	
9	Maintenance testing	29,106	(5,556)	23,550 [8]	0	23,550	0	23,550	
10	Meter reading	0	0	0	0	0	0	0	
11	Chemicals	25,561	0	25,561	0	25,561	0	25,561	
12	Transportation	29,069	0	29,069	0	29,069	0	29,069	
13	Operating expenses charged to plant	(48,982)	14,993	(33,989) [9]	0	(33,989)	0	(33,989)	
14	Outside services - other	(265)	0	(265)	0	(265)	0	(265)	
15	Total maintenance expenses (Sum of L5 thru L14)	361,331	38,685	400,016	0	400,016	0	400,016	
General Expenses:									
16	Salaries and wages	447,717	(19,095)	428,621 [10]	0	428,621	0	428,621	
17	Office supplies and other office expense	39,189	(2,166)	37,023 [11]	0	37,023	0	37,023	
18	Regulatory commission expense	25,612	(6,342)	19,270 [12]	0	19,270	0	19,270	
19	Pension and other benefits	90,670	(1,163)	89,507 [13]	0	89,507	0	89,507	
20	Rent	17,475	(1,378)	16,097 [14]	0	16,097	0	16,097	
21	Insurance	83,862	(4,386)	79,476 [15]	0	79,476	0	79,476	
22	Office utilities	35,246	0	35,246	0	35,246	0	35,246	
23	Miscellaneous	322,797	(1,873)	320,923 [16]	0	320,923	0	320,923	
24	Total general expenses (Sum of L16 thru L23)	1,062,566	(36,404)	1,026,163	0	1,026,163	0	1,026,163	
Depreciation and Taxes:									
25	Depreciation expense	421,903	10,279	432,181 [17]	0	432,181	0	432,181	
26	Amortization of CIAC	(123,987)	(6,131)	(130,118) [18]	0	(130,118)	0	(130,118)	
27	Amortization of PAA	30,229	13,621	43,850 [19]	0	43,850	0	43,850	
28	Amortization of ITC	0	0	0	0	0	0	0	
29	Franchise and other taxes	7,192	0	7,192	0	7,192	0	7,192	
30	Property taxes	1,536	0	1,536	0	1,536	0	1,536	
31	Payroll taxes	34,529	(1,322)	33,207 [20]	0	33,207	0	33,207	
32	Regulatory fee	3,496	(485)	3,011 [21]	406	3,417 [29]	321	3,332 [37]	
33	Deferred Income Tax	0	(7,668)	(7,668) [22]	0	(7,668)	0	(7,668)	
34	State income tax	16,391	(9,453)	6,938 [23]	7,793	14,731 [30]	6,161	13,099 [38]	
35	Federal income tax	134,245	(77,419)	56,826 [24]	63,818	120,644 [31]	50,459	107,285 [39]	
36	Total depreciation and taxes (Sum of L25 thru L35)	525,534	(78,580)	446,954	72,017	518,971	56,941	503,895	
37	Total operating revenue deductions (L15 + L24 + L36)	1,949,432	(76,299)	1,873,133	72,017	1,945,150	56,941	1,930,074	
38	Net operating income for a return (L4 - L37)	\$337,230	\$105,792	\$443,022	\$240,078	\$683,100	\$189,822	\$632,844	

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

FOOTNOTES TO SCHEDULE 3(a)

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3(a)
Page 2 of 2

CWSNC WATER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Darden.
- [4] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (a), Line 6.
- [6] Feasel Exhibit I, Schedule 3-4, Column (a), Line 5.
- [7] Feasel Exhibit I, Schedule 3-5, Column (a), Line 5.
- [8] Feasel Exhibit I, Schedule 3-6, Column (a), Line 8.
- [9] Feasel Exhibit I, Schedule 3-7, Column (a), Line 6.
- [10] Feasel Exhibit I, Schedule 3-8, Column (a), Line 6.
- [11] Based on reviewing of the Company's data.
- [12] Feasel Exhibit I, Schedule 3-9, Column (a), Line 6.
- [13] Feasel Exhibit I, Schedule 3-3, Column (a), Line 5.
- [14] Feasel Exhibit I, Schedule 3-10, Column (a), Line 8.
- [15] Feasel Exhibit I, Schedule 3-11, Column (d), Line 11.
- [16] Feasel Exhibit I, Schedule 3-12, Column (a), Line 5.
- [17] Feasel Exhibit I, Schedule 3-13, Column (a), Line 9.
- [18] Feasel Exhibit I, Schedule 3-14, Column (a), Line 10.
- [19] Feasel Exhibit I, Schedule 3-15, Column (a), Line 6.
- [20] Feasel Exhibit I, Schedule 3-16, Column (a), Line 9.
- [21] Feasel Exhibit I, Schedule 3-17, Column (a), Line 5.
- [22] Calculated based on the company's data.
- [23] Feasel Exhibit I, Schedule 3-17, Column (a), Line 13.
- [24] Feasel Exhibit I, Schedule 3-19, Column (a), Line 6.
- [25] Feasel Exhibit I, Schedule 3-18, Column (a), Line 5.
- [26] Line 4 Column (c) multiplied by 0.13%.
- [27] Calculated based on the Public Staff's workpaper.
- [28] Feasel Exhibit I, Schedule 3-20(a), Column (a), Line 16.
- [29] Feasel Exhibit I, Schedule 3-20(a), Column (a), Line 18.
- [30] Column (e) minus Column (c), unless otherwise footnoted.
- [31] Column (c) plus Column (d), unless otherwise footnoted.
- [32] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 8.
- [33] Feasel Exhibit I, Schedule 3-2, Column (a), Line 9.
- [34] Line 4 Column (e) multiplied by 0.13%.
- [35] Feasel Exhibit I, Schedule 3-20(a), Column (b), Line 16.
- [36] Feasel Exhibit I, Schedule 3-20(a), Column (b), Line 18.
- [37] Column (g) minus Column (c), unless otherwise footnoted.
- [38] Column (c) plus Column (f), unless otherwise footnoted.
- [39] Revenue requirement as calculated by the Public Staff.
- [40] Feasel Exhibit I, Schedule 3-1(a), Column (c), Line 12.
- [41] Feasel Exhibit I, Schedule 3-2, Column (a), Line 12.
- [42] Line 4 Column (g) multiplied by 0.13%.
- [43] Feasel Exhibit I, Schedule 3-20(a), Column (c), Line 16.
- [44] Feasel Exhibit I, Schedule 3-20(a), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**FOOTNOTES TO SCHEDULE 3(b)
For The Test Year Ended March 31, 2021**

Feasel Exhibit I
Schedule 3(b)
Page 2 of 2

CWSNC SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Darden.
- [4] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (b), Line 6.
- [6] Feasel Exhibit I, Schedule 3-4, Column (b), Line 5.
- [7] Feasel Exhibit I, Schedule 3-6, Column (b), Line 8.
- [8] Feasel Exhibit I, Schedule 3-7, Column (b), Line 6.
- [9] Feasel Exhibit I, Schedule 3-9, Column (b), Line 6.
- [10] Feasel Exhibit I, Schedule 3-3, Column (b), Line 5.
- [11] Feasel Exhibit I, Schedule 3-10, Column (b), Line 8.
- [12] Feasel Exhibit I, Schedule 3-11, Column (e), Line 11.
- [13] Feasel Exhibit I, Schedule 3-12, Column (b), Line 5.
- [14] Feasel Exhibit I, Schedule 3-13, Column (b), Line 9.
- [15] Feasel Exhibit I, Schedule 3-14, Column (b), Line 10.
- [16] Feasel Exhibit I, Schedule 3-15, Column (b), Line 6.
- [17] Feasel Exhibit I, Schedule 3-16, Column (b), Line 9.
- [18] Feasel Exhibit I, Schedule 3-17, Column (b), Line 5.
- [19] Calculated based on the company's data.
- [20] Feasel Exhibit I, Schedule 3-17, Column (b), Line 13.
- [21] Feasel Exhibit I, Schedule 3-18, Column (b), Line 5.
- [22] Line 4 Column (c) multiplied by 0.13%.
- [23] Calculated based on the Public Staff's workpaper.
- [24] Feasel Exhibit I, Schedule 3-20(b), Column (a), Line 16.
- [25] Feasel Exhibit I, Schedule 3-20(b), Column (a), Line 18.
- [26] Column (e) minus Column (c), unless otherwise footnoted.
- [27] Column (c) plus Column (d), unless otherwise footnoted.
- [28] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 8.
- [29] Feasel Exhibit I, Schedule 3-2, Column (b), Line 9.
- [30] Line 4 Column (e) multiplied by 0.13%.
- [31] Feasel Exhibit I, Schedule 3-20(b), Column (b), Line 16.
- [32] Feasel Exhibit I, Schedule 3-20(b), Column (b), Line 18.
- [33] Column (g) minus Column (c), unless otherwise footnoted.
- [34] Column (c) plus Column (f), unless otherwise footnoted.
- [35] Revenue requirement as calculated by the Public Staff.
- [36] Feasel Exhibit I, Schedule 3-1(b), Column (c), Line 12.
- [37] Feasel Exhibit I, Schedule 3-2, Column (b), Line 12.
- [38] Line 4 Column (g) multiplied by 0.13%.
- [39] Feasel Exhibit I, Schedule 3-20(b), Column (c), Line 16.
- [40] Feasel Exhibit I, Schedule 3-20(b), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**FOOTNOTES TO SCHEDULE 3(c)
For The Test Year Ended March 31, 2021**

Feasel Exhibit I
Schedule 3(c)
Page 2 of 2

BF/FH/TC WATER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Darden.
- [4] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (c), Line 6.
- [6] Feasel Exhibit I, Schedule 3-5, Column (c), Line 5.
- [7] Feasel Exhibit I, Schedule 3-6, Column (c), Line 8.
- [8] Feasel Exhibit I, Schedule 3-7, Column (c), Line 6.
- [9] Feasel Exhibit I, Schedule 3-9, Column (c), Line 6.
- [10] Feasel Exhibit I, Schedule 3-3, Column (c), Line 5.
- [11] Feasel Exhibit I, Schedule 3-10, Column (c), Line 8.
- [12] Feasel Exhibit I, Schedule 3-11, Column (f), Line 11.
- [13] Feasel Exhibit I, Schedule 3-12, Column (c), Line 5.
- [14] Feasel Exhibit I, Schedule 3-13, Column (c), Line 9.
- [15] Feasel Exhibit I, Schedule 3-14, Column (c), Line 10.
- [16] Feasel Exhibit I, Schedule 3-15, Column (c), Line 6.
- [17] Feasel Exhibit I, Schedule 3-16, Column (c), Line 9.
- [18] Feasel Exhibit I, Schedule 3-17, Column (c), Line 5.
- [19] Calculated based on the company's data.
- [20] Feasel Exhibit I, Schedule 3-17, Column (c), Line 13.
- [21] Feasel Exhibit I, Schedule 3-18, Column (c), Line 5.
- [22] Line 4 Column (c) multiplied by 0.13%.
- [23] Calculated based on the Public Staff's workpaper.
- [24] Feasel Exhibit I, Schedule 3-20(c), Column (a), Line 16.
- [25] Feasel Exhibit I, Schedule 3-20(c), Column (a), Line 18.
- [26] Column (e) minus Column (c), unless otherwise footnoted.
- [27] Column (c) plus Column (d), unless otherwise footnoted.
- [28] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 8.
- [29] Feasel Exhibit I, Schedule 3-2, Column (c), Line 9.
- [30] Line 4 Column (e) multiplied by 0.13%.
- [31] Feasel Exhibit I, Schedule 3-20(c), Column (b), Line 16.
- [32] Feasel Exhibit I, Schedule 3-20(c), Column (b), Line 18.
- [33] Column (g) minus Column (c), unless otherwise footnoted.
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- [35] Revenue requirement as calculated by the Public Staff.
- [36] Feasel Exhibit I, Schedule 3-1(c), Column (c), Line 12.
- [37] Feasel Exhibit I, Schedule 3-2, Column (c), Line 12.
- [38] Line 4 Column (g) multiplied by 0.13%.
- [39] Feasel Exhibit I, Schedule 3-20(c), Column (c), Line 16.
- [40] Feasel Exhibit I, Schedule 3-20(c), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

FOOTNOTES TO SCHEDULE 3(d)

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3(d)
Page 2 of 2

BF/FH SEWER OPERATIONS

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Based on the recommendation of Public Staff Engineer Darden.
- [4] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 4.
- [5] Feasel Exhibit I, Schedule 3-2, Column (d), Line 6.
- [6] Feasel Exhibit I, Schedule 3-5, Column (d), Line 5.
- [7] Feasel Exhibit I, Schedule 3-6, Column (d), Line 8.
- [8] Feasel Exhibit I, Schedule 3-7, Column (d), Line 6.
- [9] Feasel Exhibit I, Schedule 3-9, Column (d), Line 6.
- [10] Feasel Exhibit I, Schedule 3-3, Column (d), Line 5.
- [11] Feasel Exhibit I, Schedule 3-10, Column (d), Line 8.
- [12] Feasel Exhibit I, Schedule 3-11, Column (g), Line 11.
- [13] Feasel Exhibit I, Schedule 3-12, Column (d), Line 5.
- [14] Feasel Exhibit I, Schedule 3-13, Column (d), Line 9.
- [15] Feasel Exhibit I, Schedule 3-14, Column (d), Line 10.
- [16] Feasel Exhibit I, Schedule 3-16, Column (d), Line 9.
- [17] Feasel Exhibit I, Schedule 3-17, Column (d), Line 5.
- [18] Calculated based on the company's data.
- [19] Feasel Exhibit I, Schedule 3-17, Column (d), Line 13.
- [20] Feasel Exhibit I, Schedule 3-18, Column (d), Line 5.
- [21] Line 4 Column (c) multiplied by 0.13%.
- [22] Calculated based on the Public Staff's workpaper.
- [23] Feasel Exhibit I, Schedule 3-20(d), Column (a), Line 16.
- [24] Feasel Exhibit I, Schedule 3-20(d), Column (a), Line 18.
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 8.
- [28] Feasel Exhibit I, Schedule 3-2, Column (d), Line 9.
- [29] Line 4 Column (e) multiplied by 0.13%.
- [30] Feasel Exhibit I, Schedule 3-20(d), Column (b), Line 16.
- [31] Feasel Exhibit I, Schedule 3-20(d), Column (b), Line 18.
- [32] Column (g) minus Column (c), unless otherwise footnoted.
- [33] Column (c) plus Column (f), unless otherwise footnoted.
- [34] Revenue requirement as calculated by the Public Staff.
- [35] Feasel Exhibit I, Schedule 3-1(d), Column (c), Line 12.
- [36] Feasel Exhibit I, Schedule 3-2, Column (d), Line 12.
- [37] Line 4 Column (g) multiplied by 0.13%.
- [38] Feasel Exhibit I, Schedule 3-20(d), Column (c), Line 16.
- [39] Feasel Exhibit I, Schedule 3-20(d), Column (c), Line 18.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-1(a)

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$62,155 [1]	\$1,787	\$63,942 [5]
2	Other water/sewer revenues	98,139 [1]	19,014	117,153 [6]
3	Sale of utility property	0 [1]	47,994	47,994 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$160,294</u>	<u>\$68,795</u>	<u>\$229,089</u>
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$63,942 [2]	\$6,276	\$70,218 [8]
6	Other water/sewer revenues	117,153 [2]	0	117,153
7	Sale of utility property	47,994 [2]	0	47,994
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$229,089</u>	<u>\$6,276</u>	<u>\$235,365</u>
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$63,942 [2]	\$4,586	\$68,528 [9]
10	Other water/sewer revenues	117,153 [2]	0	117,153
11	Sale of utility property	47,994 [2]	0	47,994
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$229,089</u>	<u>\$4,586</u>	<u>\$233,675</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 6.
- [6] Update other revenues through September 2021 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 9.
- [9] Feasel Exhibit I, Schedule 3-1(a)(1), Column (a), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-1(b)

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments [3] (b)		Amount Per Public Staff [4] (c)
<u>Present Rates:</u>						
1	Forfeited discounts	\$38,422	[1]	\$489		\$38,911
2	Other water/sewer revenues	32,711	[1]	10,061		42,771
3	Sale of utility property	0	[1]	26,854		26,854
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$71,132</u>		<u>\$37,405</u>		<u>\$108,537</u>
<u>Company Proposed Rates:</u>						
5	Forfeited discounts	\$38,911	[2]	\$4,266		\$43,177
6	Other water/sewer revenues	42,771	[2]	0		42,771
7	Sale of utility property	26,854	[2]	0		26,854
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$108,537</u>		<u>\$4,266</u>		<u>\$112,803</u>
<u>Public Staff Recommended Rates:</u>						
9	Forfeited discounts	\$38,911	[2]	\$2,003		\$40,914
10	Other water/sewer revenues	42,771	[2]	0		42,771
11	Sale of utility property	26,854	[2]	0		26,854
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$108,537</u>		<u>\$2,003</u>		<u>\$110,540</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 6.
- [6] Update other revenues through September 2021 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 9.
- [9] Feasel Exhibit I, Schedule 3-1(a)(1), Column (b), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$4,082 [1]	\$73	\$4,155 [5]
2	Other water/sewer revenues	7,890 [1]	2,167	10,057 [6]
3	Sale of utility property	0 [1]	6,456	6,456 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$11,973</u>	<u>\$8,696</u>	<u>\$20,668</u>
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$4,155 [2]	\$1,230	\$5,385 [8]
6	Other water/sewer revenues	10,057 [2]	0	10,057
7	Sale of utility property	6,456 [2]	0	6,456
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$20,668</u>	<u>\$1,230</u>	<u>\$21,898</u>
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$4,155 [2]	\$1,087	\$5,242 [9]
10	Other water/sewer revenues	10,057 [2]	0	10,057
11	Sale of utility property	6,456 [2]	0	6,456
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$20,668</u>	<u>\$1,087</u>	<u>\$21,755</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 6.
- [6] Update other revenues through September 2021 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 9.
- [9] Feasel Exhibit I, Schedule 3-1(a)(1), Column (c), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-1(d)

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$5,565 [1]	\$175	\$5,740 [5]
2	Other water/sewer revenues	6,500 [1]	1,555	8,054 [6]
3	Sale of utility property	0 [1]	6,577	6,577 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$12,064</u>	<u>\$8,307</u>	<u>\$20,371</u>
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$5,740 [2]	\$778	\$6,518 [8]
6	Other water/sewer revenues	8,054 [2]	0	8,054
7	Sale of utility property	6,577 [2]	0	6,577
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$20,371</u>	<u>\$778</u>	<u>\$21,149</u>
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$5,740 [2]	\$615	\$6,355 [9]
10	Other water/sewer revenues	8,054 [2]	0	8,054
11	Sale of utility property	6,577 [2]	0	6,577
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$20,371</u>	<u>\$615</u>	<u>\$20,986</u>

- [1] Per examination of Company's financial records.
- [2] Adjusted amount per Public Staff, Column (c), Lines 1 thru 3.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 6.
- [6] Update other revenues through September 2021 per Company's information.
- [7] Added missing other revenue per examination of Company's records
- [8] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 9.
- [9] Feasel Exhibit I, Schedule 3-1(a)(1), Column (d), Line 12.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
CALCULATION OF FORFEITED DISCOUNTS
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-1(a)(1)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$19,514,827 [1]	\$15,798,921 [1]	\$1,416,761 [1]	\$2,261,289 [1]
2	Forfeited discounts	62,155 [1]	38,422 [1]	4,082 [1]	5,565 [1]
3	Forfeited discounts percentage (L2 / L1)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
Present Rates:					
4	Service revenues	\$19,981,801 [2]	\$16,212,831 [5]	\$1,432,804 [8]	\$2,296,014 [11]
5	Forfeited discounts percentage (L3)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
6	Forfeited discounts (L4 x L5)	<u>\$63,942</u>	<u>\$38,911</u>	<u>\$4,155</u>	<u>\$5,740</u>
Company Proposed Rates:					
7	Service revenues	\$21,943,012 [3]	\$17,990,612 [6]	\$1,856,886 [9]	\$2,607,362 [12]
8	Forfeited discounts percentage (L3)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
9	Forfeited discounts (L7 x L8)	<u>\$70,218</u>	<u>\$43,177</u>	<u>\$5,385</u>	<u>\$6,518</u>
Public Staff Recommended Rates:					
10	Service revenues	\$21,415,069 [4]	\$17,047,704 [7]	\$1,807,647 [10]	\$2,542,186 [13]
11	Forfeited discounts percentage (L3)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
12	Forfeited discounts (L10 x L11)	<u>\$68,528</u>	<u>\$40,914</u>	<u>\$5,242</u>	<u>\$6,355</u>

[1] Per examination of Company's financial records.
[2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
[3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
[4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
[5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
[6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
[7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

[8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
[9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
[10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
[11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
[13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
CALCULATION OF UNCOLLECTIBLE ACCOUNTS
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 3-2

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$19,514,827 [1]	\$15,798,921 [1]	\$1,416,761 [1]	\$2,261,289 [1]
2	Uncollectible accounts	<u>64,922 [1]</u>	<u>13,760 [1]</u>	<u>16,041 [1]</u>	<u>124 [1]</u>
3	Uncollectible accounts percentage (L2 / L1)	<u>0.33%</u>	<u>0.09%</u>	<u>1.13%</u>	<u>0.01%</u>
Present Rates:					
4	Service revenues	\$19,981,801 [2]	\$16,212,831 [5]	\$1,432,804 [8]	\$2,296,014 [11]
5	Uncollectible accounts percentage (L3)	<u>0.33%</u>	<u>0.09%</u>	<u>1.13%</u>	<u>0.01%</u>
6	Uncollectible accounts (L4 x L5)	<u>\$65,940</u>	<u>\$14,592</u>	<u>\$16,191</u>	<u>\$230</u>
Company Proposed Rates:					
7	Service revenues	\$21,943,012 [3]	\$17,990,612 [6]	\$1,856,886 [9]	\$2,607,362 [12]
8	Uncollectible accounts percentage (L3)	<u>0.33%</u>	<u>0.09%</u>	<u>1.13%</u>	<u>0.01%</u>
9	Uncollectible accounts (L7 x L8)	<u>\$72,412</u>	<u>\$16,192</u>	<u>\$20,983</u>	<u>\$261</u>
Public Staff Recommended Rates:					
10	Service revenues	\$21,415,069 [4]	\$17,047,704 [7]	\$1,807,647 [10]	\$2,542,186 [13]
11	Uncollectible accounts percentage (L3)	<u>0.33%</u>	<u>0.09%</u>	<u>1.13%</u>	<u>0.01%</u>
12	Uncollectible accounts (L10 x L11)	<u>\$70,670</u>	<u>\$15,343</u>	<u>\$20,426</u>	<u>\$254</u>

[1] Per examination of Company's financial records.
 [2] Feasel Exhibit I, Schedule 3(a), Column (c), Line 1.
 [3] Feasel Exhibit I, Schedule 3(a), Column (e), Line 1.
 [4] Feasel Exhibit I, Schedule 3(a), Column (g), Line 1.
 [5] Feasel Exhibit I, Schedule 3(b), Column (c), Line 1.
 [6] Feasel Exhibit I, Schedule 3(b), Column (e), Line 1.
 [7] Feasel Exhibit I, Schedule 3(b), Column (g), Line 1.

[8] Feasel Exhibit I, Schedule 3(c), Column (c), Line 1.
 [9] Feasel Exhibit I, Schedule 3(c), Column (e), Line 1.
 [10] Feasel Exhibit I, Schedule 3(c), Column (g), Line 1.
 [11] Feasel Exhibit I, Schedule 3(d), Column (c), Line 1.
 [12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 1.
 [13] Feasel Exhibit I, Schedule 3(d), Column (g), Line 1.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO SALARY AND WAGES GENERAL
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-3

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Nov 05 2021

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Salaries & Wages general per application	<u>\$ 3,235,827</u>	<u>\$1,919,737</u>	<u>\$393,282</u>	<u>\$400,363</u>
2	Adjustment to include company 10.08.2021 updates	370,737	222,174	44,576	47,354
3	Salaries & Wages general adjusted for company updates (L1 + L2)	3,606,564	2,141,911	437,859	447,717
4	Adjustments to update employee salaries through September 30, 2021	<u>(128,211) [1]</u>	<u>(100,106) [1]</u>	<u>(18,716) [1]</u>	<u>(19,095) [1]</u>
5	Salaries & Wages general per Public Staff (L3 + L4)	<u>\$ 3,478,353</u>	<u>\$ 2,041,804</u>	<u>\$ 419,142</u>	<u>\$ 428,621</u>

[1] Per examination of the company's financial records

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PURCHASE POWER

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-4

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH/TC Sewer (d)</u>
1	Purchase power per application	<u>\$1,073,381</u>	<u>\$791,824</u>	<u>\$75,078</u>	<u>\$135,856</u>
2	Adjustment to include company 10.08.2021 updates	-	-	-	-
3	Purchase power after the Company's 10.08.21 updates (L1 + L2)	1,073,381	791,824	75,078	135,856
4	Adjustment to remove ineligible expenses	<u>(60,146)</u> [1]	<u>(5,626)</u> [1]	-	-
5	Purchase power per Public Staff (L3 + L4)	<u>\$ 1,013,235</u>	<u>\$ 786,198</u>	<u>\$ 75,078</u>	<u>\$ 135,856</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PURCHASE WATER SEWER

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-5

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH/TC Sewer</u> (d)
1	Purchase service per application	<u>\$1,524,234</u>	<u>\$878,747</u>	<u>\$12</u>	<u>\$12</u>
2	Adjustment to include company 10.08.2021 updates	64,691	46,991	-	-
3	Purchase service after adjusted for company updates (L1 + L2)	<u>1,588,925</u>	<u>925,737</u>	<u>12</u>	<u>12</u>
4	Adjustment for water loss	<u>(47,293)</u> [1]	<u> </u>	<u>(12)</u> [1]	<u>(12)</u> [1]
5	Purchase service per Public Staff (L3 + L4)	<u>\$ 1,541,632</u>	<u>\$ 925,737</u>	<u>\$ 0</u>	<u>\$ 0</u>

[1] Per recommendation of Public Staff witness Gina Casselberry.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
ADJUSTMENT TO MAINTENANCE AND REPAIR
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 3-6

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Maintenance and repair per application	<u>\$1,326,635</u>	<u>\$1,969,189</u>	<u>\$150,779</u>	<u>\$206,871</u>
2	Adjustment to include company 10.08.2021 updates	(191,230)	(115,223)	(8,110)	(15,896)
3	Maintenance and repair after adjusted for updated (L1 + L2)	1,135,405	1,853,966	142,668	190,975
4	Adjustment to deferred maintenance and repair per update	106,015 [1]	146,903 [1]	12,871 [1]	13,161 [1]
5	Adjustment to sludge hauling	(26,665) [2]	(110,569) [2]		15,841 [2]
6	Adjustment to reclass maintenance expense in miscellaneous expense	2,081 [1]	1,236 [1]	253 [1]	258 [1]
7	Total adjustment to maintenance and repair (Sum of L4 thru L6)	<u>81,431</u>	<u>37,570</u>	<u>13,123</u>	<u>29,260</u>
8	Maintenance and repair per Public Staff (L3 + L7)	<u>1,216,836</u>	<u>1,891,536</u>	<u>155,792</u>	<u>220,235</u>

[1] Per examination of Company's financial records.
 [2] Provided by Public Staff witness Gina Casselberry.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO DEFERRED MAINTENANCE AND REPAIR
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-6(a)

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Annual deferred maintenance and repair per Public Staff	286,921 [1]	530,415 [1]	26,777 [1]	13,161 [1]
2	Deferred maintenance and repair per application	<u>180,906</u> [2]	<u>383,512</u> [2]	<u>13,906</u> [2]	<u>0</u> [2]
3	Adjustment to deferred maintenance and repair (L1 - L2)	<u>\$106,015</u>	<u>\$146,903</u>	<u>\$12,871</u>	<u>\$13,161</u>

[1] Annual depreciation expense of systems that have not been fully retired per reviewing the Company's records
[2] Per examination of Company's financial records.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO METER TESTING

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-7

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH/TC Sewer</u> (d)
1	Testing per application	<u>\$216,299</u>	<u>\$324,114</u>	<u>\$25,587</u>	<u>\$34,461</u>
2	Adjustment to include company 10.08.2021 updates	8,335	(8,631)	(6,972)	(5,355)
3	Testing after adjusted for updated (L1 + L2)	224,634	315,483	18,615	29,106
4	Adjustment to reclassify allocated cost to water divisions only	26,832 [1]	(23,786) [1]	2,510 [1]	(5,556) [1]
5	Total adjustment (L4)	<u>26,832</u>	<u>(23,786)</u>	<u>2,510</u>	<u>(5,556)</u>
6	Testing per Public Staff (L3 + L5)	<u>251,466</u>	<u>291,697</u>	<u>21,125</u>	<u>23,550</u>

[1] Per recommendation of Public Staff witness Gina Casselberry.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO METER READING

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-8

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH/TC Sewer</u> (d)
1	Meter reading per application	<u>\$215,163</u>	<u>\$8,702</u>	<u>\$36,681</u>	<u>\$0</u>
2	Adjustment to include company 10.08.2021 updates	-	-	-	-
3	Meter reading after adjusted for updated (L1 + L2)	215,163	8,702	36,681	-
4	Adjustment to remove ineligible meter reading expense	(630) [1]			
5	Total adjustment (L4)	<u>(630)</u>	<u>0</u>	<u>0</u>	<u>0</u>
6	Meter reading per Public Staff (L3 + L5)	<u>214,533</u>	<u>8,702</u>	<u>36,681</u>	<u>-</u>

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

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
ADJUSTMENT TO CAPITALIZED TIME ADJUSTMENT
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-9

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Operating expenses charged to plant per application	(\$293,984)	(\$140,440)	(\$21,010)	(\$48,982)
2	Adjustments to include company updates 10.08.2021	-	-	-	-
3	Operating expenses charged to plant after adjusted per updates (L1 + L2)	(293,984)	(140,440)	(21,010)	(48,982)
4	Adjustment to update salary cap time rate	18,158 [1]	(21,471) [1]	(12,227) [1]	14,993 [1]
5	Total adjustments to capitalized time (L4)	18,158	(21,471)	(12,227)	14,993
6	Operating expenses charged to plant per Public Staff (L3 + L5)	(\$275,825)	(\$161,910)	(\$33,237)	(\$33,989)

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO OFFICE SUPPLIES AND OTHER OFFICE EXPENSE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-10

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Office supplies & other office expense per application	<u>\$338,397</u>	<u>\$188,394</u>	<u>\$42,039</u>	<u>\$39,189</u>
2	Adjustments to include company updates 10.08.2021	-	-	-	-
3	Office supplies & other office expense after adjusted per updates (L1 + L2)	338,397	188,394	42,039	39,189
4	Adjustments to remove commercial credit card fees	(9,665) [1]	(5,740) [1]	(1,173) [1]	(1,200) [1]
5	Adjustment to include Q2, 2020 to Q1 2021 credit cards fee instead of annualize Q1 2021 credit card fees	(7,782) [1]	(4,622) [1]	(945) [1]	(966) [1]
6	Adjustments to remove ineligible office supplies expense	<u>(198) [2]</u>	<u> </u>	<u>(75) [2]</u>	<u> </u>
7	Total adjustments to office supplies & other (L4 +L5 +L6)	<u>(17,645)</u>	<u>(10,361)</u>	<u>(2,193)</u>	<u>(2,166)</u>
8	Office supplies & other office expense per Public Staff (L3 + L7)	<u><u>\$320,752</u></u>	<u><u>\$178,033</u></u>	<u><u>\$39,847</u></u>	<u><u>\$37,023</u></u>

[1] Per recommendation of Public Staff witness Lindsay Darden.
[2] Per examination of the company's response to accounting data requests.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
CALCULATION OF REGULATORY COMMISSION EXPENSE
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 3-11

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	CWSNC Water (d)	CWSNC Sewer (e)	BF/FH/TC Water (f)	BF/FH Sewer (g)
1	Rate case expenses for current proceeding	<u>\$579,258</u>	<u>(\$341,025)</u>	\$238,233 [2]				
2	Amortization period in years			<u>5</u>				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>47,647</u>	\$26,026 [4]	\$15,277 [5]	\$3,136 [6]	\$3,207 [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>190,587</u>	104,104 [4]	61,110 [5]	12,545 [6]	12,828 [7]
5	Sub 364 and prior rate cases unamortized rate case expense	<u>\$701,533</u>	<u>(\$0)</u>	701,533 [3]				
6	Amortization period in years			<u>5</u>				
7	Sub 364 and prior rate cases unamortized annual rate case expense (L5 / L6)			<u>140,307</u>	76,640 [4]	44,988 [5]	9,235 [6]	9,444 [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>561,226</u>	306,559 [4]	179,951 [5]	36,940 [6]	37,776 [7]
9	Total annual rate case expense (L3 + L7)			\$187,954	\$102,666	\$60,265	\$12,371	\$12,651
10	Miscellaneous regulatory matters per application			<u>\$87,603</u> [2]	<u>\$47,938</u> [2]	<u>\$26,487</u> [2]	<u>\$6,559</u> [2]	<u>\$6,619</u> [2]
11	Total regulatory commission expense per Public Staff (L9 + L10)			<u>\$275,556</u>	<u>\$150,604</u>	<u>\$86,753</u>	<u>\$18,930</u>	<u>\$19,270</u>
12	Total unamortized balance of rate case expense (L4 + L8)			<u>\$751,812</u>	<u>\$410,663</u>	<u>\$241,061</u>	<u>\$49,485</u>	<u>\$50,604</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 prior rate cases.

[4] Column (c) multiplied by CWSNC Uniform water allocation factor

[5] Column (c) multiplied by CWSNC Uniform sewer allocation factor

[6] Column (c) multiplied by BF/FH water allocation factor

[7] Column (c) multiplied by BF/FH sewer allocation factor

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PENSION AND BENEFITS

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-12

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Pension and benefits per application	<u>\$718,543</u>	<u>\$395,502</u>	<u>\$89,691</u>	<u>\$90,670</u>
2	Adjustments to include company updates 10.08.2021	-	-	-	-
3	Pension and benefits expense after adjusted per updates (L1 + L2)	\$718,543	\$395,502	\$89,691	\$90,670
4	Adjustments to update employee benefits through September 30, 2021	7,825 [1]	30,879 [1]	(2,163) [1]	(1,163) [1]
5	Pension and benefits per Public Staff (L3 + L4)	<u><u>726,368</u></u>	<u><u>426,381</u></u>	<u><u>87,528</u></u>	<u><u>89,507</u></u>

[1] Calculated per the company's response for accounting data request

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO RENT

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-13

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Rent per application	<u>\$140,769</u>	<u>\$83,602</u>	<u>\$17,090</u>	<u>\$17,475</u>
2	Adjustments to include company updates 10.08.2021	0 [1]	0 [1]	0 [1]	0 [1]
3	Rent expense after adjusted per updates (L1 + L2)	140,769 [1]	83,602 [1]	17,090 [1]	17,475 [1]
4	Adjustment to rent expense for Charlotte Warehouse	(4,383) [1]	(2,602) [1]	(533) [1]	(544) [1]
5	Adjustment to rent expense and reclassification for Garner Office	1,582 [1]	940 [1]	(653) [1]	(668) [1]
6	Adjustment to reclassify the rent expense to applicable locations	414 [1]	(263) [1]	(75) [1]	(76) [1]
7	Adjustment to remove non-regulated rent expense from Charlotte Office	<u>(725) [1]</u>	<u>(431) [1]</u>	<u>(88) [1]</u>	<u>(90) [1]</u>
8	Total adjustments to rent (Sum of L4 thru L7)	<u>(3,112)</u>	<u>(2,356)</u>	<u>(1,349)</u>	<u>(1,378)</u>
9	Rent per Public Staff (L3 + L8)	<u>\$137,657</u>	<u>\$81,246</u>	<u>\$15,741</u>	<u>\$16,097</u>

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ALLOCATION OF INSURANCE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-14

No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)	Total (f) [3]
1	Auto	\$67,956 [1]	\$39,890 [1]	\$8,189 [1]	\$8,374 [1]	\$124,409
2	Workers compensation	37,768 [1]	22,170 [1]	4,551 [1]	4,654 [1]	69,143
3	Property insurance	271,879 [1]	159,594 [1]	32,761 [1]	33,502 [1]	497,736
4	General Liability and Umbrella insurance	155,259 [1]	91,138 [1]	18,709 [1]	19,132 [1]	284,238
5	Excess Liability	14,067 [1]	8,257 [1]	1,695 [1]	1,733 [1]	25,752
6	Insurance deductibles	37,873 [1]	22,232 [1]	4,564 [1]	4,667 [1]	69,335
7	Cyber security insurance	3,826 [1]	2,246 [1]	461 [1]	472 [1]	7,005
8	Pollution liability	25,144 [1]	14,760 [1]	3,030 [1]	3,098 [1]	46,032
9	Broker fee	31,192 [1]	18,310 [1]	3,759 [1]	3,844 [1]	57,105
10	Total insurance per Public Staff (Sum of L1 thru L9)	<u>644,964</u>	<u>378,597</u>	<u>77,719</u>	<u>79,476</u>	<u>1,180,755</u>
11	Less: Company updates on 10.08.2021	<u>138,285</u> [2]	<u>82,515</u> [2]	<u>18,324</u> [2]	<u>18,552</u> [2]	<u>257,676</u>
12	Less: Amount per Company in original filing	<u>524,844</u> [2]	<u>311,312</u> [2]	<u>63,877</u> [2]	<u>65,309</u> [2]	<u>965,343</u>
13	Total adjustment to insurance expense (L10 - L11 - L12)	<u>(\$18,165)</u>	<u>(\$15,230)</u>	<u>(\$4,482)</u>	<u>(\$4,386)</u>	<u>(\$42,263)</u>

[1] Column (f) times customer ratios for each rate division.
[2] Based on information provided by the Company.
[3] Feasel Exhibit I, Schedule 3-14(a), Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INSURANCE

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-14 (a)

<u>Line No.</u>	<u>Item</u>	<u>Annual Premium</u> [1] (a)	<u>CWSNC Percentage</u> (b)	<u>CWSNC Insurance Expense</u> [6] (c)
1	Auto	\$648,172	19.19% [2]	\$124,409
2	Workers compensation	601,681	11.49% [3]	69,143
3	Property insurance	2,167,174	22.97% [4]	497,736
4	General Liability and Umbrella insurance	1,471,767	19.31% [5]	284,238
5	Excess Liability	133,342	19.31% [5]	25,752
6	Insurance deductibles	359,012	19.31% [5]	69,335
7	Cyber security insurance	36,269	19.31% [5]	7,005
8	Pollution liability	200,427	22.97% [4]	46,032
9	Broker fee	295,684	19.31% [5]	57,105
10	Total insurance per Public Staff (Sum of L1 thru L9)			\$1,180,755

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

[2] Percentage of CWSNC automobiles covered under current policy.

[3] Percentage of CWSNC workers compensation insurance based on CSWNC payroll.

[4] Percentage of CWSNC property insurance based on CSWNC value of property covered.

[5] Percentage of CWSNC insurance based on revenue.

[6] Column (a) X Column (b).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO OFFICE UTILITY

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-15

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water (a)</u>	<u>CWSNC Sewer (b)</u>	<u>BF/FH/TC Water (c)</u>	<u>BF/FH Sewer (d)</u>
1	Office utility per application	<u>\$208,126</u>	<u>\$230,765</u>	<u>\$16,449</u>	<u>\$35,246</u>
2	Adjustment to reflect company's updates 10.08.2021	-	-	-	-
3	Office utility expense after adjusted for company's updates (L1 + L2)	\$208,126	\$230,765	\$16,449	\$35,246
4	Adjustment to remove ineligible office utility expense	<u>(239) [1]</u>	<u>(195) [1]</u>	<u>(250) [1]</u>	<u>0</u>
5	Total adjustments to office utility (L4)	<u>(239)</u>	<u>(195)</u>	<u>(250)</u>	<u>0</u>
6	Office utility per Public Staff (L3 + L5)	<u>\$207,887</u>	<u>\$230,570</u>	<u>\$16,199</u>	<u>\$35,246</u>

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

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
ADJUSTMENT TO MISCELLANEOUS EXPENSE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-16

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Miscellaneous expense per application	<u>\$2,473,395</u>	<u>\$1,480,787</u>	<u>\$300,678</u>	<u>\$307,435</u>
2	Adjustment to reflect company's updates 10.08.2021	123,741 [1]	73,489 [1]	15,023 [1]	15,361 [1]
3	Miscellaneous expense after adjusted for company's updates (L1 + L2)	2,597,136	1,554,276	315,701	322,797
4	Adjustment to adjust the allocation percentage of corporation allocation	(10,591) [1]	(6,290) [1]	(1,286) [1]	(1,315) [1]
5	Adjustments to remove unqualified miscellaneous expense	(2,456) [1]	(1,436) [1]	(294) [1]	(300) [1]
6	Adjustments to duplicate customer interest expense in Uniform Water	(857) [1]	-	-	-
7	Adjustments to reclassify maintenance expense	(2,081) [1]	(1,236) [1]	(253) [1]	(258) [1]
8	Total miscellaneous adjustments (Sum of L4 thru L7)	<u>(15,985)</u>	<u>(8,962)</u>	<u>(1,832)</u>	<u>(1,873)</u>
9	Miscellaneous expense per Public Staff (L3 + L8)	<u><u>2,581,151</u></u>	<u><u>1,545,314</u></u>	<u><u>313,868</u></u>	<u><u>320,923</u></u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DEPRECIATION AND
AMORTIZATION EXPENSE**

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 3-17

Line No.		CWSNC	CWSNC	BF/FH/TC	BF/FH
		Water	Sewer	Water	Sewer
		(a)	(b)	(c)	(d)
1	Depreciation on direct plant	\$3,191,229 [1]	\$2,941,319 [6]	\$133,610 [9]	\$399,517 [12]
2	Depreciation on allocated plant	240,182 [2]	132,254 [2]	31,998 [2]	32,664 [2]
3	Gain on sale	0 [3]	0 [3]	0 [3]	0 [3]
4	Excess book value	0 [3]	0 [3]	0 [3]	0 [3]
5	Total depreciation expense (Sum of L1 thru L4)	<u>\$3,431,411</u>	<u>\$3,073,573</u>	<u>\$165,608</u>	<u>\$432,181</u>
6	Depreciable AIA	0 [3]	0 [3]	0 [3]	0 [3]
7	Amortization rate	2.73% [4]	2.78% [7]	2.28% [10]	2.61% [13]
8	AIA amortization expense (L6 x L7)	\$0	\$0	\$0	\$0
9	CIAC amortization expense	<u>(721,315) [2]</u>	<u>(582,263) [2]</u>	<u>(57,905) [2]</u>	<u>(130,118) [2]</u>
10	CIAC and AIAC amortization expense (L8 + L9)	<u>(721,315)</u>	<u>(582,263)</u>	<u>(57,905)</u>	<u>(130,118)</u>
11	Purchase acquisition adjustment	(\$4,221,508) [5]	(\$627,070) [8]	\$607,431 [11]	\$1,680,077 [14]
12	Amortization rate	2.73% [4]	2.78% [7]	2.28% [10]	2.61% [13]
13	PAA amortization expense (L11 x L12)	<u>(\$115,247)</u>	<u>(\$17,433)</u>	<u>\$13,849</u>	<u>\$43,850</u>

[1] Feasel Exhibit I, Schedule 3-17-1(a), Column (c), Line 52.

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

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

[4] Feasel Exhibit I, Schedule 3-17-1(a), Column (d), Line 52.

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

[6] Feasel Exhibit I, Schedule 3-17-1(b), Column (c), Line 65.

[7] Feasel Exhibit I, Schedule 3-17-1(b), Column (d), Line 65.

[8] Feasel Exhibit I, Schedule 2-8, Column (d), Line 7.

[9] Feasel Exhibit I, Schedule 3-17-1(c), Column (c), Line 46.

[10] Feasel Exhibit I, Schedule 3-17-1(c), Column (d), Line 46.

[11] Feasel Exhibit I, Schedule 2-8, Column (g), Line 7.

[12] Feasel Exhibit I, Schedule 3-17-1(d), Column (c), Line 58.

[13] Feasel Exhibit I, Schedule 3-17-1(d), Column (d), Line 58.

[14] Feasel Exhibit I, Schedule 2-8, Column (j), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-17-1(a)

CWSNC WATER OPERATIONS

Line No.	New Account No.	Item	Plant	Depreciation	Annual	Composite
			In Service [1]	Rate [2]	Depreciation [3]	Rate [4]
			(a)	(b)	(c)	(d)
1	141201	Organization	\$484,032	2.50%	\$12,101	
2	141202	Franchises	229,516	2.50%	5,738	
3	141102	Land & land rights pump	50,795	0.00%	0	
4	141103	Land and Rights Water	357,109	0.00%	0	
5	141104	Land and Rights Trans	18,896	0.00%	0	
6	141101	Land & land rights gen. plt.	717,808	0.00%	0	
7	141204	Struct & improv. src. supply	4,385,251	2.00%	87,705	
8	141205	Struct & improv. wtr. trt. plt.	1,481,387	2.00%	29,628	
9	141206	Struct & improv. trans. dist.	279,706	2.00%	5,594	
10	141203	Struct & improv. gen. plt.	358,173	2.00%	7,163	
11	141221	Collecting reservoirs	13,922	2.00%	278	
12	141223	Wells & springs	14,687,160	2.00%	293,743	
13	141224	Infiltration gallery	45,185	2.50%	1,130	
14	141225	Supply mains	712,933	1.00%	7,129	
15	141226	Power generation equip.	162,616	10.00%	16,262	
16	141227	Electric pump equip. src. plt.	2,848,847	14.29%	407,100	
17	141228	Electric pump equip. wtp.	8,950,125	3.33%	298,039	
18	141229	Electric pump equip. trans.	3,852,177	14.29%	550,476	
19	141230	Water treatment equip.	5,687,071	2.50%	142,177	
20	141231	Dist. resv. & standpipes	8,783,254	2.00%	175,665	
21	141232	Trans. & distr. mains	35,379,075	1.00%	353,791	
22	141233	Service lines	14,146,251	2.00%	282,925	
23	141234	Meters	6,474,281	3.33%	215,594	
24	141235	Meter installations	2,036,192	3.33%	67,805	
25	141236	Hydrants	1,336,146	2.50%	33,404	
26	141237	Backflow prevention devic.	36,678	10.00%	3,668	
27	141268	Other plt. & misc. equip. src. su.	260	2.50%	7	
28	141269	Other plt. & misc. equip. wtp.	15,564	2.50%	389	
29	141220	Office struct & improv.	128,722	10.00%	12,872	
30	141303	Office furn. & equip.	273,543	10.00%	27,354	
31	141305	Stores equipment	15,973	3.33%	532	
32	141308	Tool shop & misc. equip.	1,075,664	5.00%	53,783	
33	141306	Laboratory equipment	130,314	10.00%	13,031	
34	141309	Power operated equip.	352,068	10.00%	35,207	
35	141310	Communication equip.	262,248	10.00%	26,225	
36	141311	Misc. equipment	191,022	3.33%	6,361	
37	141278	Water plant allocated	207,809	6.67%	13,861	
38	141271	Other tangible plt. water	38,399	2.50%	960	
39	141248	Receiving Wells	176,603	2.00%	3,532	
40	141401	Transportation equip.	436,460	0.00%	0	
41	141503	Mainframe computer - wtr	0	2.50%	0	
42	141504	Mini computer - wtr	4,835	0.00%	0	
43	141602	Comp. system cost - wtr	59,744	0.00%	0	
44	141603	Micro system cost - wtr	(0)	0.00%	0	
45	141255	Plant Sewers Treatment Plt	-	2.50%	0	
46	141299	Utility Plant Clearing	(0)	0.00%	0	
47	141699	Computer Clearing	(0)	0.00%	0	
48	141601	Computer Software	-	0.00%	0	
49	141501	Computer Hardware	-	16.67%	0	
50	141502	Desktop/Laptop Computers	-	16.67%	0	
51		Pro forma plant additions	-	0.00%	0	
52		Total plant in service (Sum of L1 thru L51)	<u>\$116,883,817</u>		<u>\$3,191,229</u>	<u>2.73%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d).
 [2] Depreciation rates approved in Docket No. W-354, Sub 344.
 [3] Column (a) multiplied by Column (b).
 [4] Column (c) divided by Column (a), Line 52.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384
**CALCULATION OF DIRECT PLANT
 DEPRECIATION EXPENSE**
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 3-17-1(b)

CWSNC SEWER OPERATIONS

Line No.	New Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	141201	Organization	\$883,147	2.50%	\$22,079	
2	141202	Franchises intang. plt.	127,476	2.50%	3,187	
3	141107	Land and Rights Treatment	39,167	0.00%	0	
4	141108	Land and Rights Reclaim	1,150	0.00%	0	
5	141101	Land & land rights gen. plt.	-	0.00%	0	
6	141207	Struct/improv. coll. plt.	94,701	2.00%	1,894	
7	141208	Struct/improv. pump plt. ls.	10,595,373	2.00%	211,907	
8	141209	Struct/improv. treat. plt.	20,040,124	2.50%	501,003	
9	141210	Struct/improv. reclaim. wtp.	3,271	2.50%	82	
10	141211	Struct/improv. reclaim. wtr.	180,481	2.50%	4,512	
11	141203	Struct/improv. gen. plt.	1,750,110	2.00%	35,002	
12	141238	Power gen. equip. coll. plt.	107,623	10.00%	10,762	
13	141239	Power gen. equip. pump pit.	53,009	10.00%	5,301	
14	141240	Power gen. equip. treat. plt.	237,666	10.00%	23,767	
15	141241	Sewer force main/serv. lin.	3,747,092	1.33%	49,836	
16	141242	Sewer gravity main	18,236,043	1.00%	182,360	
17	141243	Manholes	1,415,051	1.00%	14,151	
18	141244	Special coll. structures	7,032	2.00%	141	
19	141245	Services to customers	2,055,429	1.33%	27,337	
20	141246	Flow measure devices	142,787	4.00%	5,711	
21	141247	Flow measure install	1,106	4.00%	44	
22	141248	Receiving wells	131,765	2.00%	2,635	
23	141249	Pumping equipment pump plt.	4,818,144	14.29%	688,513	
24	141250	Pumping equipment reclaim.	33,256	14.29%	4,752	
25	141251	Pumping equipment rcl. wtr.	67,513	14.29%	9,648	
26	141252	Treat./disp. equip. lagoon	592,103	2.50%	14,803	
27	141253	Treat./disp. equip. trt. plt.	19,333,782	2.50%	483,345	
28	141254	Treat./disp. equip. rct. wtp.	13,870	2.50%	347	
29	141255	Plant sewers treat. plt.	17,880,447	2.50%	447,011	
30	141256	Plant sewers reclaim wtp.	5,802	2.50%	145	
31	141257	Outfall lines	553,783	1.00%	5,538	
32	141271	Other plt. tangible	8,416	2.50%	210	
33	141272	Other plt. collection	21,442	2.50%	536	
34	141273	Other plt. pump	52,750	2.50%	1,319	
35	141274	Other plt. treatment	286,391	2.50%	7,160	
36	141275	Other plt. reclaim wtr. trt.	650	2.50%	16	
37	141276	Other plt. reclaim wtr. dis.	460	2.50%	11	
38	141220	Office struct & improv.	67,766	10.00%	6,777	
39	141303	Office furn. & equip.	157,578	10.00%	15,758	
40	141305	Stores equipment	6,766	3.33%	225	
41	141308	Tool shop & misc. equip.	550,130	5.00%	27,506	
42	141306	Laboratory equipment	189,677	10.00%	18,968	
43	141309	Power operated equip.	437,635	10.00%	43,763	
44	141310	Communication equip.	253,164	10.00%	25,316	
45	141311	Misc equip. sewer	33,793	3.33%	1,125	
46	141278	Sewer plant allocated	526,952	6.67%	35,148	
47	0	Other tangible plt. sewer	-	2.50%	0	
48	141263	Reuse dist. reservoirs	3,507	2.00%	70	
49	141264	Reuse transmission & dist.	78,942	2.00%	1,579	
50	141401	Transportation equip.	259,210	0.00%	0	
51	141502	Desktop computer - wtr	-	16.67%	0	
52	141503	Mainframe computer - wtr	0	0.00%	0	
53	141504	Mini computer - wtr	2,785	0.00%	0	
54	141602	Comp. system cost - wtr	35,482	0.00%	0	
55	141603	Micro system cost - wtr	(0)	0.00%	0	
56	141299	Utility Plant Clearing	(0)	0.00%	0	
57	141399	Building and Equipment Clearing	-	0.00%	0	
58	141233	Service Lines	935	2.00%	19	
59	141699	Computer Clearing	(0)	0.00%	0	
60	141601	Computer Software	-	0.00%	0	
61	141231	Dist Resv and Standpipes	-	0.00%	0	
62	141232	Trans and Distr Mains	-	0.00%	0	
63	141293	Plt. held for future use	(227,340)	0.00%	0	
64		Pro forma plant additions	-	0.00%	0	
65		Total plant in service (Sum of L1 thru L64)	<u>\$105,895,396</u>		<u>\$2,941,319</u>	<u>2.78%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(b)(1), Column (d).
 [2] Depreciation rates approved in Docket No. W-354, Sub 344.
 [3] Column (a) multiplied by Column (b).
 [4] Column (c) divided by Column (a), Line 65.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-17-1(c)

BF/FH/TC WATER OPERATIONS

Line No.	New Account No.	Item	Plant	Depreciation	Annual	Composite
			In Service [1]	Rate [2]	Depreciation [3]	Rate
			(a)	(b)	(c)	(d)
1	141201	Organization	\$100,890	2.50%	\$2,522	
2	141202	Franchises	51,240	2.50%	1,281	
3	141501	Computer Hardware	-	16.67%	0	
4	141502	Desktop/Laptop Computers	-	16.67%	0	
5	141601	Computer Software	-	0.00%	0	
6	141101	Land & land rights gen. plt.	14,006	0.00%	0	
7	141204	Struct & improv. src. supply	192,145	2.00%	3,843	
8	141205	Struct & improv. wtr. trt. plt.	146,337	2.00%	2,927	
9	141206	Struct & improv. trans. dist.	461	2.00%	9	
10	141203	Struct & improv. gen. plt.	2,244	2.00%	45	
11	141221	Collecting reservoirs	-	2.00%	0	
12	141223	Wells & springs	518,470	2.00%	10,369	
13	141224	Infiltration gallery	-	2.50%	0	
14	141225	Supply mains	7,386	1.00%	74	
15	141226	Power generation equip.	-	10.00%	0	
16	141227	Electric pump equip. src. plt.	53,422	14.29%	7,634	
17	141228	Electric pump equip. wtp.	382,243	3.33%	12,729	
18	141229	Electric pump equip. trans.	62,620	14.29%	8,948	
19	141230	Water treatment equip.	145,111	2.50%	3,628	
20	141231	Dist. resv. & standpipes	781,269	2.00%	15,625	
21	141232	Trans. & distr. mains	1,882,216	1.00%	18,822	
22	141233	Service lines	829,486	2.00%	16,590	
23	141234	Meters	141,987	3.33%	4,728	
24	141235	Meter installations	164,537	3.33%	5,479	
25	141236	Hydrants	166,888	2.50%	4,172	
26	141237	Backflow prevention devic.	98	10.00%	10	
27	141268	Other plt. & misc. equip. src. su.	-	2.50%	0	
28	141269	Other plt. & misc. equip. wtp.	-	2.50%	0	
29	141220	Office struct & improv.	7,745	10.00%	775	
30	141303	Office furn. & equip.	4,222	10.00%	422	
31	141305	Stores equipment	349	3.33%	12	
32	141308	Tool shop & misc. equip.	96,855	5.00%	4,843	
33	141306	Laboratory equipment	14,469	10.00%	1,447	
34	141309	Power operated equip.	9,774	10.00%	977	
35	141310	Communication equip.	56,860	10.00%	5,686	
36	141311	Misc. equipment	389	3.33%	13	
37	141278	Water plant allocated	-	6.67%	0	
38	141271	Other tangible plt. water	-	2.50%	0	
39	141401	Transportation equip.	(0)	0.00%	0	
40	141503	Mainframe computer - wtr	0	2.50%	0	
41	141504	Mini computer - wtr	1,687	0.00%	0	
42	141602	Comp. system cost - wtr	-	0.00%	0	
43	141603	Micro system cost - wtr	(0)	0.00%	0	
44	141293	Plt. held for future use	-	0.00%	0	
45	141102	Land & land rights pump	21,048	0.00%	0	
46		Total plant in service (Sum of L1 thru L45)	<u>\$5,856,453</u>		<u>\$133,610</u>	<u>2.28%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(c)(1), Column (d)
 [2] Depreciation rates approved in Docket No. W-354, Sub 344.
 [3] Column (a) multiplied by Column (b).
 [4] Column (c) divided by Column (a), Line 46.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384
**CALCULATION OF DIRECT PLANT
 DEPRECIATION EXPENSE**
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 3-17-1(d)

BF/FH SEWER OPERATIONS

Line No.	New Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	141201	Organization	\$14,682	2.50%	\$367	
2	141202	Franchises intang. plt.	41,938	2.50%	1,048	
3	141501	Computer Hardware	-	16.67%	0	
4	141601	Computer Software	-	0.00%	0	
5	141699	Computer Clearing	-	0.00%	0	
6	141101	Land and Rights General	-	0.00%	0	
7	141208	Struct/improv. pump plt. ls.	2,106,304	2.00%	42,126	
8	141209	Struct/improv. treat. plt.	2,792,081	2.50%	69,802	
9	141210	Struct/improv. reclaim. wtp.	-	2.50%	0	
10	141211	Struct/improv. reclaim. wtr.	2,477	2.50%	62	
11	141203	Struct/improv. gen. plt.	266,612	2.00%	5,332	
12	141238	Power gen. equip. coll. plt.	-	10.00%	0	
13	141239	Power gen. equip. pump pit.	41,826	10.00%	4,183	
14	141240	Power gen. equip. treat. plt.	-	10.00%	0	
15	141241	Sewer force main/serv. lin.	220,416	1.33%	2,932	
16	141242	Sewer gravity main	5,329,351	1.00%	53,294	
17	141243	Manholes	47,225	1.00%	472	
18	141244	Special coll. structures	775	2.00%	16	
19	141245	Services to customers	143,427	1.33%	1,908	
20	141246	Flow measure devices	17,806	4.00%	712	
21	141247	Flow measure install	-	4.00%	0	
22	141248	Receiving wells	-	2.00%	0	
23	141249	Pumping equipment pump plt.	810,803	14.29%	115,864	
24	141250	Pumping equipment reclaim.	68,635	14.29%	9,808	
25	141251	Pumping equipment rcl. wtr.	-	14.29%	0	
26	141252	Treat./disp. equip. lagoon	56	2.50%	1	
27	141253	Treat./disp. equip. trt. plt.	2,825,507	2.50%	70,638	
28	141254	Treat./disp. equip. rct. wtp.	-	2.50%	0	
29	141255	Plant sewers treat. plt.	394,509	2.50%	9,863	
30	141256	Plant sewers reclaim wtp.	-	2.50%	0	
31	141257	Outfall lines	19,176	1.00%	192	
32	0	Other plt. tangible	-	2.50%	0	
33	141272	Other plt. collection	(224)	2.50%	(6)	
34	141273	Other plt. pump	2,873	2.50%	72	
35	141274	Other plt. treatment	-	2.50%	0	
36	141275	Other plt. reclaim wtr. trt.	8,372	2.50%	209	
37	141276	Other plt. reclaim wtr. dis.	-	2.50%	0	
38	141220	Office struct & improv.	20,592	10.00%	2,059	
39	141303	Office furn. & equip.	1,624	10.00%	162	
40	141305	Stores equipment	2,799	3.33%	93	
41	141308	Tool shop & misc. equip.	17,125	5.00%	856	
42	141306	Laboratory equipment	6,227	10.00%	623	
43	141309	Power operated equip.	50,343	10.00%	5,034	
44	141310	Communication equip.	11,567	10.00%	1,157	
45	141311	Misc equip. sewer	16,010	3.33%	533	
46	141231	Dist Resv and Standpipes	-	0.00%	0	
47	141232	Trans and Distr Mains	-	0.00%	0	
48	141263	Reuse dist. reservoirs	2,763	2.00%	55	
49	141264	Reuse transmission & dist.	2,491	2.00%	50	
50	141401	Transportation equip.	(0)	0.00%	0	
51	141502	Desktop computer - wtr	-	16.67%	0	
52	141503	Mainframe computer - wtr	0	0.00%	0	
53	141504	Mini computer - wtr	(0)	0.00%	0	
54	141602	Comp. system cost - wtr	-	0.00%	0	
55	141603	Micro system cost - wtr	(0)	0.00%	0	
56	141293	Plt. held for future use	-	0.00%	0	
57	141299	Utility Plant Clearing	-	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$15,286,169</u>		<u>\$399,517</u>	<u>2.61%</u> [4]

[1] Feasel Exhibit I, Schedule 2-1(d)(1), Column (d).
 [2] Depreciation rates approved in Docket No. W-354, Sub 344.
 [3] Column (a) multiplied by Column (b).
 [4] Column (c) divided by Column (a), Line 58.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PAYROLL TAX

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 3-18

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Payroll taxes per application	<u>\$ 247,543</u>	<u>\$149,387</u>	<u>\$30,531</u>	<u>\$31,218</u>
2	Adjustment to include company 10.08.2021 updates	30,604	15,803	3,238	3,311
3	Payroll taxes adjusted for company updates (L1 + L2)	278,147	165,189	33,769	34,529
4	Adjustments to update payroll taxes through September 30, 2021	<u>(8,668) [1]</u>	<u>(7,004) [1]</u>	<u>(1,296) [1]</u>	<u>(1,322) [1]</u>
5	Payroll taxes per Public Staff (L3 + L4)	<u>\$ 269,479</u>	<u>\$ 158,185</u>	<u>\$ 32,472</u>	<u>\$ 33,207</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PROPERTY TAX

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-19

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH/TC Sewer</u> (d)
1	Property tax per application	<u>\$214,908</u>	<u>\$23,278</u>	<u>\$15,410</u>	<u>\$1,536</u>
2	Adjustment to include company 10.08.2021 updates	-	-	-	-
3	Property taxes adjusted for company updates (L1 + L2)	\$214,908	\$23,278	\$15,410	\$1,536
4	Adjustment to remove property tax without support	<u>(68) [1]</u>			
5	Total adjustments to property tax (L4)	<u>(68)</u>	<u>0</u>	<u>0</u>	<u>0</u>
6	Property tax per Public Staff (L3 + L5)	<u>\$214,840</u>	<u>\$23,278</u>	<u>\$15,410</u>	<u>\$1,536</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-20(a)**CWSNC WATER OPERATIONS**

Line No.	Item	Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1	Operating revenue	<u>\$20,144,950</u>	<u>\$22,105,965</u>	<u>\$21,578,074</u>
	Operating revenue deductions:			
2	Maintenance expenses	4,537,813	4,537,813	4,537,813
3	General expenses	8,247,736	8,247,736	8,247,736
4	Depreciation expense	3,431,411	3,431,411	3,431,411
5	Amortization of CIAC	(721,315)	(721,315)	(721,315)
6	Amortization of PAA	(115,247)	(115,247)	(115,247)
7	Amortization of ITC	(326)	(326)	(326)
8	Franchise and other taxes	71,356	71,356	71,356
9	Property taxes	214,840	214,840	214,840
10	Payroll taxes	269,479	269,479	269,479
11	Regulatory fee	26,188	28,738	28,051
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,656,509</u> [2]	<u>1,656,509</u> [4]	<u>1,656,509</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>17,618,444</u>	<u>17,620,994</u>	<u>17,620,307</u>
15	Taxable income (L1 - L14)	<u>2,526,506</u>	<u>4,484,971</u>	<u>3,957,767</u>
16	State income tax (L15 x 2.5%)	<u>63,163</u>	<u>112,124</u>	<u>98,944</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,463,343</u>	<u>4,372,847</u>	<u>3,858,823</u>
18	Federal income tax (L17 x 21%)	<u>517,302</u>	<u>918,298</u>	<u>810,353</u>
19	Excess deferred income tax amortization	<u>(26,057)</u>	<u>(26,057)</u>	<u>(26,057)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>1,972,098</u>	<u>3,480,606</u>	<u>3,074,527</u>
21	Add: Interest expense	<u>1,656,509</u> [2]	<u>1,656,509</u> [4]	<u>1,656,509</u> [6]
22	Net income for a return (L20 + L21)	<u>\$3,628,607</u>	<u>\$5,137,115</u>	<u>\$4,731,036</u>

[1] Feasel Exhibit I, Schedule 3(a), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(a), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(a), Column (g).

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-20(b)**CWSNC SEWER OPERATIONS**

Line No.	Item	Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1	Operating revenue	<u>\$16,306,776</u>	<u>\$18,087,223</u>	<u>\$17,142,901</u>
	Operating revenue deductions:			
2	Maintenance expenses	4,343,398	4,343,398	4,343,398
3	General expenses	4,968,698	4,968,698	4,968,698
4	Depreciation expense	3,073,573	3,073,573	3,073,573
5	Amortization of CIAC	(582,263)	(582,263)	(582,263)
6	Amortization of PAA	(17,433)	(17,433)	(17,433)
7	Amortization of ITC	(193)	(193)	(193)
8	Franchise and other taxes	39,306	39,306	39,306
9	Property taxes	23,278	23,278	23,278
10	Payroll taxes	158,185	158,185	158,185
11	Regulatory fee	21,199	23,513	22,286
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,513,099</u> [2]	<u>1,513,099</u> [4]	<u>1,513,099</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>13,540,848</u>	<u>13,543,162</u>	<u>13,541,935</u>
15	Taxable income (L1 - L14)	<u>2,765,928</u>	<u>4,544,061</u>	<u>3,600,966</u>
16	State income tax (L15 x 2.5%)	<u>69,148</u>	<u>113,602</u>	<u>90,024</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,696,780</u>	<u>4,430,459</u>	<u>3,510,942</u>
18	Federal income tax (L17 x 21%)	<u>566,324</u>	<u>930,396</u>	<u>737,298</u>
19	Excess deferred income tax amortization	<u>(34,710)</u>	<u>(34,710)</u>	<u>(34,710)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>2,165,166</u>	<u>3,534,773</u>	<u>2,808,354</u>
21	Add: Interest expense	<u>1,513,099</u> [2]	<u>1,513,099</u> [4]	<u>1,513,099</u> [6]
22	Net income for a return (L20 + L21)	<u>\$3,678,265</u>	<u>\$5,047,872</u>	<u>\$4,321,453</u>

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

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

[3] Feasel Exhibit I, Schedule 3(b), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(b), Column (g).

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-20(c)**BF/FH/TC WATER OPERATIONS**

Line No.	Item	Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1	Operating revenue	<u>\$1,437,281</u>	<u>\$1,857,801</u>	<u>\$1,808,976</u>
	Operating revenue deductions:			
2	Maintenance expenses	366,801	366,801	366,801
3	General expenses	988,974	988,974	988,974
4	Depreciation expense	165,608	165,608	165,608
5	Amortization of CIAC	(57,905)	(57,905)	(57,905)
6	Amortization of PAA	13,849	13,849	13,849
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	7,640	7,640	7,640
9	Property taxes	15,410	15,410	15,410
10	Payroll taxes	32,472	32,472	32,472
11	Regulatory fee	1,868	2,415	2,352
12	Gross receipts tax	0	0	0
13	Interest expense	80,558 [2]	80,558 [4]	80,558 [6]
14	Total deductions (Sum of L2 thru L13)	<u>1,615,275</u>	<u>1,615,822</u>	<u>1,615,759</u>
15	Taxable income (L1 - L14)	<u>(177,994)</u>	<u>241,979</u>	<u>193,217</u>
16	State income tax (L15 x 2.5%)	<u>(4,450)</u>	<u>6,049</u>	<u>4,830</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>(173,544)</u>	<u>235,930</u>	<u>188,387</u>
18	Federal income tax (L17 x 21%)	<u>(36,444)</u>	<u>49,545</u>	<u>39,561</u>
19	Excess deferred income tax amortization	<u>(693)</u>	<u>(693)</u>	<u>(693)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>(136,407)</u>	<u>187,078</u>	<u>149,519</u>
21	Add: Interest expense	<u>80,558 [2]</u>	<u>80,558 [4]</u>	<u>80,558 [6]</u>
22	Net income for a return (L20 + L21)	<u><u>(\$55,849)</u></u>	<u><u>\$267,636</u></u>	<u><u>\$230,077</u></u>

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

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

[3] Feasel Exhibit I, Schedule 3(c), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(c), Column (g).

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-20(d)**BF/FH SEWER OPERATIONS**

Line No.	Item	Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1	Operating revenue	<u>\$2,316,155</u>	<u>\$2,628,250</u>	<u>\$2,562,918</u>
	Operating revenue deductions:			
2	Maintenance expenses	400,016	400,016	400,016
3	General expenses	1,026,163	1,026,163	1,026,163
4	Depreciation expense	432,181	432,181	432,181
5	Amortization of CIAC	(130,118)	(130,118)	(130,118)
6	Amortization of PAA	43,850	43,850	43,850
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	7,192	7,192	7,192
9	Property taxes	1,536	1,536	1,536
10	Payroll taxes	33,207	33,207	33,207
11	Regulatory fee	3,011	3,417	3,332
12	Gross receipts tax	0	0	0
13	Interest expense	<u>221,582</u> [2]	<u>221,582</u> [4]	<u>221,582</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>2,038,619</u>	<u>2,039,025</u>	<u>2,038,940</u>
15	Taxable income (L1 - L14)	<u>277,536</u>	<u>589,225</u>	<u>523,978</u>
16	State income tax (L15 x 2.5%)	<u>6,938</u>	<u>14,731</u>	<u>13,099</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>270,598</u>	<u>574,494</u>	<u>510,879</u>
18	Federal income tax (L17 x 21%)	<u>56,826</u>	<u>120,644</u>	<u>107,285</u>
19	Excess deferred income tax amortization	<u>(7,668)</u>	<u>(7,668)</u>	<u>(7,668)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>221,440</u>	<u>461,518</u>	<u>411,262</u>
21	Add: Interest expense	<u>221,582</u> [2]	<u>221,582</u> [4]	<u>221,582</u> [6]
22	Net income for a return (L20 + L21)	<u>\$443,022</u>	<u>\$683,100</u>	<u>\$632,844</u>

[1] Feasel Exhibit I, Schedule 3(d), Column (c).

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

[3] Feasel Exhibit I, Schedule 3(d), Column (e).

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

[5] Feasel Exhibit I, Schedule 3(d), Column (g).

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

CAROLINA WATER SERVICE, INC. OF NC

Docket No. W-354, Sub 384

**CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS**

For The Test Year Ended March 31, 2021

Feasel Exhibit II

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Total
1	Increase/(decrease) in total revenue per Company application	\$ 1,958,236	\$ 1,839,003	\$ 413,146	\$ 304,103	\$ 4,514,489
2	Company 10.08.21 updates	674,174	18,559	78,279	98,132	869,144
3	Increase/(decrease) in total revenue per Company updates	2,632,410	1,857,562	491,425	402,235	5,383,632
4	Difference in calculation of revenue requirement based on Company amounts	0	0	(1)	0	(1)
5	Adjust capital structure to 49.8% debt and 50.2% equity	47,300	43,611	2,379	6,692	99,982
6	Adjust return on equity from 10.5% to 8.93%	(704,727)	(649,780)	(35,444)	(99,701)	(1,489,652)
7	Adjust debt cost rate from 4.76% to 4.85%	29,588	27,281	1,489	4,185	62,543
8	Adjustment to uncollectibles	(143,892)	(74,855)	(18,221)	(15,216)	(252,184)
9	Adjustment to forfeited discounts	(1,787)	(489)	(73)	(175)	(2,525)
10	Adjustment to miscellaneous revenues	(67,008)	(36,915)	(8,623)	(8,132)	(120,678)
11	Update revenues to 9/30/2021	3,728	(270,397)	(320)	(5,970)	(272,959)
12	Adjustment to reclassify utility accounts	(1,959)	1,959	0	0	0
13	Adjustment to remove pro forma estimates	(172,976)	(171,778)	(8,171)	(112,369)	(465,294)
14	Adjustment to over booked AFUDC	(266)	(251)	0	(7)	(524)
15	Adjustment to customer deposits	(2,963)	(2,073)	(283)	(255)	(5,574)
16	Adjustment to inventory	401	238	0	0	639
17	Adjustment to average tax accruals	(18,500)	(2,460)	(1,375)	(264)	(22,599)
18	Adjustment to remove Company proposed additions to add PS post	95,195	83,839	(2,143)	(17,554)	159,337
19	Adjustment to reclass UT 71 & 72 to direct cost	201,824	95,341	4,270	31	301,466
20	Adjustment to gain on sale	(16,240)	(7,642)	0	0	(23,882)
21	Adjustment to include actual post TY GL additions	72,075	69,470	(2,271)	92,241	231,515
22	Adjustment to reclassify wrongly booked gross up tax to CIAC	0	1,009	0	0	1,009
23	Adjustment to allocated cost GL adjustments	(202,123)	(93,306)	(5,159)	(910)	(301,498)
24	Adjustment to reflect annual level of depreciatoin	7,540	(19,658)	1,260	(5,659)	(16,517)
25	Adjustment to cash working capital	(1,683)	(1,545)	(346)	24	(3,550)
26	Adjustment to ADIT	8,694	(25,665)	2,100	(3,071)	(17,942)
27	Adjustment for excess deferred taxes	(33,873)	(45,122)	(901)	(9,968)	(89,864)
28	Adjustment to deferred charges	14,534	8,696	1,882	1,856	26,968
29	Adjustment to purchased power	(60,224)	(5,633)	0	0	(65,857)
30	Adjustment to maintenance and repair	81,537	37,619	13,141	29,298	161,595
31	Adjustment to maintenance testing	26,867	(23,817)	2,513	(5,563)	0

CAROLINA WATER SERVICE, INC. OF NC

Docket No. W-354, Sub 384

**CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS**

For The Test Year Ended March 31, 2021

Feasel Exhibit II

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Total
32	Adjustment to chemicals	(3,508)	0	0	0	(3,508)
33	Adjustment to office utility	(239)	(195)	(251)	0	(685)
34	Adjustment to amortization expense - CIAC	(20,673)	40,685	(19,323)	(6,139)	(5,450)
35	Adjustment to regulatory commission expense	(49,970)	(30,314)	(6,008)	(6,350)	(92,642)
36	Adjustment to pension and benefits	7,835	30,920	(2,166)	(1,165)	35,424
37	Adjustment to amortization expense - PAA	(12,732)	16,636	2,180	13,639	19,723
38	Adjustment to meter reading	(631)	0	0	0	(631)
39	Adjustment to property tax	(68)	0	0	0	(68)
40	Adjustment to general salaries and wages	(128,378)	(100,237)	(18,740)	(19,120)	(266,475)
41	Adjustment to payroll tax	(8,679)	(7,013)	(1,298)	(1,324)	(18,314)
42	Adjustment to depreciation expense	(59,152)	148,861	2,296	10,292	102,297
43	Adjustment to office supplies and other office exp.	(17,668)	(10,375)	(2,196)	(2,169)	(32,408)
44	Adjustment to capitalized time	18,182	(21,498)	(12,243)	15,013	(546)
45	Adjustment to rent	(3,116)	(2,359)	(1,351)	(1,380)	(8,206)
46	Adjustment to insurance	(18,189)	(15,250)	(4,487)	(4,391)	(42,317)
47	Adjustment to miscellaneous	(16,006)	(8,974)	(1,835)	(1,876)	(28,691)
48	Adjustment to purchased water/sewer	(47,355)	0	(12)	(12)	(47,379)
49	Rounding					0
50	Revenue impact of Public Staff adjustments (Sum of L4 thru L49)	<u>(1,199,285)</u>	<u>(1,021,436)</u>	<u>(119,731)</u>	<u>(155,469)</u>	<u>(2,495,921)</u>
51	Increase/(decrease) per Public Staff (L3 + L50)	<u>\$ 1,433,125</u>	<u>\$ 836,126</u>	<u>\$ 371,694</u>	<u>\$ 246,766</u>	<u>\$ 2,887,711</u>