



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

September 1, 2016

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. G-5, Sub 565- Public Staff Late-Filed Exhibits I and 2

Dear Chief Clerk:

During the evidentiary hearing in the above-referenced docket held on August 30, 2016, Presiding Commissioner Brown-Bland requested that Public Staff witness Michelle Boswell provide the following revised schedules, reflecting the final Stipulation filed in this docket, as late-filed exhibits: (1) updated schedules supporting the final stipulated revenue requirement entered into evidence, and (2) revised schedules that reflect all of the updated adjustments to working capital. Pursuant to Commissioner Brown-Bland's request, please find enclosed: Public Staff Late-Filed Exhibit 1, comprised of Exhibit A, and settlement Schedules 1-5, including all supporting schedules; and Public Staff Late-Filed Exhibit 2, comprised of working capital Schedules 2-2 through 2-4.

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

Sincerely yours,

Electronically submitted
/s/ Gina C. Holt
Staff Attorney
gina.holt@psncuc.nc.gov

Enclosure

Executive Director (919) 733-2435	Communications (919) 733-2810	Economic Research (919) 733-2902	Legal (919) 733-6110	Transportation (919) 733-7766
Accounting (919) 733-4279	Consumer Services (919) 733-9277	Electric (919) 733-2267	Natural Gas (919) 733-4326	Water (919) 733-5610

Public Service Company of North Carolina
Docket No. G-5, Sub 565
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2015

Line No.	Item	Per Company (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR RETURN						
Operating Revenues:						
1	Sales and transportation of gas	\$426,062,649	\$4,063,800	\$430,126,449	\$18,777,584	\$448,904,033
2	Other operating revenues	3,413,176	113,788	3,526,964	276,576	3,803,540
3	Operating revenues, excl special contracts	429,475,825	4,177,588	433,653,413	19,054,160	452,707,573
4	Special Contract Revenues	792,254	0	792,254		792,254
5	Total operating revenues	430,268,079	4,177,588	434,445,667	19,054,160	453,499,827
6	Cost of gas	177,117,745	3,270,310	180,388,055		180,388,055
7	Margin	253,150,334	907,278	254,057,612	19,054,160	273,111,772
Operating Expenses:						
8	Operating and maintenance	112,901,063	(11,298,057)	101,603,006	74,245	\$101,677,251
9	Depreciation	56,496,731	(441,452)	56,055,279		56,055,279
10	General taxes	15,460,053	(171,956)	15,288,097		15,288,097
11	State income tax (4%)	1,794,393	509,332	2,303,725	757,341	3,061,066
12	Federal income tax (35%)	15,072,898	4,278,394	19,351,292	6,361,661	25,712,953
13	Amortization of investment tax credits	0	0	0		0
14	Amortization of EDIT	0	0	0		0
15	Total operating expenses	201,725,138	(7,123,739)	194,601,399	7,193,247	201,794,646
16	Interest on customer deposits ^{1/}	0	0	0		0
17	Net operating income for return	\$51,425,196	\$8,031,017	\$59,456,213	\$11,860,914	\$71,317,127
18 RATE BASE						
19	Plant in service	\$1,854,943,639	(\$15,300,074)	\$1,839,643,565	\$0	\$1,839,643,565
20	Accumulated depreciation	(671,500,105)	14,359,017	(657,141,088)	0	(657,141,088)
21	Net plant in service	1,183,443,534	(941,057)	1,182,502,477	0	1,182,502,477
22	Working Capital - Other	(1,885,912)	(5,931,372)	(7,817,284)	0	(7,817,284)
23	Working Capital - Lead Lag	10,009,617	1,847,954	11,857,571	1,856,927	13,714,498
24	Deferred Regulatory Assets	0	0	0		0
25	Deferred Income Taxes	(245,221,651)	3,544,195	(241,677,456)	0	(241,677,456)
26	Original cost rate base	\$946,345,588	(\$1,480,280)	\$944,865,308	\$1,856,927	\$946,722,235
26	Overall Rate of Return on Rate Base	5.43%		6.29%		7.53%

1/ The interest on customer deposits amount has been reclassified into operating and maintenance expense for purposes of this proceeding.

Public Service Company of North Carolina
Docket No. G-5, Sub 565

**RECONCILIATION OF GROSS REVENUE INCREASE REQUESTED BY THE COMPANY TO THE
SETTLEMENT AMOUNT**

For The Test Year Ended December 31, 2015

Line No.	<u>Item</u>	<u>Amount</u>
1	Increase in revenue requirement requested by the Company	<u>\$41,583,020</u>
	Settlement Adjustments:	
2	Change in equity ratio from 53.75% to 52.00%	(1,614,203)
3	Change in cost of long-term debt from 5.66% to 5.52%	(593,475)
4	Change in cost of short-term debt from 0.82% to 0.77%	(16,056)
5	Change in return on equity from 10.60% to 9.70%	(7,125,357)
6	Plant in Service Updates and Related Items at June 30, 2016	51,324
7	Working Capital Updates at June 30, 2016	(158,131)
8	Update gas in storage through June 2016	(563,311)
9	Update materials and supplies through June 2016	91,901
10	ADIT - updated to June 30, 2016	174,724
11	Adjust working capital for lead lag to reflect Settlement adjustments	196,137
12	Adjustment to end of period revenue - weather, growth, and commodity costs	(1,457,266)
13	Adjustment to other operating revenues	(114,232)
14	Special Contract - remove PIS associated with facilities	(517,243)
15	Payroll and Related Expenses	(288,568)
16	Bonus accruals updated to actuals 6/30/16	(1,183,067)
17	Payroll Benefits Percentage - updated through June 30, 2016	(21,854)
18	Modify the allocation of incentive pay for certain executives to PSNC	(872,982)
19	Executive Compensation Adjustment	(280,405)
20	Remove retired executive compensation	(139,795)
21	Nonutility Adjustment - O&M expense	(262,228)
22	Nonutility Adjustment - effect of change in plant additions	(24,508)
23	Inflation Adjustment - removed certain expenses and updated rate to 2.2%	450,911
24	Rate Case Expenses - updated through June 30, 2016 w/ 5 yr amortization	(77,327)
25	Postage Adjustment - excluded growth since adjusted elsewhere & removed adv.	(145,282)
26	Uncollectibles - changes in revenue	(22,533)
27	Regulatory Fee - change for 0.148% to 0.14% per Commission Order	(34,439)
28	MGP Costs - update actual expenses @ 6/30/16	(887,970)
29	PIM Costs - update actual expenses @ 6/30/16	(1,651,192)
30	DIMP Costs - deferral	(1,706,430)
31	SalesForce Adjustment - ongoing level	(37,532)
32	Advertising - remove promotional, image, competitive, & non-recurring	(678,559)
33	Update Interest on Customer Deposits through June 2016	(11,382)
34	Service Company Charges - removed unsupported budgeted charges	(3,228,865)
35	Update GTI to June 2016 actual meters	(6,394)
36	Fuel Costs - adjust to test year fuel costs	(117,471)
37	Adjustment to remove lobbying expenses	(168,417)
38	Change in retention factor - regulatory fee changes	(3,332)
39	Adjust cash working capital for revenue impact of Settlement adjustments	(150,481)
40	Rounding	43
41	Settlement Adjustments	<u>(23,195,245)</u>
42	Recommended Change in Margin	<u>\$18,387,775</u>
43	Fixed Gas Cost Adjustment	643,643
44	LAUF Rate Change	<u>22,742</u>
45	Recommended Change in Revenue Requirement per Settlement	<u>\$19,054,160</u>

Public Service Company of North Carolina
Docket No. G-5, Sub 565
SUPPORT FOR RECONCILIATION SCHEDULE
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I
Schedule 1-1

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
<u>Plant in Service Updates and Related Items at June 30, 2016</u>		
1	Rate base	\$482,365 [1]
2	Income statement	<u>(431,041) [2]</u>
3	Total (L1 + L2)	<u><u>\$51,324</u></u>
<u>Nonutility Adjustment</u>		
4	Rate base	(\$21,147) [1]
5	Income statement	<u>(265,589) [2]</u>
6	Total (L4 + L5)	<u><u>(\$286,736)</u></u>
<u>Special Contract Adjustment</u>		
4	Rate base	(\$359,653) [1]
5	Income statement	<u>(157,590) [2]</u>
6	Total (L4 + L5)	<u><u>(\$517,243)</u></u>

- [1] Boswell Exhibit I, Schedule 2.
[2] Boswell Exhibit I, Schedule 3.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
CALCULATION OF GROSS REVENUE EFFECT FACTORS
 For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Capital Structure</u> (a)	<u>Cost Rates</u> (b)	<u>Retention Factors</u> (c)	<u>Gross Revenue Effect</u> (d)
<u>Rate Base Factor:</u>					
1	Long-term debt	44.62%	5.52%	0.9961035	0.02472659
2	Short-term debt	3.38%	0.77%	0.9961035	0.00026128
3	Common equity	<u>52.00%</u>	9.70%	0.6215686	<u>0.08114953</u>
4	Total (Sum of L1 thru L3)	<u><u>100.00%</u></u>			<u><u>0.1061374</u></u>
 <u>Net Income Factor:</u>					
5	Total revenue				1.0000000
6	Uncollectibles				<u>0.0025000</u>
7	Balance (L5 - L6)				0.9975000
8	Regulatory fee (L7 x current regulatory fee rate)				<u>0.0013965</u>
9	Balance (L7 - L8)				0.9961035
10	Less: State income tax (L9 x 4%)				<u>0.0398441</u>
11	Balance (L9 - L10)				0.9562594
12	Less: Federal income tax (L11 x 35%)				<u>0.3346908</u>
13	Gross up factor (L11 - L12)				<u><u>0.6215686</u></u>

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2015

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase	
		Company Adjusted	Public Staff	After	Public Staff	After
		Per Company [1]	Adjustments [2]	Adjustments [3]	Adjustments [4]	Adjustments [5]
		(a)	(b)	(c)	(d)	(e)
1	Plant in service	\$1,854,943,639	(15,300,074)	\$1,839,643,565		\$1,839,643,565
2	Accumulated depreciation	(671,500,105)	14,359,017	(657,141,088)		(657,141,088)
3	Net plant in service (Sum of L1 thru L3)	1,183,443,534	(941,057)	1,182,502,477	0	1,182,502,477
4	Working Capital - Other	(1,885,912)	(5,931,372)	(7,817,284)		(7,817,284)
5	Working Capital - Lead Lag	10,009,617	1,847,954	11,857,571	\$1,856,927	\$13,714,498
6	Deferred Regulatory Assets		0	0		0
7	Deferred Income Taxes	(245,221,651)	3,544,195	(241,677,456)		(241,677,456)
8	Original cost rate base (Sum of L4 thru L7)	<u>\$946,345,589</u>	<u>(\$1,480,280)</u>	<u>\$944,865,308</u>	<u>\$1,856,927</u>	<u>\$946,722,235</u>

[1] Boone Exhibit 6, Column (5), as adjusted.

[2] Boswell Exhibit I, Schedule 2(a).

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

[4] Boswell Exhibit I, Schedule 2-4, Column (k), Line 50.

[5] Column (c) plus Column (d).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENTS TO RATE BASE
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I
Schedule 2(a)

Line No.	Item	Update PIS & Acc Dep June 30, 2016 [1]	Update Gas In Storage June 30, 2016 [2]	Update Material & Supplies June 30, 2016 [3]	Update Nonutility June 30, 2016 [4]	Special Contracts [5]	ADIT Update [7]	Adjust Cash Working Capital [8]	Deferred PIM Asset [8]	Deferred DIMP Asset [8]	Deferred MGP Asset [8]	Adjust WC for Lead Lag [9]	Total Rate Base Adjustments [10]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Plant in service	(\$7,575,199)			(\$183,894)	(\$7,540,981)							(15,300,074)
2	Accumulated depreciation	12,119,925			(15,346)	2,254,438							14,359,017
3	Net plant in service (Sum of L1 thru L2)	4,544,726			(199,240)	(5,286,543)							(941,057)
4	Working Capital - Other		(\$5,307,372)	\$865,868				(\$1,489,868)					(5,931,372)
5	Working Capital - Lead Lag											1,847,954	1,847,954
6	Deferred Regulatory Asset								0	0	0		-
7	Deferred Income Taxes					1,897,985	1,646,210						3,544,195
8	Original cost rate base (Sum of L3 thru L6)	4,544,726	(5,307,372)	865,868	(199,240)	(3,388,558)	1,646,210	(1,489,868)				1,847,954	(1,480,280)
9	Revenue requirement impact	\$482,365	(\$563,311)	\$91,901	(\$21,147)	(\$359,653)	\$174,724	(\$158,131)	\$0	\$0	\$0	\$196,137	(\$157,113)

[1] Boswell Exhibit I, Schedule 2-1.

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

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

[4] Boswell Exhibit I, Schedule 2-1(d), Line 31.

[5] Per Company response to accounting DR3-3.

[6] Boswell Exhibit I, Schedule 2-2, Column (e), Line 17.

[7] Per Company Response to DR46-3, updated to June 2016.

[8] Boswell Exhibit I, Schedule 2-2, Column (d), Line 17.

[9] Boswell Exhibit I, Schedule 2-3, Column (a), Line 22.

[10] Sum of Columns a through i.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
SUPPORT FOR UPDATED PLANT IN SERVICE
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
Plant in Service:		
1	North Carolina plant in service at June 30, 2016	\$1,847,368,440 [1]
2	Less adjusted plant in service per Company	<u>1,854,943,639 [2]</u>
3	Public Staff's adjustment to plant in service (L1 - L2)	<u>(\$7,575,199)</u>
Accumulated Depreciation:		
4	North Carolina accumulated depreciation at June 30, 2016	(\$659,847,202) [3]
	End of period depreciation adjustment on June 30, 2008	
5	plant at Company proposed rates	<u>467,022</u>
6	Total accumulated depreciation at June 30, 2016 (L4 + L5)	(659,380,180)
7	Less accumulated depreciation per Company	<u>(671,500,105) [2]</u>
8	Public Staff's adjustment to accumulated depreciation (L6 - L7)	<u>12,119,925</u>
Depreciation Expense:		
<i>PSNC Direct Depreciation - Annualized as of June 30, 2016</i>		
9	Per Public Staff	54,277,172 [4]
10	Per Company	<u>\$54,744,194 [5]</u>
11	End of period depreciation adjustment - PSNC direct plant	<u>(\$467,022)</u>
<i>SCANA Services Allocated Depreciation - Annualized as of June 30, 2016</i>		
12	Per Public Staff	\$1,913,690 [6]
13	Per Company	<u>\$1,752,537 [7]</u>
14	End of period depreciation adjustment - SCANA allocated plant	<u>\$161,153</u>
<i>Total Depreciation Expense - Annualized as of June 30, 2016</i>		
15	Per Public Staff	\$56,190,862
16	Per Company	<u>\$56,496,731 [8]</u>
17	Public Staff's adjustment to depreciation expense (L12 - L13)	<u>(\$305,869)</u>
Property Taxes		
18	Plant in Service at June 30, 2016	\$1,847,368,440 [1]
19	North Carolina tax rate	<u>\$0.00512 [9]</u>
20	Adjustment to property taxes for additions (L18 x L19 x L20)	\$9,450,952
21	Property Tax for additions per Company Application	<u>9,574,446 [10]</u>
22	Public Staff's adjustment to property taxes (L21 - L22)	<u>(\$123,494)</u>

[1] Boswell Exhibit I, Schedule 2-1(a), Column (c), Line 84.
 [2] Boone Exhibit 6, Page 1, "After Adjustments" column.
 [3] Boswell Exhibit I, Schedule 2-1(b), Line 83.
 [4] Boswell Exhibit I, Schedule 2-1(a), Column (e), Line 84.
 [5] Boone Exhibit 6, Page 1, "After Adjustments" column minus end of period depreciation for Scana Services, Workpaper 4D, p. 1.
 [6] Boswell Exhibit I, Schedule 2-1(e), Column (e), Line 16.
 [7] Item 4, Workpaper 4E, p.1.
 [8] Boone Exhibit 6, P.1, "After Adjustments" column.
 [9] MFR, Item 4, Workpaper 5-A, Line 3.
 [10] MFR, Item 4, Workpaper 5-A, Line 8.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Amount Per Company [1] (a)	Company Ratemaking Adjustments (b)	After Company Adjustments (c)	Public Staff Working Capital Adjustments (d)	Amount Per Public Staff [13] (f)
1	Lead Lag Study					
	Lead Lag Study	\$10,012,305	2,993,183	\$13,005,488		
	Average materials and supplies:					
2	Operating and construction supplies	9,465,900		9,465,900	\$865,868 [2]	\$10,331,768
3	Natural gas stored	38,067,356		38,067,356	(5,307,372) [3]	\$32,759,984
4	Totals (L2 + L3)	47,533,256	0	47,533,256	(4,441,504)	43,091,752
	Cash working capital:					
5	Average Customer deposits	(8,295,675)		(8,295,675)	258,805 [5]	(8,036,870)
6	Average Accrued Interest on Customer Deposits	(185,385)		(185,385)	(64,354) [4]	(249,739)
7	Average Accrued Vacation Liability - PTO	(582,236)		(582,236)	(13,301) [10]	(595,537)
8	Average State Sales Tax	(712,278)		(712,278)	421,078 [11]	(291,200)
9	Average of Deferred Credit Treasury A Account	(324,842)		(324,842)	(40,943) [12]	(365,785)
10	Average prepayments	968,023	430,345	1,398,368	(266,648) [6]	1,131,720
11	Average deferred Salesforce Cloud License Fees	18,358		18,358	(18,358) [7]	0
12	Cost-Free Capital - Transco refunds	(258,000)		(258,000)		(258,000)
13	Cost-Free Capital - Postretirement Benefits	(24,423,034)	136,967	(24,286,067)	(486,195) [8]	(24,772,262)
14	Cost-Free Capital - Pension Accrual	(15,925,419)		(15,925,419)	(1,427,237) [9]	(17,352,656)
15	Cost-Free Capital - LT Disability	(265,991)		(265,991)	147,285	(118,706)
16	Totals cash working capital (Sum of L5 thru L15)	(49,986,479)	567,312	(49,419,167)	(1,489,868)	(50,909,035)
17	Total working capital (L1 + L4 + L16)	\$7,559,082	\$3,560,495	\$11,119,577	(\$5,931,372)	(\$7,817,283)

[1] Per Boone Exhibit 4.

[2] Boswell Exhibit I, Schedule 2-2(a).

[3] Boswell Exhibit I, Schedule 2-2(b).

[4] Boswell Exhibit I, Schedule 2-2(d).

[5] Boswell Exhibit I, Schedule 2-2(c).

[6] Boswell Exhibit I, Schedule 2-2(i).

[7] Boswell Exhibit I, Schedule 2-2(h).

[8] Boswell Exhibit I, Schedule 2-2(k).

[9] Boswell Exhibit I, Schedule 2-2(l).

[10] Boswell Exhibit I, Schedule 2-2(e).

[11] Boswell Exhibit I, Schedule 2-2(f).

[12] Boswell Exhibit I, Schedule 2-2(g).

[13] Sum of Column (a) through Column (c).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Per Books Amounts (a)	Company Ratemaking Adjustments (1) (b)	After Company Adjustments (2) (c)	Public Staff Adjustments (3) (d)	After Public Staff Adjustments (4) (e)	(Lead) / Lag Days (f)	Working Capital From Lead / Lag Study (7) (g)
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)								
1.	Operating Revenues							
2.	Gas Sales and Transportation	\$435,618,557	(\$8,763,654)	\$426,854,903	\$4,063,800	\$430,918,703		\$47,271,191
3.	Other Operating Revenues	3,413,176		3,413,176	113,788	3,526,964		386,903
3.	Total Operating Revenues	<u>\$439,031,733</u>	<u>(\$8,763,654)</u>	<u>\$430,268,079</u>	<u>\$4,177,588</u>	<u>\$434,445,667</u>	40.04	<u>\$47,658,094</u>
Operating Expenses:								
4.	Purchased gas	\$191,239,574	(14,121,829)	\$177,117,745	3,270,310	\$180,388,055	(35.65)	(\$17,618,724)
5.	Operating and maintenance	92,766,893	20,134,369	112,901,062	(11,236,057)	101,665,005	(37.33)	(9,344,093)
6.	Depreciation	49,622,105	6,974,626	56,496,731	(441,452)	56,055,279	0.00	0
7.	General Taxes	12,433,363	3,026,690	15,460,053	(171,956)	15,288,097	(107.41)	(4,498,889)
8.	Income taxes - current	1,827,886	(22,242,173)	(20,414,287)	5,076,336	(15,337,951)	(35.50)	1,491,773
9.	State income taxes - deferred - net	1,373,439	1,011,528	2,384,967	0	2,384,967	0.00	0
10.	Federal income taxes - deferred - net	23,670,197	11,254,193	34,924,390	0	34,924,390	0.00	0
11.	Amortization of ITC	0	0	0	0	0	0.00	0
12.	Total Operating Expenses	<u>\$372,933,257</u>	<u>\$5,937,404</u>	<u>\$378,870,661</u>	<u>(\$3,564,819)</u>	<u>\$375,305,842</u>		<u>(\$29,969,933)</u>
Net Operating Income for Return:								
13.	Interest on long-term debt	\$20,679,571	\$2,416,929	\$23,096,500	\$203,518	\$23,300,018	(91.25)	(\$5,825,005)
14.	Interest on short-term debt	220,858	41,432	262,290	(16,086)	246,204	(8.28)	(5,585)
15.	Income available for common equity	<u>45,198,047</u>	<u>(17,159,419)</u>	<u>28,038,628</u>	<u>7,554,974</u>	<u>35,593,602</u>	0.00	<u>0</u>
16.	Total Operating Income for Return	<u>\$66,096,476</u>	<u>(\$14,701,058)</u>	<u>\$51,395,418</u>	<u>\$7,742,407</u>	<u>\$59,137,825</u>		<u>(\$5,830,590)</u>
17.	Total Cost of Service	<u>\$439,031,733</u>	<u>(\$8,763,654)</u>	<u>\$430,268,079</u>	<u>\$4,177,588</u>	<u>\$434,445,667</u>		<u>(\$36,800,523)</u>
18.	Investor Supplied Funds							<u>\$11,857,571</u>
19.	Working capital from lead / lag study per Public Staff							<u>\$11,857,571</u>
20.	Amount per Company application							<u>\$10,009,617</u>
21.	Adjustment to working capital from lead / lag study							<u>\$1,847,954</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)								
22.	Payroll (PSNC)	\$28,660,619	\$2,257,200	\$30,917,819	(\$347,368)	\$30,570,451	(11.77)	(\$985,792)
23.	Payroll (Services Co.)	9,974,419	294,185	10,268,604	(3,216,283)	7,052,321	(8.89)	(171,767)
24.	Other O&M (A/P Invoices)	22,796,620	13,740,096	36,536,716	(5,164,965)	31,371,751	(31.53)	(2,710,004)
25.	Transportation Clearing (O&M)	3,873,074	639,235	4,512,309	0	4,512,309	8.69	107,430
26.	Uncollectible Accounts	460,987	196,602	657,589	(22,445)	635,144	(197.73)	(344,074)
27.	Insurance	6,473,500	197,495	6,670,995	0	6,670,995	22.58	412,688
28.	Pension	1,743,607	380,477	2,124,084	0	2,124,084	0.00	0
29.	Post Retirement	1,863,205	(136,967)	1,726,238	0	1,726,238	0.00	0
30.	401K Plan	2,666,299	186,594	2,852,893	(21,770)	2,831,123	(14.74)	(114,331)
31.	Regulatory Fees	660,691	(25,482)	635,209	0	635,209	(79.01)	(137,501)
32.	Rents	2,033,434	0	2,033,434	0	2,033,434	5.08	28,301
33.	Materials & Supplies	1,706,045	0	1,706,045	0	1,706,045	(18.05)	(84,367)
34.	Postage	2,104,270	(32,366)	2,071,904	(144,717)	1,927,187	14.57	76,929
35.	Incentive Pay	<u>7,749,923</u>	<u>2,437,300</u>	<u>10,187,223</u>	<u>(2,386,199)</u>	<u>7,801,024</u>	(253.67)	<u>(5,421,805)</u>
36.	Totals	<u>\$92,766,893</u>	<u>\$20,134,369</u>	<u>\$112,901,062</u>	<u>(\$11,303,746)</u>	<u>\$101,597,316</u>		<u>(\$9,344,093)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)								
37.	Life, AD&D & Cobra	\$314,751		\$314,751	\$0	\$314,751	(7.88)	(\$6,795)
Self Insured Items:								
38.	Health/Dental Insurance*	4,001,570		4,001,570	0	4,001,570	(5.50)	(60,298)
39.	Long-Term Disability Insurance	518,749	197,495	716,244	0	716,244	14.71	28,866
Short-Term Disability Insurance:								
40.	Salary	149,272		149,272	0	149,272	(6.46)	(2,642)
41.	Hourly	202,785		202,785	0	202,785	(13.46)	(7,478)
42.	Property & Liability Insurance	1,110,071		1,110,071	0	1,110,071	172.37	524,227
43.	Small Claims	183,233		183,233	0	183,233	(138.81)	(69,684)
44.	Worker's Compensation	(6,931)		(6,931)	0	(6,931)	(340.56)	6,467
45.	Totals	<u>\$6,473,500</u>	<u>\$197,495</u>	<u>\$6,670,995</u>	<u>\$0</u>	<u>\$6,670,995</u>		<u>\$412,663</u>
OTHER TAXES (ITEM 26 SCHEDULE E)								
46.	City Occupation	\$43,188		\$43,188	\$0	\$43,188	189.87	\$22,478
47.	AD Valorem (City & County taxes)	8,973,838	1,221,955	10,195,793	(151,480)	10,044,313	(145.00)	(3,990,207)
48.	Utility Sales Tax	21,319		21,319	0	21,319	(4.79)	(280)
49.	Employer FICA & Medicare	3,295,656	195,691	3,491,347	(20,476)	3,470,871	(3.22)	(30,620)
50.	Unemployment Tax	99,362		99,362	0	99,362	(62.24)	(16,943)
51.	Subtotal	<u>\$12,433,363</u>	<u>\$1,417,646</u>	<u>\$13,851,009</u>	<u>(\$171,956)</u>	<u>\$13,679,053</u>		<u>(\$4,015,572)</u>
52.	Franchise Tax	0	1,609,044	1,609,044	0	1,609,044	0.00	0
53.	Total Cost of Service Other Taxes	<u>\$12,433,363</u>	<u>\$3,026,690</u>	<u>\$15,460,053</u>	<u>(\$171,956)</u>	<u>\$15,288,097</u>		<u>(\$4,015,572)</u>

[1] G-1, Item 26, Schedule A, page 3 and Schedule A, page 4, 12-months ended 12/31/15 column.
 [2] G-1, Item 26, Schedule A, page 4, Adjustments column.
 [3] G-1, Item 26, Schedule A, page 2 and Schedule A, page 4, After Adjustments column.
 [4] Boswell Exhibit I, Schedule 2-3(a), Column aa.
 [5] Column c plus Column d.
 [6] G-1, Item 26, Schedule A, page 2.
 [7] Column e divided by 365 times column f.

Public Service Company of North Carolina
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 For The Test Year Ended December 31, 2015

Line No.	Item	Update Plant in Service (a)	Gas Costs (b) [1]	End of period Revenue Adjustment (c)	LAUF Adjustment (d)	Adjust Uncollectibles [1] (e)
Operating Revenues						
1.	Gas Sales and Transportation		\$0	\$4,063,800		
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>4,063,800</u>	<u>0</u>	<u>0</u>
Operating Expenses:						
4.	Purchased gas		641,134	2,606,522	22,654	
5.	Operating and maintenance			5,689		(22,445)
6.	Depreciation	(305,869)				
7.	General Taxes	(123,494)				
8.	Income taxes - current	161,441	(241,066)	545,798	(8,518)	8,439
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(267,922)</u>	<u>400,068</u>	<u>3,158,009</u>	<u>14,136</u>	<u>(14,006)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	267,922	(400,068)	905,791	(14,136)	14,006
16.	Total Operating Income for Return	<u>267,922</u>	<u>(400,068)</u>	<u>905,791</u>	<u>(14,136)</u>	<u>14,006</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>4,063,800</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)					
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)					
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					(22,445)
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,445)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)	(123,494)				
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	<u>(123,494)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>(123,494)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[1] Corresponding column on Schedule 3.
 [2] Sum of Columns a through cc.

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 For The Test Year Ended December 31, 2015

Line No.	Item	Adjust MGP [1] (f)	Adjust Executive Comp [1] (g)	Adjust Regulatory Fee [1] (h)	Adjust SalesForce [1] (i)	Adjust Postage [1] (j)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance	(884,509)	(279,312)	(34,304)	(37,385)	(144,717)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	332,575	431,983	12,898	14,056	54,414
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(551,934)</u>	<u>152,671</u>	<u>(21,406)</u>	<u>(23,329)</u>	<u>(90,303)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	551,934	(152,671)	21,406	23,329	90,303
16.	Total Operating Income for Return	<u>551,934</u>	<u>(152,671)</u>	<u>\$21,406</u>	<u>23,329</u>	<u>90,303</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)		(70,369)			
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)	(884,509)		(34,304)	(37,385)	
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					(144,717)
32.	Incentive Pay		(208,944)			
33.	Totals	<u>(884,509)</u>	<u>(279,312)</u>	<u>(34,304)</u>	<u>(37,385)</u>	<u>(144,717)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Public Service Company of North Carolina
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 For The Test Year Ended December 31, 2015

Line No.	Item	Adjust PIM [1] (k)	Adjust Payroll [1] (l)	Adjust Interest on Customer Deposits [1] (m)	Adjust Rate Case Expense [1] (n)	Adjust Inflation [1] (o)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance	(1,644,758)	(266,967)	(11,337)	(77,026)	449,153
6.	Depreciation					
7.	General Taxes		(20,476)			
8.	Income taxes - current	618,429	108,079	4,262	28,962	(168,881)
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(1,026,329)</u>	<u>(179,365)</u>	<u>(7,075)</u>	<u>(48,064)</u>	<u>280,272</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	1,026,329	179,365	7,075	48,064	(280,272)
16.	Total Operating Income for Return	<u>1,026,329</u>	<u>179,365</u>	<u>7,075</u>	<u>48,064</u>	<u>(280,272)</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)		(266,967)			
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)	(1,644,758)		(11,337)	(77,026)	449,153
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	<u>(1,644,758)</u>	<u>(266,967)</u>	<u>(11,337)</u>	<u>(77,026)</u>	<u>449,153</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare		(20,476)			
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>(20,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>(20,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>

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Line No.	Item	Adjust Advertising (p)	Adjust Service Co. Charges (q)	Adjust Other Benefit Percentage (r)	Adjust Special Contracts (s)	Adjust GTI Charges (t)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance	(675,916)	(3,216,283)	(21,770)		(6,369)
6.	Depreciation				(129,931)	
7.	General Taxes				(27,045)	
8.	Income taxes - current	254,145	1,209,322	8,186	59,023	2,395
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(421,771)</u>	<u>(2,006,961)</u>	<u>(13,584)</u>	<u>(97,953)</u>	<u>(3,974)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	421,771	2,006,961	13,584	97,953	3,974
16.	Total Operating Income for Return	<u>421,771</u>	<u>2,006,961</u>	<u>13,584</u>	<u>97,953</u>	<u>3,974</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)					
20.	Payroll (Services Co.)		(3,216,283)			
21.	Other O&M (A/P Invoices)	(675,916)				(6,369)
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan			(21,770)		
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	<u>(675,916)</u>	<u>(3,216,283)</u>	<u>(21,770)</u>	<u>0</u>	<u>(6,369)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)				(27,045)	
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,045)</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,045)</u>	<u>0</u>

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 For The Test Year Ended December 31, 2015

Line No.	Item	Adjust Other Operating Income (u)	Adjust Fuel Costs (v)	Adjust DIMP (w)	Adjust for Retirement Compensation (x)	Adjust for Lobbying Exp (y)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues	113,788				
3.	Total Operating Revenues	113,788	0	0	0	0
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance		(117,012)	(1,699,781)	(139,250)	(167,760)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	42,785	43,996	639,118	52,358	63,078
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	42,785	(73,016)	(1,060,663)	(86,892)	(104,682)
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	71,003	73,016	1,060,663	86,892	104,682
16.	Total Operating Income for Return	71,003	73,016	1,060,663	86,892	104,682
18.	Total Cost of Service	113,788	0	0	0	0
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)				(10,032)	
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)		(117,012)	(1,699,781)		(167,760)
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay				(129,218)	
33.	Totals	0	(117,012)	(1,699,781)	(139,250)	(167,760)
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	0	0	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	0	0	0	0

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Line No.	Item	Adjust Non-utility (z)	Update Bonus (aa)	Adjust Sr Staff Bonus Pay (bb) [1]	Interest Synchronization (cc)	Total Public Staff Adjustments [2] (dd)
Operating Revenues						
1.	Gas Sales and Transportation					4,063,800
2.	Other Operating Revenues					113,788
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,177,588</u>
Operating Expenses:						
4.	Purchased gas					3,270,310
5.	Operating and maintenance	(257,961)	(1,178,457)	(869,580)		(11,298,057)
6.	Depreciation	(5,652)				(441,452)
7.	General Taxes	(941)				(171,956)
8.	Income taxes - current	99,472	443,100	326,962	(70,475)	5,076,336
9.	State income taxes - deferred - net					0
10.	Federal income taxes - deferred - net					0
11.	Amortization of ITC					0
12.	Total Operating Expenses	<u>(165,082)</u>	<u>(735,357)</u>	<u>(542,618)</u>	<u>(70,475)</u>	<u>(3,564,819)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt				203,518	203,518
14.	Interest on short-term debt				(16,086)	(16,086)
15.	Income available for common equity	165,082	735,357	542,618	(116,958)	7,554,974
16.	Total Operating Income for Return	<u>165,082</u>	<u>735,357</u>	<u>542,618</u>	<u>70,475</u>	<u>7,742,407</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,177,588</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)					(347,368)
20.	Payroll (Services Co.)					(3,216,283)
21.	Other O&M (A/P Invoices)	(257,961)				(5,164,965)
22.	Transportation Clearing (O&M)					0
23.	Uncollectible Accounts					(22,445)
24.	Insurance					0
25.	Pension					0
26.	Post Retirement					0
27.	401K Plan					(21,770)
28.	Regulatory Fees					0
29.	Rents					0
30.	Materials & Supplies					0
31.	Postage					(144,717)
32.	Incentive Pay		(1,178,457)	(869,580)		(2,386,199)
33.	Totals	<u>(257,961)</u>	<u>(1,178,457)</u>	<u>(869,580)</u>	<u>0</u>	<u>(11,303,746)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					0
Self Insured Items:						
35.	Health/Dental Insurance*					0
36.	Long-Term Disability Insurance					0
Short-Term Disability Insurance:						
37.	Salary					0
38.	Hourly					0
39.	Property & Liability Insurance					0
40.	Small Claims					0
41.	Worker's Compensation					0
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					0
44.	AD Valorem (City & County taxes)	(941)				(151,480)
45.	Utility Sales Tax					0
46.	Employer FICA & Medicare					(20,476)
47.	Unemployment Tax					0
48.	Subtotal	<u>(941)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171,956)</u>
49.	Francise Tax					0
50.	Total Cost of Service Other Taxes	<u>(941)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171,956)</u>

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
 For The Test Year Ended December 31, 2015
 Alter Rate Increase

Public Staff Late-Filed Exhibit I
 Schedule 2-4

Line No.	Item	Under Present Rates Alter Date [2]	(Lead) Lag [2]	Iteration 1				Iteration 2				Iteration 3				Alter Increase	
				Increase [1]	With Increase [7]	CWC Change [8]	Increase [9]	With Increase [12]	CWC Change [14]	Increase [15]	With Increase [16]	CWC Change [18]	Cumulative Increase [19]	Alter Increase [20]			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)				
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)																	
1.	Operating Revenues																
2.	Gas Sales and Transportation (L3 - L2)	\$426,854,903		\$19,134,642													
3.	Other Operating Revenues	\$413,176		276,576 [3]													
3.	Total Operating Revenues	\$430,268,079	40.04	\$19,411,218	\$449,679,297 [13]	\$2,129,384	\$4,297,165	\$453,976,462 [13]	\$471,393	\$48,654	\$454,025,116	5,337	\$23,757,037	\$454,025,116			
Operating Expenses:																	
4.	Purchased gas	\$180,388,055	(35.65)	\$180,388,055	0			\$180,388,055			\$180,388,055		0	\$180,388,055			
5.	Operating and maintenance (Line 33)	101,603,005	(37.33)	74,944	101,677,949	(31,762)	577	101,678,526	(246)	189	101,678,716	(81)	75,711	101,678,716			
6.	Depreciation	56,055,279	0.00	56,055,279	0			56,055,279			56,055,279		0	56,055,279			
7.	General Taxes	15,288,097	(107.41)	15,288,097	0			15,288,097			15,288,097		0	15,288,097			
8.	Income taxes - current	(15,337,951)	(35.50)	7,270,179 [4]	(8,067,771)	(707,100)	42,473 [4]	(8,025,298)	(4,131)	13,932 [4]	(8,011,366)	(1,355)	7,328,585	(8,011,366)			
9.	State income taxes - deferred - net	2,384,967	0.00	2,384,967	0			2,384,967			2,384,967		0	2,384,967			
10.	Federal income taxes - deferred - net	34,524,390	0.00	34,524,390	0			34,524,390			34,524,390		0	34,524,390			
11.	Amortization of ITC	0	0.00	0	0			0			0		0	0			
12.	Total Operating Expenses (sum lines 4 through 12)	\$375,305,842		\$7,345,124	\$382,650,966	(\$738,866)	\$43,050	\$382,694,016	(\$4,377)	\$14,122	\$382,708,138	(\$1,436)	\$7,402,295	\$382,708,138			
Net Operating Income for Return:																	
13.	Interest on long-term debt	\$23,300,018	(91.25)	(\$27,759) [5]	\$23,272,259 [10]	6,940	\$34,420	\$23,306,679 [11]	(\$8,605)	\$11,290	\$23,317,969	(2,823)	17950,70153	\$23,317,969			
14.	Interest on short-term debt	246,294		246,911 [6]	7	363	246,274 [11]	(8)	120	246,394	(3)	190,034724	246,394				
15.	Total available for common equity	\$5,593,625	0.00	12,065,404 [5]	47,659,026 [10]	0	70,487	47,729,493 [11]	0	23,122	47,752,615	0	12159012,76	47,752,615			
16.	Income Operating Income for Return (Sum Line 14 through 16)	\$9,139,825		\$12,037,351	\$71,177,176	\$6,947	\$105,270	\$71,262,446	(\$8,613)	\$34,532	\$71,316,978	(\$2,826)	\$12,177,153	\$71,316,978			
17.	Total Cost of Service (L13 + L17)	\$434,445,667		\$19,382,475	\$453,828,142	(\$731,930)	\$148,320	\$453,976,462	(\$12,990)	\$48,654	\$454,025,116	(\$4,260)	\$19,679,449	\$454,025,116			
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)																	
18.	Payroll (PSNC)	\$30,570,451	(11.77)	\$30,570,451	0			\$30,570,451	0		\$30,570,451	0	0	\$30,570,451			
19.	Payroll (Services Co.)	7,052,321	(8.89)	7,052,321	0			7,052,321	0		7,052,321	0	7,052,321				
20.	Other O&M (All Invoices)	31,371,751	(31.53)	31,371,751	0			31,371,751	0		31,371,751	0	31,371,751				
21.	Transportation Clearing (O&M)	4,512,309	8.69	4,512,309	0			4,512,309	0		4,512,309	0	4,512,309				
22.	Uncollectible Accounts (Line 1 times uncollectibles factor)	635,144	(197.73)	47,837	682,981	(25,914)	370	683,351	(207)	121	683,472	(66)	48328,35359	683,472			
23.	Insurance	6,670,995	22.58	6,670,995	0			6,670,995	0		6,670,995	0	6,670,995				
24.	Pension	2,124,084	0.00	2,124,084	0			2,124,084	0		2,124,084	0	2,124,084				
25.	Post Retirement	1,726,238	0.00	1,726,238	0			1,726,238	0		1,726,238	0	1,726,238				
26.	401K Plan	2,831,153	(14.74)	2,831,153	0			2,831,153	0		2,831,153	0	2,831,153				
27.	Regulatory Fees (Line 3 times regulatory fee)	632,209	(79.01)	27,108	662,317	(5,868)	207	662,523	(45)	68	662,591	(15)	27382,15315	662,591			
28.	Rents	2,033,434	5.08	2,033,434	0			2,033,434	0		2,033,434	0	2,033,434				
29.	Materials & Supplies	1,706,045	(19.05)	1,706,045	0			1,706,045	0		1,706,045	0	1,706,045				
30.	Postage	1,927,187	14.57	1,927,187	0			1,927,187	0		1,927,187	0	1,927,187				
31.	Incentive Pay	7,801,024	(253.67)	7,801,024	0			7,801,024	0		7,801,024	0	7,801,024				
32.	Totals (sum of Line 19 through 32)	\$101,597,316		\$74,944	\$101,672,260	(\$31,762)	\$577	\$101,672,837	(\$246)	\$189	\$101,673,026	(\$81)	\$75,711	\$101,673,026			
INSURANCE (ITEM 26 SCHEDULE D-5)																	
33.	Life, AD&D & Cobra	\$314,751	7.88	\$314,751	0			\$314,751			\$314,751	0	0	\$314,751			
Self Insured Items:																	
34.	Health/Dental Insurance*	4,001,570	(5.50)	4,001,570	0			4,001,570	0		4,001,570	0	4,001,570				
35.	Long-Term Disability Insurance	716,244	14.71	716,244	0			716,244	0		716,244	0	716,244				
Short-Term Disability Insurance:																	
36.	Salary	149,272	(6.48)	149,272	0			149,272	0		149,272	0	149,272				
37.	Hourly	202,785	(13.46)	202,785	0			202,785	0		202,785	0	202,785				
38.	Property & Liability Insurance	1,110,071	172.37	1,110,071	0			1,110,071	0		1,110,071	0	1,110,071				
39.	Small Claims	183,233	(38.81)	183,233	0			183,233	0		183,233	0	183,233				
40.	Worker's Compensation	(6,931)	(340.56)	(6,931)	0			(6,931)	0		(6,931)	0	(6,931)				
41.	Totals	\$6,670,995		\$6,670,995	\$0	\$0	\$6,670,995	\$0	\$0	\$6,670,995	\$0	\$0	\$6,670,995				
OTHER TAXES (ITEM 26 SCHEDULE E)																	
42.	City Occupation	\$43,188	189.87	\$43,188	0			\$43,188	0		\$43,188	0	0	\$43,188			
43.	AD Valorem (City & County taxes)	10,044,313	(145.00)	10,044,313	0			10,044,313	0		10,044,313	0	10,044,313				
44.	Utility Sales Tax	21,319	(4.79)	21,319	0			21,319	0		21,319	0	21,319				
45.	Employer FICA & Medicare	3,470,871	(3.22)	3,470,871	0			3,470,871	0		3,470,871	0	3,470,871				
46.	Unemployment Tax	89,362	(62.24)	89,362	0			89,362	0		89,362	0	89,362				
47.	Subtotal	\$13,679,053		\$13,679,053	\$0	\$0	\$13,679,053	\$0	\$0	\$13,679,053	\$0	\$0	\$13,679,053				
48.	Franchise Tax	1,609,044	0.00	1,609,044	0			1,609,044	0		1,609,044	0	0	\$1,609,044			
49.	Total Cost of Service Other Taxes	\$15,288,097		\$15,288,097	\$0	\$0	\$15,288,097	\$0	\$0	\$15,288,097	\$0	\$0	\$15,288,097				
50.	Cumulative change in working capital (Line 3 plus Line 18)				\$1,397,449			\$1,855,652			\$1,856,927		\$1,856,927				
51.	Rate base under present rates				\$44,865,308 [6]			\$44,865,308			\$44,865,308		\$44,865,308				
52.	Rate base after adjustments (Line 51 + Line 52)				\$846,262,475			\$846,221,165			\$846,222,436		\$846,222,436				
53.	Overall rate of return		6.26%						7.52%					7.53%			
54.	Target Rate of Return		7.53%						7.53%					7.53%			

[1] Boswell Exhibit I Schedule 2-3, Column e.
 [2] Boswell Exhibit I Schedule 2-3, Column f.
 [3] Per Public Staff.
 [4] (Line 15)-(composite tax rate) - Line 15.
 [5] Column d minus Column a.
 [6] Boswell Exhibit I Schedule 2, Column c, Line 7.
 [7] Column a plus Column c.

[8] Column c divided by 365 times Column b.
 [9] Column a minus Column d.
 [10] Column d, Line 52 times appropriate percentage and cost factor.
 [11] Column a, Line 52 times appropriate percentage and cost factor.
 [12] Column d plus Column f.
 [13] Line 12 plus Line 16.
 [14] Column f divided by 365 times Column b.

[15] Column a minus Column d.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO COMPANY FILED COST OF SERVICE
For The Test Year Ended December 31, 2015

Line No.	Description	Company Before Increase [1]	Interest Synch on CWC Increase	Company Without Rate Increase [3]	Company Without Rate Increase New Tax
Operating Revenues:					
1.	Sale and transportation of gas	\$426,062,649		\$426,062,649	\$426,062,649
2.	Special Contract Revenues	792,254		792,254	792,254
3.	Other operating revenues	<u>3,413,176</u>		<u>3,413,176</u>	<u>3,413,176</u>
4.	Total operating revenues (Sum of L1 thru L3)	430,268,079	0	430,268,079	430,268,079
5.	Cost of gas	<u>177,117,745</u>	0 [2]	<u>177,117,745</u>	<u>177,117,745</u>
6.	Margin (L4 - L5)	253,150,334	0	253,150,334	253,150,334
7.	Operation and maintenance	112,901,063	0 [2]	112,901,063	112,901,063
8.	Depreciation	56,496,731		56,496,731	56,496,731
9.	General taxes	15,460,053		15,460,053	15,460,053
10.	State income taxes	1,794,393	2,958 [2]	1,797,351	1,348,011
11.	Federal income taxes	15,072,898	24,846 [2]	15,097,744	15,254,990
12.	Amortization of investment tax credits			0	0
13.	Amortization of EDIT			0	0
14.	Total operating expenses (Sum of L7 thru L13)	<u>201,725,138</u>	<u>27,804</u>	<u>201,752,942</u>	<u>201,460,848</u>
15.	Net operating income	51,425,196	(27,804)	51,397,392	51,689,486
16.	Interest on customer deposits			0	0
17.	Net operating income for return (L6 less L14)	<u>\$51,425,196</u>	<u>(\$27,804)</u>	<u>\$51,397,392</u>	<u>\$51,689,486</u>

[1] Boone Exhibit 6, Page 1 of 5, "After Adjustments" column.
[2] Interest synchronization effect of increase in CWC due to rate increase
[3] Column (a) plus Column (b).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2015

Public Staff Late-Filed Exhibit I
Schedule 3
Page 1 of 4

Line No.	Item	Per Company [1] (a)	Plant Updates @ June 30, 2016 [2] (b)	Other Operating Revenue Adjustment [3] (c)	End of period Revenue Adjustment [3] (d)	LAUF [3] (e)	Gas Cost [3] (f)	Special Contacts [4] (g)
Operating Revenues:								
1	Sales and transportation of gas	\$426,062,649			\$4,063,800			
2	Special Contract Revenues	792,254						
3	Other operating revenues	3,413,176		113,788				
4	Total operating revenues (L1 - L3)	430,268,079	0	113,788	4,063,800	0	0	0
5	Cost of gas	177,117,745			2,806,522	22,654	641,134	
6	Margin (L4 - L5)	253,150,334	0	113,788	1,457,278	(22,654)	(641,134)	0
Operating Expenses:								
7	Operating and maintenance	112,901,063			5,689			
8	Depreciation	56,496,731	(305,869)					(129,931)
9	General taxes	15,460,053	(123,494)					(27,045)
10	State income tax (3%)	1,797,351	17,175	4,552	58,064	(906)	(25,645)	6,279
11	Federal income tax (35%)	15,097,744	144,266	38,233	487,734	(7,612)	(215,421)	52,744
12	Amortization of investment tax credits	0						
13	Amortization of EDIT	0						
14	Total operating expenses (Sum of L4 thru L10)	201,752,942	(267,922)	42,785	551,487	(8,518)	(241,066)	(97,953)
15	Interest on customer deposits	-						
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$51,397,392</u>	<u>\$267,922</u>	<u>\$71,003</u>	<u>\$905,791</u>	<u>(\$14,136)</u>	<u>(\$400,068)</u>	<u>\$97,953</u>
	Revenue Requirement Effect		\$431,041	\$114,232	\$1,457,266	(\$22,742)	(\$643,643)	\$157,590

- [1] Boswell Exhibit I, Schedule 3(a).
- [2] Boswell Exhibit I, Schedule 2-1.
- [3] Boswell Exhibit I, Schedule 3(b).
- [4] Per Company response to accounting DR3-3.
- [5] Boswell Exhibit I, Schedule 3-1.
- [6] Boswell Exhibit I, Schedule 3-2.
- [7] Boswell Exhibit I, Schedule 3-3.
- [8] Boswell Exhibit I, Schedule 3-4.

Line No.	Item	Payroll and Related Costs [5] (h)	Bonus [6] (i)	Other Benefits [7] (j)	Allocation of Senior Staff Bonus Pay [8] (k)	Executive Compensation [9] (l)	Retirement Compensation [10] (m)	Rate Case Expenses [11] (n)	Postage Adjustment [12] (o)	Uncollectibles [13] (p)
Operating Revenues:										
1	Sales and transportation of gas									
2	Special Contract Revenues									
3	Other operating revenues	0								
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0	0
5	Cost of gas									
6	Margin (L4 - L5)	0	0	0	0	0	0	0	0	0
Operating Expenses:										
7	Operating and maintenance	(266,967)	(1,178,457)	(21,770)	(869,580)	(279,312)	(139,250)	(77,026)	(144,717)	(22,445)
8	Depreciation									
9	General taxes	(20,476)	0		0					
10	State income tax (3%)	11,498	47,138	871	34,783	11,172	5,570	3,081	5,789	898
11	Federal income tax (35%)	96,581	395,962	7,315	292,179	93,849	46,788	25,881	48,625	7,541
12	Amortization of investment tax credits									
13	Amortization of EDIT									
14	Total operating expenses (Sum of L4 thru L10)	(179,365)	(735,357)	(13,584)	(542,618)	(174,291)	(86,892)	(48,064)	(90,303)	(14,006)
15	Interest on customer deposits									
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$179,365</u>	<u>\$735,357</u>	<u>\$13,584</u>	<u>\$542,618</u>	<u>\$174,291</u>	<u>\$86,892</u>	<u>\$48,064</u>	<u>\$90,303</u>	<u>\$14,006</u>
	Revenue Requirement Effect	\$288,568	\$1,183,067	\$21,854	\$872,982	\$280,405	\$139,795	\$77,327	\$145,282	\$22,533

[9] Boswell Exhibit I, Schedule 3-5
[10] Boswell Exhibit I, Schedule 3-6.
[11] Boswell Exhibit I, Schedule 3-7.
[12] Boswell Exhibit I, Schedule 3-8.
[13] Boswell Exhibit I, Schedule 3-9.
[14] Boswell Exhibit I, Schedule 3-10.
[15] Boswell Exhibit I, Schedule 3-11.

Line No.	Item	Inflation [14] (q)	Nonutility Expenses [15] (r)	PIM Costs [16] (s)	Manufactured Gas Plant Costs [17] (t)	DIMP Costs [18] (u)	Regulatory Fee [19] (v)	Advertising [20] (w)	SalesForce Amortization [21] (x)
Operating Revenues:									
1	Sales and transportation of gas								
2	Special Contract Revenues								
3	Other operating revenues								
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0
5	Cost of gas								
6	Margin (L4 - L5)	0	0	0	0	0	0	0	0
Operating Expenses:									
7	Operating and maintenance	449,153	(257,961)	(1,644,758)	(884,509)	(1,699,781)	(34,304)	(675,916)	(37,385)
8	Depreciation		(5,652)						
9	General taxes		(941)						
10	State income tax (3%)	(17,966)	10,582	65,790	35,380	67,991	1,372	27,037	1,495
11	Federal income tax (35%)	(150,915)	88,890	552,639	297,195	571,127	11,526	227,108	12,561
12	Amortization of investment tax credits								
13	Amortization of EDIT								
14	Total operating expenses (Sum of L4 thru L10)	280,272	(165,082)	(1,026,329)	(551,934)	(1,060,663)	(21,406)	(421,771)	(23,329)
15	Interest on customer deposits								
16	Net operating income for return (L3 - L12+L11+L12)	<u>(\$280,272)</u>	<u>\$165,082</u>	<u>\$1,026,329</u>	<u>\$551,934</u>	<u>\$1,060,663</u>	<u>\$21,406</u>	<u>\$421,771</u>	<u>\$23,329</u>
	Revenue Requirement Effect	(\$450,911)	\$265,589	\$1,651,192	\$887,970	\$1,706,430	\$34,439	\$678,559	\$37,532

[16] Boswell Exhibit I, Schedule 3-12.
[17] Boswell Exhibit I, Schedule 3-13.
[18] Boswell Exhibit I, Schedule 3-14.
[19] Boswell Exhibit I, Schedule 3-15.
[20] Boswell Exhibit I, Schedule 3-16
[21] Boswell Exhibit I, Schedule 3-17.
[22] Boswell Exhibit I, Schedule 3-18.

Line No.	Item	Interest on Customer Deposits [22] (y)	Service Company Charges [23] (z)	GTI [24] (aa)	Fuel Costs [25] (bb)	Lobbying Expense [26] (cc)	Interest Synchronization [27] (dd)	After Public Staff Adjustments [28] (ee)
Operating Revenues:								
1	Sales and transportation of gas							\$430,126,449
2	Special Contract Revenues							792,254
3	Other operating revenues							<u>3,526,964</u>
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	434,445,667
5	Cost of gas							<u>180,388,055</u>
6	Margin (L4 - L5)	0					0	254,057,612
Operating Expenses:								
7	Operating and maintenance	(11,337)	(3,216,283)	(6,369)	(117,012)	(167,760)		101,603,006
8	Depreciation							56,055,279
9	General taxes							15,288,097
10	State income tax (3%)	453	128,651	255	4,680	6,710	(6,375)	2,303,725
11	Federal income tax (35%)	3,809	1,080,671	2,140	39,316	56,368	(53,552)	19,351,292
12	Amortization of investment tax credits							-
13	Amortization of EDIT							-
14	Total operating expenses (Sum of L4 thru L10)	<u>(7,075)</u>	<u>(2,006,961)</u>	<u>(3,974)</u>	<u>(73,016)</u>	<u>(104,682)</u>	<u>(59,927)</u>	<u>194,601,399</u>
15	Interest on customer deposits							-
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$7,075</u>	<u>\$2,006,961</u>	<u>\$3,974</u>	<u>\$73,016</u>	<u>\$104,682</u>	<u>\$59,927</u>	<u>\$59,456,213</u>
	Revenue Requirement Effect	\$11,382	\$3,228,865	\$6,394	\$117,471	\$168,417	\$96,413	

[23] Boswell Exhibit I, Schedule 3-19.
[24] Boswell Exhibit I, Schedule 3-20.
[25] Boswell Exhibit I, Schedule 3-21.
[26] Boswell Exhibit I, Schedule 3-22.
[27] Boswell Exhibit I, Schedule 3-23.
[28] Sum of columns (a) through (cc).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
SUMMARY OF REVENUE AND
COST OF GAS ADJUSTMENTS
For The Test Year Ended December 31, 2015

Line No.	<u>Item</u>	Sales and Transportation Revenues (a)	Special Contract Revenues (b)	Other Operating Revenues (c)	Cost of Gas (d)	Regulatory Fee (g) [6]
1	Company amount per application	\$426,062,649 [1]	\$792,254 [1]	\$3,413,176 [1]	\$177,117,745 [1]	
2	Operating Revenues EOP - Public Staff Volumes	4,063,800 [2]			2,606,522 [3]	5,689
3	On-going level of cost of gas - fixed gas costs				641,134 [4]	
4	Lost & Unaccounted For change				22,654 [5]	
5	Adjustment to other operating revenues			113,788 [5]		
6	Public Staff Amount (Sum of L1 thru L5)	<u>\$430,126,449</u>	<u>\$792,254</u>	<u>\$3,526,964</u>	<u>\$180,388,055</u>	

- [1] Per Item G-1, Item 4, Workpaper 1, page 1 of 5.
- [2] Per Public Staff EOP Operating Revenues, Exhibit A.
- [3] 11,584,540 therms multiplied by \$.225/therm.
- [4] Public Staff fixed gas costs of \$67,928,619 minus Company amount of \$67,287,485.
- [5] Per Public Staff.
- [6] Column (a) + Column (b) multiplied by regulatory fee rate.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
CALCULATION OF PUBLIC STAFF PAYROLL ADJUSTMENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Company (a)	Public Staff (b)	Public Staff Change [6] (c)
1	Union Employee Salaries as of 12/31/15	\$14,075,422 [1]	\$14,527,885 [4]	\$452,462
2	2016 Union Progression Increases	82,502 [1]	127,298 [4]	44,796
3	Union Merit Increase	353,948 [1]	366,380 [4]	12,431
4	Non-Union Salaries as of 12/31/15	21,509,399 [1]	22,034,930 [4]	525,531
5	Non-Union Merit Increase effective 2/16	645,282 [1]	-	(645,282)
6	PSNC Overtime Pay	5,367,940 [1]	4,937,227 [5]	(430,713)
7	Overtime Increase	134,199 [1]	-	(134,199)
8	Total Regular PSNC Payroll (sum L1 through L7)	42,168,692	41,993,719	(174,972)
9	Percent of Payroll to O&M	70.88% [2]	70.88% [2]	
10	Total O&M Portion of PSNC Payroll (L8 * L9)	29,889,169	29,765,148	(124,020)
11	SCANA Services Payroll Allocated to PSNC	9,806,157 [3]	9,858,625 [4]	52,468
12	Additional Headcount (O&M only)	294,185 [8]	98,770 [6]	(195,415)
13	Total Payroll Expense, Excluding Bonus & Incentive Pay	39,989,511	39,623,773	(266,967)
14	Payroll Tax Percent			7.67% [8]
15	Public Staff Adjustment to Payroll Taxes			(\$20,476)

[1] MFR Item 4, Workpaper 3-A, p. 2.
 [2] MFR Item 4, Workpaper 3-A, p. 5.
 [3] MFR, Item 4, Workpaper 3-A, p.9.
 [4] Company updates to June 30, 2016.
 [5] Boswell Exhibit I, Schedule 3-1(a), Line 10.
 [6] Recommended by Public Staff based on review of documentation.
 [7] Column b minus Column a.
 [8] MFR, Item 4, Workpaper 3-A, p.1.

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 565
Adjustment for Bonus Accruals
For the 12 Months Ended December 31, 2015

Line No.	Filed Estimate		June 2016 actuals		Adjustment
	PSNC	SC to PSNC	PSNC	SC to PSNC	
	Bonus Accruals				
1	\$1,921,673		\$1,660,721		
2	435,794		401,542		
3	473,300		484,717		
4		\$1,248,915		\$1,054,271	
5		1,414,311		1,216,275	
6		5,584,682		5,000,052	
7	<u>\$2,830,767</u>	<u>\$8,247,908</u>	<u>\$2,546,980</u>	<u>\$7,270,598</u>	
8	3,212,610	5,539,957	3,212,610	5,539,957	
9	<u>70.88%</u>	<u>100.00%</u>	<u>70.88%</u>	<u>100.00%</u>	
10	<u>(270,651)</u>	<u>2,707,951</u>	<u>(471,799)</u>	<u>1,730,641</u>	<u>(\$1,178,457)</u>

[1] Per Company MFR, Item 4a, Workpaper 3-S.

[2] Per Company response to email 7/29/16.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
CALCULATION OF OTHER BENEFITS ADJUSTMENTS
For The Test Year Ended December 31, 2015

<u>Line No.</u>	Amount	<u>Per Company</u>	<u>Per Public Staff</u>	<u>Adjustment</u>
1	Proforma Payroll Adjustment	\$2,456,256	\$2,189,289	
2	Updated Other Benefits Percent	<u>7.60%</u> [1]	<u>7.53%</u> [2]	
3	Adjustment to Proforma Other Benefits (L1*L2)	<u>\$186,675</u>	<u>\$164,906</u>	<u>(\$21,770)</u>

[1] Per MFR, Item 4a, Workpaper 3F, Page 1.
[2] Per information provided by the Company.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO REALLOCATE SCANA SENIOR STAFF COMPENSATION
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<u>SCANA Senior Staff Compensation Charged to PSNC O&M:</u>	
1.	Company Amount	\$2,229,159 [1]
2.	Public Staff Amount	<u>1,359,579 [2]</u>
3.	Public Staff Adjustment to Decrease O&M Expenses (L1 - L2)	<u>\$869,580</u>

[1] Company responses to Public Staff Accounting DR 48.

[2] Allocation of all compensation items for each executive based on the allocation of the executive's regular pay.

Public Staff Late-Filed Exhibit I
 Schedule 3-5

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 595
For the 12 Months Ended December 31, 2015
Computation of Public Staff Adjustment to Executive Compensation

	Annual Compensation	ST Incentive	LT Incentive	Other	Total Compensation	PSNC %	Total	
KB Marsh	\$1,202,590	\$1,364,220	\$2,763,823	\$402,625	\$5,733,258	5.4904%	\$314,779	[1]
JE Addison	624,112	590,070	1,004,157	187,080	2,405,419	9.3624%	225,205	[1]
RT Lindsay	456,209	344,261	544,044	143,893	1,488,407	9.6543%	143,696	[1]
SA Byrne	624,112	531,063	1,004,157	154,706	2,314,038	0.0000%	-	[1]
WK Kissam	383,739	265,767	387,644	83,658	1,120,808	0.0000%	-	[1]
Total	\$3,290,762	\$3,095,381	\$5,703,825	\$971,962	\$13,061,930		\$683,680	

Executive Compensation Charged BTL per Public Staff	50.00%	[2]
Public Staff PSNC BTL Executive Compensation	341,840	
PSNC BTL Executive Compensation Before Executive Compensation Adjustment	<u>(62,528)</u>	[3]
Public Staff Adjustment to Decrease O&M Expenses	<u>\$279,312</u>	
Public Staff Adjustment to Decrease Payroll	70,369	
Public Staff Adjustment to Decrease Incentive Plan	208,944	

[1] Company Response to PSNC DR 48-2.
 [2] Determined by the Public Staff
 [3] Per Boswell Exhibit I, Schedule 3-5(a).

Public Staff Late-Filed Exhibit I
Schedule 3-5(a)

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 495
For the 12 Months Ended December 31, 2007
Computation of Executive Compensation Charged to Below the Line and Non Utility Activities by Company

Line No.		Annual Compensation	ST Incentive	LT Incentive	Other	Total Compensation	Total PSNC Non Utility %	Total PSNC BTL & Non Utility
1	KB Marsh	\$1,202,590	\$1,364,220	\$2,763,823	\$402,625	\$5,733,258	0.69%	\$39,532
2	JE Addison	624,112	590,070	1,004,157	187,080	2,405,419	0.81%	19,565
3	RT Lindsay	456,209	344,261	544,044	143,893	1,488,407	0.23%	3,431
4	SA Byrne	624,112	531,063	1,004,157	154,706	2,314,038	0.00%	-
5	WK Kissam	383,739	265,767	387,644	83,658	1,120,808	0.00%	-
6	Total	<u>\$3,290,762</u>	<u>\$3,095,381</u>	<u>\$5,703,825</u>	<u>\$971,962</u>	<u>\$13,061,930</u>		<u>\$62,528</u>

Allocators Used to Assign Executive Compensation:

	PSNC O&M %	Non Utility % ^{1/}	PSNC O&M to Non Utility %	PSNC BTL % ^{2/}	Total PSNC Non Utility %	Total PSNC %
KB Marsh	5.4904%	1.13%	0.06%	0.63%	0.69%	6.1799%
JE Addison	9.3624%	1.13%	0.11%	0.71%	0.81%	10.1758%
RT Lindsay	9.6543%	1.13%	0.11%	0.12%	0.23%	9.8849%
SA Byrne	0.0000%	1.13%	0.00%	0.00%	0.00%	0.0000%
WK Kissam	0.0000%	1.13%	0.00%	0.00%	0.00%	0.0000%

1/ MFR Item 4a, Workpaper 3N.

2/ Company Response to Public Staff DR 48-2.

Public Staff Late-Filed Exhibit I
Schedule 3-6

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO REMOVE RETIRED EXECUTIVE'S COMPENSATION
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1.	Total Compensation for retired executive included in cost of service	\$139,250 [1]
2.	Compensation to be included per Public Staff	<u>0</u>
3.	Public Staff Adjustment to Decrease O&M Expenses	<u>(\$139,250)</u>
4.	Public Staff Adjustment to Decrease Payroll	(10,032)
5.	Public Staff Adjustment to Decrease Incentive Plan	(129,218)

[1] Company responses to Public Staff.

Public Staff Late-Filed Exhibit I
Schedule 3-7

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO RATE CASE EXPENSE
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Rate case expenses per Public Staff	\$312,036 [1]
2	Amortization period in years	<u>5 [2]</u>
3	Annual amortization per Public Staff (L1 / L2)	62,407
4	Less: Annual amortization per Company	<u>139,433 [3]</u>
5	Public Staff adjustment to O&M expenses (L3 - L4)	<u>(\$77,026)</u>

[1] Per Company update.

[2] Recommended by Public Staff.

[3] MFR Item 4a, Workpaper 3-J.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
ADJUSTMENT TO POSTAGE EXPENSE
 For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Test Year Postage Expenses	\$2,104,270 [1]
	Less Disallowed Advertising Postage	
2	Account 913 postage	95,223 [1]
3	Percentage Acct 913 direct mail disallowed	99.88% [2]
4		<u>\$95,109</u>
5	Test Year Postage per Public Staff (L1 - L4)	\$2,009,161
6	Percent decrease in rate effective 04/16	<u>-4.08%</u>
7	Postage per Public Staff (L5 x L6)	1,927,187
8	Postage per Company	<u>2,071,904 [1]</u>
9	Adjustment to postage expense (L7 - L8)	<u><u>(\$144,717)</u></u>

[1] G-1 Filing, Item 4a, Workpaper 3-Q.
 [2] Direct mailings disallowed in advertising.
 [3] The \$.02 postage decrease from \$.49 to \$.47, equates to a 4.08% decrease.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
ADJUSTMENT TO UNCOLLECTIBLES
 For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Provision</u>
1	Uncollectibles percentage	0.2500% [1]
2	Revenues from sales and transportation of gas, net of gas costs	253,150,334 [2]
3	Updated revenues from sales and transportation of gas, net of gas costs	<u>\$254,057,612</u> [3]
4	Uncollectibles per Public Staff (L1 x L3)	635,144
5	Uncollectibles per Company	<u>657,589</u> [3]
6	Adjustment to uncollectibles (L4 - L5)	<u><u>(\$22,445)</u></u>

- [1] Based on the information provided in the G-1. Item 10.
- [2] Per Boswell Exhibit I, Schedule 3, Column a, Line 6.
- [3] Per Boswell Exhibit I, Schedule 3, Column aa, Line 6.
- [4] Per Item 4a, Workpaper 3-G.

Public Staff Late-Filed Exhibit I
Schedule 3-10

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO INFLATION EXPENSE
For The Test Year Ended December 31, 2015

Line No.	<u>Item</u>	<u>Amount</u>
1	Non-adjusted O&M expenses per the Company	\$92,766,693 [1]
2	Less adjusted expenses per Company filing	<u>86,266,755 [1]</u>
3	Total expenses subject to inflation per Company	6,499,938
	Less: Additional Expenses adjusted elsewhere	
4	Nonutility Expense Adjustment	257,961 [2]
5	Company Nonutility Expense	40,019 [3]
6	Correct Company SalesForce	(116,776) [4]
7	Remove lobbying/political expenses	94,200 [6]
8	Remove Contributions and Donations	127,324 [7]
9	Remove Entertainment and Gifts	24,592 [7]
10	Test Year Advertising Expenses	<u>1,034,104 [5]</u>
11	Adjusted expenses not subject to inflation adjustment	<u>1,461,424</u>
	Addition: Expenses not adjusted elsewhere	
12	SCANA Chargebacks	23,177,489
13	Adjustment for employee benefits	<u>(738,638)</u>
14	Adjusted expenses to be included in inflation adjustment	<u>22,438,851</u>
15	Non-adjusted O&M expenses per the Public Staff (L3 - L10+ L 14)	\$27,477,365
16	Inflation index	<u>2.20% [5]</u>
17	Inflation adjustment per Public Staff (L15 x L16)	604,502
18	Inflation adjustment per Company	<u>155,349 [1]</u>
19	Adjustment to non-adjusted O&M expenses increased for inflation (L17 - L18)	<u><u>\$449,153</u></u>

[1] G-1, Item 4a, Workpaper 3L

[2] Boswell Exhibit I, Schedule 3-11, Column c, Line 27.

[3] Per Company response to DR 14-1.

[4] Per Company response to DR15-1.

[5] Recommended by Public Staff.

[6] Boswell Exhibit I, Schedule 3-22.

[7] Per query of response to DR49-1.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
NONUTILITY EXPENSE ADJUSTMENT
For The Test Year Ended December 31, 2015

Line No.	Account No.	Resource Code	Dept Code	Description	Merchandising, Jobbing, and CNG [1] (a)	Nonutility Equity Investments [1] (b)	Total [8] (c)	
Expenses subject to allocation:								
1.	9200000			Admin & General Salaries		\$509,390		
2.	9200000			Incentive Bonuses		\$9,075,897 [4]		
3.	Various			Other Benefits		\$186,675 [5]		
4.	9210000	211		Office Supplies	\$92,992 [2]			
5.	9210000	212		Copier Paper & Supplies	4,045			
6.	8860000			Building Services	507,643			
7.	Various	439		Other Equipment rental	288,266 [2]			
8.	9210000	501		Admin & General Office- other outside services	260,168 [2]			
9.	9230000	501		Outside services - tax & acctg	480,297 [2]	480,297		
10.	9230000	528		Outside services -legal	0 [2]	0		
11.	9230000	526		Physical Guard Services	208,131 [2]			
12.	9240000			Property Insurance	0	598,441		
13.	90370			Postage Expense	1,864,444 [3]			
14.	93020	misc		Miscellaneous General Expenses	861,730	861,730		
15.	Various	810		Investor Relations	31,008 [2]	31,008		
16.	Various	811		Financial Services	0 [2]	0		
17.	Various	813		Audit Services	145,331 [2]			
18.	Various	814		Shareholder Services				
19.	Various	816		SCANA Treasury - addt expenses per query	487,948 [2]			
20.	Various	3030		Safety	0			
				SalesForce	123,420 [2]			
21.				Subtotal (Sum of L1 thru L20)	\$5,355,425	\$11,743,440		
22.				Amounts previously allocated BTL				
23.				Total expenses subject to allocation	\$5,355,425	\$11,743,440		
24.				Allocation factors	3.091%	1.128%		
25.				Adjustment per Public Staff (L18 x L19)	165,542	132,439	\$297,980	
26.				Adjustment per Company	26,859	13,160	40,019	
27.				Adjustment to increase the nonutility expense adjustment (L20 - L21)	\$138,683	\$119,279	\$257,961	
							0.996104	
							\$258,970	\$258,970
Plant-related nonutility adjustment:								
28.				Plant in Service	\$183,894 [6]			
29.				Accumulated Depreciation	15,346 [6]			
30.				Net Nonutility PIS	\$168,548	0.106137	17,889	
31.				Depreciation Expense	\$5,652 [6]	0.996104	5,674	
Property Taxes:								
32.				North Carolina tax rate	\$0.00512			
33.				Adjustment for non utility property taxes	\$941	0.996104	\$944	\$24,508
Allocation Ratios:								
					Revenues [7]	Payroll [7]	Property [7]	Average
				Utility	96.61%	93.45%	97.28%	95.781%
				Merchandise and Jobbing	2.60%	6.55%	0.12%	3.091%
				Other Non-Utility	0.78%		2.60%	1.128%
				Total	100.00%	100.00%	100.00%	100.000%
Combined Merchandise and Jobbing and Other Non-Utility								

[1] MFR Filing, Item 4a, Workpaper 3N, Page 1 of 10, unless otherwise footnoted.
 [2] Per Data Request response 49-2, sorted by Resource Code / Dept ID, and Company 7/29/16 email.
 [3] Boswell Exhibit 1, Schedule 3-7, test year amount minus Public Staff adjustment and disallowed advertising postage.
 [4] Boswell Exhibit 1, Schedule 3-2, O&M portion of Company filed Bonus accruals.
 [5] Boswell Exhibit 1, Schedule 3-3.
 [6] Per Boswell Exhibit I, Schedule 2-1(d), Line 31.
 [7] Item G-1, Item 4a, Workpaper 4B.
 [8] Column (a) + Column (b) + Column(c).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
AMORTIZATION OF PIPELINE INTEGRITY MANAGEMENT COSTS
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
<u>Income Statement Effect:</u>		
1	Balance of Deferred PIM Costs @ June 30, 2008	\$2,287,037 [1]
2	Add: Incremental deferred PIM expenses 7/1/2008 - 12/31/2015	15,920,144 [1]
3	Add: Updated deferred PIM expenses 1/1/2016 - 6/30/2016	<u>4,389,641 [1]</u>
4	Total Deferred PIM Costs through June 30, 2016 (sum L1- L3)	22,596,822
5	Less: Sub 495 Amortization expense 11/1/2008 to 11/1/2016	<u>(2,287,037) [2]</u>
6	Deferred PIM Cost Balance per Public Staff (L4 -L5)	20,309,785
7	Amortization period in years	<u>5 [3]</u>
8	Amortization of PIM Costs per Public Staff (L6 / L7)	4,061,957
9	Amortization of PIM Costs per Company	<u>5,706,715 [1]</u>
10	Public Staff Adjustment to O&M Expenses (L8 - L9)	<u>(\$1,644,758)</u>
<u>Rate Base Effect:</u>		
11	Unamortized Pipeline Integrity Costs @ December 31, 2015	\$0
12	Less: Ongoing amortization reflected in O&M expenses	<u>0</u>
13	Unamortized PIM balance per Public Staff (L11 - L12))	0
14	Deferred Pipeline Integrity Costs per Company	<u>0</u>
15	Unamortized Pipeline Integrity Costs per Public Staff	<u><u>\$0</u></u>

[1] Per Docket No. G-5, Sub 565 G-1 and data request responses. .

[2] Per Docket No. G-5, Sub 495. Annual PIM amortization approved \$762,346 times 8 years.

[3] Recommended by Public Staff.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
AMORTIZATION OF MANUFACTURED GAS PLANT COSTS
For The Test Year Ended December 31, 2015

Line No.	<u>Item</u>	<u>Amount</u>
1	Balance of Deferred MGP Costs @ June 30, 2008	3,494,563 [1]
2	Add: Incremental deferred PIM expenses 7/1/2008 - 12/31/2015	3,692,766 [1]
3	Add: Incremental environmental expenses 1/1/2016 - 6/30/2016	3,155,963 [1]
4	Total Deferred MGP Costs through June 30, 2016 (sum L1-L3)	10,343,292
5	Less: Sub 495 Amortization expense 11/1/2008 to 11/1/2016	<u>(3,494,563) [2]</u>
6	Deferred MGP Cost per Public Staff (L4 -L5)	6,848,729
7	Amortization period in years	<u>5 [3]</u>
8	Amortization of Deferred MGP Costs per Public Staff (L6 / L7)	1,369,746
9	Amortization of Deferred MGP Costs per Company	<u>2,254,255</u>
10	Public Staff Adjustment to O&M Expenses (L8 - L9)	<u><u>(\$884,509)</u></u>
<u>Rate Base Effect:</u>		
11	Unamortized Pipeline Integrity Costs @ December 31, 2015	\$0
12	Less: Annual amortization reflected in O&M expenses	<u>0</u>
13	Unamortized PIM Balance per Public Staff	0
14	Deferred Pipeline Integrity Costs per Company	<u>0</u>
15	Unamortized Pipeline Integrity Balance per Public Staff	<u><u>\$0</u></u>

[1] MFR Item 4, Workpaper 3-I and response to DR 11.

[2] Per Docket No. G-5, Sub 495. Annual PIM amortization approved \$1,164,854 times 8 years.

[3] Recommended by Public Staff.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
AMORTIZATION OF DISTRIBUTION INTEGRITY MANAGEMENT
 For The Test Year Ended December 31, 2015

Line No.	<u>Item</u>	<u>Amount</u>
1	Actual test year DIMP costs	\$480,884 [1]
2	DIMP costs incurred January - June 2016 updates	1,020,209 [1]
3	Total DIMP costs at June 2016	1,501,093
4	Balance of DIMP costs to be deferred	1,501,093
5	Amortization period	<u>5 [2]</u>
6	Annual amortization (L4 / L5)	\$300,219
7	Adjustment per Company	<u>\$2,000,000 [1]</u>
8	Public Staff adjustment (L6 - L7)	<u><u>(1,699,781)</u></u>
 <u>Rate Base Effect:</u>		
	Unamortized Pipeline Integrity Costs @ December 31, 2015	\$0
	Less: Ongoing amortization reflected in O&M expenses	<u>0</u>
	Unamortized PIM balance per Public Staff	0
	Deferred Pipeline Integrity Costs per Company	0
	Unamortized Pipeline Integrity Costs per Public Staff	<u><u>\$0</u></u>

[1] MFR Item 4, Workpaper 3-P and Company updates.

[2] Per Public Staff.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO CHANGES FOR REGULATORY FEE
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Adjusted Test Year Sales and Transportation Revenues	\$430,268,985 [1]
	Less:	
2	CIAC Tax Gross-up	416,022 [1]
3	Uncollectibles	635,144 [2]
4	Amount Subject to Fee	429,217,819
5	Fee Percentage	0.140% [3]
6	Adjusted Fee per Public Staff (L4 x L5)	600,905
7	Adjusted Fee per Company	635,209 [1]
8	Public Staff Adjustment to Regulatory Fee (L6 - L7)	<u>(\$34,304)</u>

- [1] MFR, Item 4a, Workpaper 3-C.
[2] Boswell Exhibit 1, Schedule 3-9, Line 9.
[3] Per Commission Order on July 11, 2016.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
SUMMARY OF PUBLIC STAFF ADVERTISING ADJUSTMENTS
For the Test Year Ended December 31, 2015

Line No.	Item	Amount Per Company				Public Staff Adjustments				After Public Staff Adjustments			
		Acct 909 (a)	Acct 913 (b)	Other-Specify (c)	Total (d)	Acct 909 (a)	Acct 913 (b)	Other-Specify (c)	Total (d)	Acct 909 (a)	Acct 913 (b)	Other-Specify (c)	Total (d)
1	Newspaper	\$0	\$682	\$3,462	\$4,145		(\$682)	(\$3,462)	(\$4,145)	\$0	\$0	\$0	\$0
2	Magazines & Other	135,047	135,047	3,018	273,113	(67,524)	(67,524)	(3,018)	(138,065)	\$67,524	\$67,524	\$0	135,047
3	Television	0	130,589	0	130,589		(130,589)		(130,589)	\$0	\$0	\$0	0
4	Radio	0	25,610	1,891	27,501		(25,610)	(1,891)	(27,501)	\$0	\$0	\$0	0
5	Outdoor Advertising	0	14,983	225	15,208		(14,983)	(225)	(15,208)	\$0	\$0	\$0	0
6	Bill Inserts	4,499	5,631	19,559	29,689	0	0	0	0	\$4,499	\$5,631	\$19,559	29,689
7	New Customer - Welcome Kits	3,415			3,415	0			0	\$3,415	\$0	\$0	3,415
8	Direct Mail	0	57,702	7,759	65,460		(57,631)	(7,759)	(65,390)	\$0	\$70	\$0	70
9	Sales Promotion	0	0	9,483	9,483		0	(9,483)	(9,483)	\$0	\$0	\$0	0
10	White Pages	25,790	0	0	25,790		0	0	0	\$25,790	\$0	\$0	25,790
11	Recruiting	0	0	444	444		0	0	0	\$0	\$0	\$444	444
12	Internet	0	248,518	124,878	373,396		(133,509)	(113,135)	(246,644)	\$0	\$115,009	\$11,743	126,752
13	Miscellaneous	893	40,032	577	41,502	(500)	(19,530)	0	(20,030)	\$393	\$20,501	\$577	21,471
14	Labor and Benefits	5,235	13,626	0	18,861	(5,235)	(13,626)		(18,861)				0
15	Public Safety	15,509			15,509	0			0	\$15,509	\$0	\$0	15,509
16	Total	\$190,388	\$672,421	\$171,295	\$1,034,103	(\$73,258)	(\$463,685)	(\$138,972)	(\$675,916)	\$117,129	\$208,736	\$32,323	\$358,188

[1] Per MFR, Item 12, P. 1 of 10.
[2] Sum of Columns (a)+(b)+(c).
[3] Company amounts minus public staff adjustments.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
AMORTIZATION OF SALESFORCE LICENSE
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	2015 Amortization - Q4	\$45,730 [1]
2	2015 - Catch-up Entry	243,759 [1]
3	Total 2015 Amortization (L1 +L2)	289,489
4	Adjustment of Salesforce per Company	(128,685) [1]
5	Cost of 3-year contract	\$370,260 [2]
6	Annual Cost (L5 / 3)	123,420
7	Public Staff ongoing level of O&M Expense	123,420
8	Public Staff Adjustment to O&M Expenses (L7 - L3 - L4)	(\$37,385)

[1] MFR Item 4, Workpaper 3R.

[2] Per Company response to DR 21-3.

Public Staff Late-Filed Exhibit I
Schedule 3-18

Public Service Company of North Carolina
Docket No. G-5, Sub 565
Customer Deposits and Interest
For The Test Year Ended December 31, 2015

Line No.	Item	Customer Deposits [1]	Interest [1]
1	June 2015	(\$7,959,233)	\$57,239
2	July 2015	(7,801,018)	43,902
3	August 2015	(7,720,266)	44,541
4	September 2015	(7,693,842)	49,863
5	October 2015	(8,026,795)	49,554
6	November 2015	(8,225,758)	47,078
7	December 2015	(8,282,424)	41,438
8	January 2016	(8,443,668)	47,493
9	February 2016	(8,465,852)	46,156
10	March 2016	(8,367,242)	55,340
11	April 2016	(8,116,095)	45,778
12	May 2016	(7,806,164)	49,977
13	June 2016	(7,570,958)	48,641
14	Total sum of Lines 1 through 13	<u>(104,479,314)</u>	<u>569,759</u>
15	Number of Months	13	13
16	13 Month Average (Line 14/ Line 15)	(8,036,870)	43,828
17	Average calculated per Company	<u>(8,295,676)</u>	<u>44,700</u>
18	Public Staff Adjustment to O&M Expenses (L16 - L17)	<u>\$258,806</u>	<u>(\$872)</u>
19	Adjustment required in Customer Deposits per PS		569,759 [2]
20	Adjustment required in Customer Deposits per Company		<u>581,096</u>
21	Difference (Line 19 - Line 20)		<u>(\$11,337)</u>

[1] MFR Item 4a, Workpaper 3-B, updated per Company.
[2] Per Line 14.

Public Service Company of North Carolina
Public Service Company of North Carolina
ADJUSTMENT TO SERVICE COMPANY CHARGES
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Company increase in Service Company charges	\$3,216,283 [1]
2	Public Staff calculated Service Company charges	0 [2]
3	Public Staff adjustment to Service Company charges (L2- L1)	<u>(\$3,216,283)</u>

[1] MFR Item 4, Workpaper 3M.

[2] Per Company response to Public Staff inquest.

Public Staff Late-Filed Exhibit I
Schedule 3-20

Public Service Company of North Carolina
Public Service Company of North Carolina
GAS TECHNOLOGY INSTITUTE CHARGES
For The Test Year Ended December 31, 2015

Line No.	Item	Amount
1	Meters billed June 2016	537,262 [1]
2	GTI rate per meter	0.50 [2]
3	Public Staff calculated O&M Charge (L1 x L2)	268,631
4	Company requested O&M Charge	275,000 [2]
5	Adjustment to GTI O&m Charge (L3 - L4)	(\$6,369)

[1] Per Company response and monthly revenue report.

[2] MFR Item 4, Workpaper 3-W.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO FUEL COSTS
For The Test Year Ended December 31, 2015

Line No.	Item	Amount		
		Unleaded	Diesel	
		(a)	(b)	
1	2014 Average Price	3.32 [1]	3.77 [1]	
2	2015 Average Price	2.32 [1]	2.67 [1]	
3	2 year average price	2.82	3.22	
4	Gallons in test year	542,511 [1]	137,035 [1]	
5	Average calculated fuel costs (L3 * L4)	1,529,881	441,253	
6	Cost in test year	1,256,377 [1]	366,482 [1]	
7	Public Staff fuel costs (L5 - L6)	273,504	74,771	348,275 [2]
8	Increase to O&M fuel costs per Company	396,033 [1]	108,258 [1]	504,291 [2]
9	Adjustment to fuel costs (L7 - L8)	(122,529)	(33,487)	(156,016) [2]
10	O&M percentage			75.00% [1]
11	Public Staff adjustment to fuel costs (L9 * L10)			<u>(\$117,012)</u>

[1] MFR Item 4, Workpaper 3-T.

[2] Column a plus Column b.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
ADJUSTMENT TO LOBBYING EXPENSE
 For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
		(a)
1	Labor expenses for Economic Development & Gov't Affairs Department	\$294,242 [2]
2	Lobbying percentage	<u>25% [3]</u>
3	Adjustment to remove lobbying expenses from department (L1 x L2)	<u>73,561</u>
4	Misc expenses related to lobbying/politics	28,264 [4]
5	Lobbying Percentage	<u>100% [3]</u>
6	Adjustment to remove misc expenses related to lobbying	<u>28,264</u>
7	American Gas Association dues	263,745 [1]
8	Lobbying percentage	<u>25% [3]</u>
9	Adjustment to remove lobbying expenses from AGA dues (L7 x L8)	<u>65,936</u>
10	Total adjustment to remove lobbying expenses (L3 + L6 + L9)	<u><u>\$167,760</u></u>

- [1] MFR, Item 13.
- [2] Per Company Response.
- [3] Recommended by Public Staff
- [4] Per review of Company response to DR49.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
INTEREST SYNCHRONIZATION ADJUSTMENT
For The Test Year Ended December 31, 2015

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Interest expense assigned to rate base per Company	\$23,358,790 [1]
2	Interest expense assigned to rate base per Public Staff	<u>23,518,170 [2]</u>
3	Difference in interest expense tax deduction (L2 - L1)	<u>\$159,380</u>
4	Adjustment to state income taxes (L3 x 4%)	<u>(\$6,375)</u>
5	Adjustment to federal income taxes (L3 + L4 x 35%)	<u>(\$53,552)</u>
6	Total adjustment to income taxes	<u>(\$59,927)</u>

[1] Boone Exhibit 6, Page 2.

[2] Boswell Exhibit I, Schedule 4, Column (e), Line 1 + Line 2.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2015

Line No.	Item	Capitalization Ratios [1]	Original Cost Rate Base [2]	Before Recommended Increase			After Recommended Increase			
				Embedded Cost/Return % [3]	Weighted Cost/Return % [4]	Net Operating Income [5]	Rate Base [6]	Embedded Cost/Return % [1]	Weighted Cost/Return % [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)
1	Long term debt	44.62%	\$421,598,901 [2]	5.52% [1]	2.46% [5]	\$23,272,259 [7]	\$422,427,461	5.52%	2.46% [10]	\$23,317,996 [12]
2	Short term debt	3.38%	31,936,447 [2]	0.77% [1]	0.03% [5]	245,911 [7]	31,999,212	0.77%	0.03% [10]	\$246,394 [12]
3	Common equity	<u>52.00%</u>	<u>491,329,960 [2]</u>	<u>7.31% [4]</u>	<u>3.80% [5]</u>	<u>35,938,043 [8]</u>	<u>492,295,562</u>	<u>9.70%</u>	<u>5.04% [10]</u>	<u>\$47,752,670 [12]</u>
4	Totals	<u>100.00%</u>	<u>\$944,865,308 [3]</u>		<u>6.29% [6]</u>	<u>\$59,456,213 [9]</u>	<u>\$946,722,235</u>		<u>7.53% [11]</u>	<u>\$71,317,060 [13]</u>

[1] Per Public Staff Witness.

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

[3] Boswell Exhibit I, Schedule 2.

[4] Column (e) / Column (b).

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

[6] Column (e), Line 4 / Column (b), Line 4.

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

[8] Column (e), Line 4 - Line 1 - Line 2.

[9] Boswell Exhibit I, Schedule 3.

[10] Column (a) x Column (f).

[11] Column (h), Line 4 / Column (b), Line 4.

[12] Column (b) x Column (f).

[13] Sum of Line 1 thru L3.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
CALCULATION OF INCREASE (DECREASE) IN
REVENUE REQUIREMENT
For The Test Year Ended December 31, 2015

Line No.	Item	Debt		Equity (c)	Total (d)
		Long Term (a)	Short Term (b)		
1	Required net operating income	\$23,317,996 [1]	\$246,394 [1]	\$47,752,670 [1]	\$71,317,060
2	Net operating income before proposed increase	<u>23,272,259 [2]</u>	<u>245,911 [2]</u>	<u>35,938,043 [2]</u>	<u>59,456,213</u>
3	Additional net operating income requirement (L1 - L2)	45,737	483	11,814,627	11,860,847
4	Retention factor	<u>0.996104 [3]</u>	<u>0.996104 [3]</u>	<u>0.6215686 [3]</u>	
5	Additional gross revenue requirement (L3 / L4)	<u>\$45,916</u>	<u>\$485</u>	<u>\$19,007,760</u>	<u>\$19,054,161</u>

[1] Boswell Exhibit I, Schedule 4, Column (h).

[2] Boswell Exhibit I, Schedule 4, Column (e).

[3] Boswell Exhibit I, Schedule 5 (a), Column (d), Line 13.

Public Staff Late Filed Exhibit 2
Schedule 2-2

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Amount Per Company [1] (a)	Company Ratemaking Adjustments (b)	After Company Adjustments (c)	Public Staff Working Capital Adjustments (d)	Amount Per Public Staff [13] (f)
1	Lead Lag Study					
	Lead Lag Study	\$10,012,305	2,993,183	\$13,005,488		
	Average materials and supplies:					
2	Operating and construction supplies	9,465,900		9,465,900	\$865,868 [2]	\$10,331,768
3	Natural gas stored	38,067,356		38,067,356	(5,307,372) [3]	\$32,759,984
4	Totals (L2 + L3)	47,533,256	0	47,533,256	(4,441,504)	43,091,752
	Cash working capital:					
5	Average Customer deposits	(8,295,675)		(8,295,675)	258,805 [5]	(8,036,870)
6	Average Accrued Interest on Customer Deposits	(185,385)		(185,385)	(64,354) [4]	(249,739)
7	Average Accrued Vacation Liability - PTO	(582,236)		(582,236)	(13,301) [10]	(595,537)
8	Average State Sales Tax	(712,278)		(712,278)	421,078 [11]	(291,200)
9	Average of Deferred Credit Treasury A Account	(324,842)		(324,842)	(40,943) [12]	(365,785)
10	Average prepayments	968,023	430,345	1,398,368	(266,648) [6]	1,131,720
11	Average deferred Salesforce Cloud License Fees	18,358		18,358	(18,358) [7]	0
12	Cost-Free Capital - Transco refunds	(258,000)		(258,000)		(258,000)
13	Cost-Free Capital - Postretirement Benefits	(24,423,034)	136,967	(24,286,067)	(486,195) [8]	(24,772,262)
14	Cost-Free Capital - Pension Accrual	(15,925,419)		(15,925,419)	(1,427,237) [9]	(17,352,656)
15	Cost-Free Capital - LT Disability	(265,991)		(265,991)	147,285	(118,706)
16	Totals cash working capital (Sum of L5 thru L15)	(49,986,479)	567,312	(49,419,167)	(1,489,868)	(50,909,035)
17	Total working capital (L1 + L4 + L16)	\$7,559,082	\$3,560,495	\$11,119,577	(\$5,931,372)	(\$7,817,283)

[1] Per Boone Exhibit 4.

[2] Boswell Exhibit I, Schedule 2-2(a).

[3] Boswell Exhibit I, Schedule 2-2(b).

[4] Boswell Exhibit I, Schedule 2-2(d).

[5] Boswell Exhibit I, Schedule 2-2(c).

[6] Boswell Exhibit I, Schedule 2-2(f).

[7] Boswell Exhibit I, Schedule 2-2(h).

[8] Boswell Exhibit I, Schedule 2-2(k).

[9] Boswell Exhibit I, Schedule 2-2(l).

[10] Boswell Exhibit I, Schedule 2-2(e).

[11] Boswell Exhibit I, Schedule 2-2(f).

[12] Boswell Exhibit I, Schedule 2-2(g).

[13] Sum of Column (a) through Column (c).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO MATERIALS AND SUPPLIES
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(a)

<u>Line No.</u>	<u>Item</u>	<u>Inventory In Transit</u> (b)	[1]	<u>M & S Inventory</u> (c)	[1]	<u>Total</u> (d)	[2]
1	June 2015	\$253		\$10,004,040		\$10,004,293	
2	July	253		11,424,475		\$11,424,728	
3	August	(4)		9,886,807		\$9,886,803	
4	September	987		9,949,045		\$9,950,032	
5	October	(5)		8,950,351		\$8,950,346	
6	November	(5)		9,188,403		\$9,188,398	
7	December	10,218		9,426,671		\$9,436,889	
8	January 2016	0		9,936,770		\$9,936,770	
9	February	(1)		10,470,630		\$10,470,629	
10	March	0		11,431,033		\$11,431,033	
11	April	(1)		11,390,307		\$11,390,306	
12	May	(1)		10,892,949		\$10,892,948	
13	June 2016	0		11,349,804		\$11,349,804	
14	Total materials & supplies for 13 months (Sum L1 thru L13)	<u>11,694</u>		<u>134,301,285</u>		<u>134,312,979</u>	
15	Materials & supplies per Public Staff (L14 / 13)	<u>\$900</u>		<u>10,330,868</u>		<u>10,331,768</u>	
16	Materials & supplies per Company Application					<u>9,465,900</u>	[3]
17	Adjustment to materials & supplies (L15 - L16)					<u>\$865,868</u>	

[1] Updated amounts provided by the Company.

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

[3] MFR Item 24.

Public Service Company of North Carolina
 Docket No. C-5, Sub 595
 ADJUSTMENT TO NATURAL GAS IN STORAGE
 For the Year Ended December 31, 2015

Public Service Company of North Carolina
 Docket No. C-5, Sub 595
 ADJUSTMENT TO NATURAL GAS IN STORAGE
 For the Year Ended December 31, 2015

Line No.	Item	GSS (a)	WSS (b)	DTI (c)	Emergence (e)	ESS (f)	UNG (g)	LGA (h)	Cove Part. (i)	Columbia (j)	Pipe Needs (k)	Safety (l)	Total (m)
1	June 2015	\$2,873,653	\$7,814,510	\$7,810,649	\$677,683	\$677,592	\$2,834,108	\$0	\$622,545	\$5,926,803	\$1,005,251	\$1,245,454	\$32,372,489
2	July	3,127,597	7,757,249	6,650,098	677,658	677,578	3,197,065	0	671,628	6,774,260	2,053,233	1,245,454	\$35,140,697
3	August	3,787,537	7,884,041	6,809,504	677,658	677,578	3,560,550	0	743,389	7,654,163	2,478,544	1,595,626	\$38,926,590
4	September	4,297,182	8,022,954	10,693,531	677,658	677,578	3,897,501	0	804,087	8,423,341	2,945,218	1,711,365	\$42,051,035
5	October	4,814,500	8,041,976	11,548,862	724,223	748,597	4,094,298	0	866,695	9,191,099	3,168,392	1,796,864	\$44,822,396
6	November	4,749,696	7,708,930	9,278,790	724,223	743,810	4,361,715	0	883,060	9,913,764	3,232,025	2,041,484	\$47,773,295
7	December	4,175,596	7,708,930	9,278,790	724,223	743,810	4,361,715	0	883,060	9,913,764	3,232,025	2,041,484	\$47,773,295
8	January 2016	3,638,771	7,302,792	5,465,781	659,996	663,600	3,493,415	0	883,060	4,880,939	3,193,433	1,107,690	\$31,537,371
9	February	2,650,363	6,732,686	3,364,212	520,482	513,675	2,893,180	0	883,060	2,817,534	3,054,682	849,590	\$23,688,644
10	March	1,697,653	6,462,816	3,294,212	350,638	310,229	2,633,367	0	883,060	2,673,227	2,854,318	1,063,697	\$21,593,217
11	April	1,300,275	6,462,816	3,294,212	252,114	221,832	2,192,718	0	883,060	3,134,500	2,062,423	1,062,080	\$21,489,864
12	May	1,300,275	6,462,816	3,294,212	252,114	221,832	2,192,718	0	883,060	3,134,500	2,062,423	1,062,080	\$21,489,864
13	June 2016	1,784,194	6,255,913	5,081,255	295,244	291,122	3,423,484	0	883,060	4,092,464	2,174,141	1,062,080	\$25,351,047
14	Total gas inventory for 13 months (Sum of L1 thru L13)	\$38,105,646	\$93,910,769	\$85,650,258	\$7,256,675	\$7,221,501	\$45,292,583	\$0	\$10,722,729	\$75,965,846	\$34,259,882	\$17,892,704	\$425,679,760
15	2,931,290	7,223,685	7,311,558	658,919	658,590	3,464,043	0	957,164	877,164	5,843,597	2,053,376	1,381,746	\$32,759,896
16	Cas In Storage per application	3,822,657	7,281,012	9,343,520	749,944	749,682	3,591,036	0	727,127	6,547,824	2,371,450	1,569,412	\$30,677,636
17	Adjustment to gas in storage (L15 - L16)	(\$891,577)	(\$757,107)	(\$2,031,962)	(\$183,031)	(\$188,162)	(\$106,065)	\$0	\$89,987	(\$1,104,035)	\$54,136	(\$186,666)	(\$13,307,372)

(1) Unaudited amounts provided by the Company.
 (2) WFR, Item 23.
 (3) Sum of Column (e) thru Column (k).

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO CUSTOMERS' DEPOSITS
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(c)

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u> [1]
1	June 2015	(\$7,959,233)
2	July	(7,801,018)
3	August	(7,720,265)
4	September	(7,693,841)
5	October	(8,026,794)
6	November	(8,225,758)
7	December	(8,282,424)
8	January 2016	(8,443,668)
9	February	(8,465,852)
10	March	(8,367,242)
11	April	(8,116,095)
12	May	(7,806,164)
13	June 2016	<u>(7,570,958)</u>
14	Total customers' deposits for 13 months (Sum of L1 thru L13)	<u>(\$104,479,311)</u>
15	Average customers' deposits per Public Staff (L14 / 13)	(8,036,870)
16	Customers' deposits per Company application	<u>(8,295,675) [2]</u>
17	Adjustment to customers' deposits (L15 - L16)	<u>\$258,805</u>

[1] Per Company Filing and Company Updates.

[2] Per MFR Item 27.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
ADJUSTMENT TO INTEREST ON CUSTOMERS' DEPOSITS
 For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
 Schedule 2-2(d)

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u> [1]
1	June 2015	(\$237,930)
2	July	(231,589)
3	August	(254,276)
4	September	(259,056)
5	October	(257,150)
6	November	(248,252)
7	December	(234,633)
8	January 2016	(239,430)
9	February	(257,927)
10	March	(269,427)
11	April	(259,933)
12	May	(262,353)
13	June 2016	<u>(234,655)</u>
14	Total Interest on customers' deposits for 13 months (Sum of L1 th	<u>(3,246,611)</u>
15	Average Interest on customers' deposits per Public Staff (L14 / 1	(249,739)
16	Customers' deposits per Company application	<u>(185,385)</u> [2]
17	Adjustment to Interest on customers' deposits (L15 - L16)	<u>(\$64,354)</u>

[1] Per Company Filing and Company Updates.

[2] Per Boone Exhibit 4, page 3 of 3.

Public Service Company of North Carolina
 Docket No. G-5, Sub 565
 ADJUSTMENT TO PTO - ACCRUED VACATION CARRYOVER
 For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
 Schedule 2-2(e)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> [1]
1	June 2015	(\$580,019)
2	July	(\$580,019)
3	August	(\$580,019)
4	September	(\$580,019)
5	October	(\$580,019)
6	November	(\$580,019)
7	December	(\$608,838)
8	January 2016	(\$608,838)
9	February	(\$608,838)
10	March	(\$608,838)
11	April	(\$608,838)
12	May	(\$608,838)
13	June 2016	(\$608,838)
14	Total Interest on Excise Taxes for 13 months (Sum of L1 thr	<u>(\$7,741,984)</u>
15	PTO - Accrued Vacation per Public Staff (L14 / 13)	(\$595,537)
16	PTO - Accrued Vacation per Company application	<u>(\$582,236)</u> [2]
17	Adjustment	<u>(\$13,301)</u>

[1] Updated as of June 30, 2008 per Account # 2420301.
 [2] Amount provided per Company Filing.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO STATE SALES TAXES
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(f)

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u> [1]
1	June 2015	(\$200,825)
2	July	(261,903)
3	August	(297,849)
4	September	(260,069)
5	October	(439,701)
6	November	(109,358)
7	December	85,950
8	January 2016	(347,887)
9	February	(795,452)
10	March	28,868
11	April	(430,265)
12	May	(393,076)
13	June 2016	<u>(364,037)</u>
14	Total State Sales Tax for 13 months (Sum of L1 thru L13)	<u>(3,785,603)</u>
15	Average State Sales Tax per Public Staff (L14 / 13)	(291,200)
16	Average State Sales Tax per Company application	<u>(712,278)</u> [2]
17	Adjustment to State Sales Tax (L15 - L16)	<u>\$421,078</u>

[1] Per Company Filing and Company Updates.
[2] Amount per Company Filing.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO DEFERRED CREDIT TREASURY A ACCOUNT
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(g)

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u> [1]
1	June 2015	(\$598,324)
2	July	(449,974)
3	August	(310,881)
4	September	(309,783)
5	October	(294,767)
6	November	(283,102)
7	December	(288,523)
8	January 2016	(348,393)
9	February	(330,982)
10	March	(322,177)
11	April	(351,241)
12	May	(424,100)
13	June 2016	(442,954)
14	Total for 13 months (Sum of L1 thru L13)	<u>(4,755,200)</u>
15	Average per Public Staff (L14 / 13)	(365,785)
16	Average per Company application	<u>(324,842)</u> [2]
17	Adjustment to Deferred Credit Treasury A Account (L15 - L16)	<u>(\$40,943)</u>

[1] Per Company Filing and Company Updates.

[2] Amount per Company Filing.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO DEFERRED SALESFORCE CLOUD LICENSE FEES
For the Test Year Ended December 31, 2015

Line No.	Item	North Carolina Amount
1	June 2015	\$0
2	July	0
3	August	0
4	September	81,253
5	October	67,711
6	November	54,169
7	December	35,523
8	January 2016	26,801
9	February	13,401
10	March	0
11	April	0
12	May	0
13	June 2016	0
14	Total for 13 months (Sum of L1 thru L13)	<u>278,858</u>
15	Average per Public Staff (L14 / 13)	0
16	Average per Company application	<u>18,358</u>
17	Adjustment to Deferred Salesforce License Fees (L15 - L16)	<u>(\$18,358)</u>

- [1] Per Company Filing and Company Updates.
- [2] Deferred amounts current; not to be included in working capital
- [3] Amount per Company Filing.

Public Staff Late Filed Exhibit 2
Schedule 2-2(h)

[1]

[2]
[3]

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO AVERAGE PREPAYMENTS
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(i)

<u>Line No.</u>	<u>Item</u>	<u>13-Month Average</u> [1]
1	Rating Agency Fee	\$24,923
2	Prepay Interest Comm Paper	5,633
3	Cust Svc Software Agrmts	68,295
4	OP Support Agrmts	-
5	Direct & Office Liability	87,915
6	Public Liab & Prop Damage	247,353
7	Work Comp Policy Excess	40,468
8	Fiduc and Emp Ben Liab	16,034
9	Prepay St License Fee	273,067
10	Taxes and Priv Lic	23,222
11	Crm/Salesforce Cloud	-
12	Crime and Fiduciary Liab	3,400
13	Excess Liab Ins Layer 1	117,537
14	Excess Liab Ins Layer 2	55,644
15	Renwl Fee on Comm Pape	153,738
16	Admin Agent Fees	14,491
17	Netmotion Wireless	-
18	Total 13-Month Average Prepayments Sum of (L1 thru L17)	<u>1,131,720</u>
19	Sum of Average prepayments per Public Staff	\$1,131,720
20	Average prepayments per Company application	<u>1,398,368</u> [2]
21	Adjustment to average prepayments (L19 - L20)	<u>(\$266,648)</u>

[1] Per Schedule 2-2(j).

[2] Per MFR Item 26, page 2 of 2.

Public Service Company
CALCULATION OF AVERAGE PREPAYMENTS
For the Test Year Ended December 31, 2015

Line No.	Item	6/30/2015 (1)	9/30/2015 (1)	12/31/2015 (1)	3/31/2016 (1)	6/30/2016 (1)	9/30/2016 (1)	12/31/2016 (1)	3/31/2017 (1)	6/30/2017 (1)	9/30/2017 (1)	12/31/2017 (1)	Total (1)	13-Month Average (1)
1	Relay Agency Fee	\$4,000	\$4,467	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$40,000	\$3,333
2	Cost/Sec Software Acmts	98,443	81,593	142	53,417	40,337	78,008	0	0	0	0	0	78,008	65,009
3	OP Support Acmts	189	142	0	0	0	0	0	0	0	0	0	0	0
4	Direct Office Liability	70,234	35,467	0	0	0	0	0	0	0	0	0	0	0
5	Work Comp Policy Expense	12,939	13,025	289	60,778	67,728	75,252	47,465	14,723	32,008	27,000	27,000	314,291	27,000
6	Fiduc and Emp Ben Liab	12,142	9,107	0	0	0	0	0	0	0	0	0	0	0
7	Phyca SI License Fee	41,777	30,271	0	0	0	0	0	0	0	0	0	0	0
8	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Phyca SI License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
	Average prepayments per Public Staff (Sum L1 - L17)	\$720,507	\$535,350	\$530,389	\$532,440	\$533,077	\$1,246,092	\$1,202,967	\$1,032,020	\$2,330,901	\$2,130,648	\$1,628,891	\$16,292,105	\$1,311,720
	Adjustment to average prepayments (L18-L19)													(2,399,649)

(1) Per Company Filing
(2) Per Company provided updates.
(3) Sum of (1) through (17)
(4) Sum of (1) through (17)
(5) Deferred amounts correct; not to be included in working capital

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO POSTRETIREMENT BENEFITS
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(k)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Postretirement Benefit at June 30, 2016	(\$28,685,554) [1]
2	Company Adjustment to remove FASB 158	3,913,292
3	Subtotal	<u>(24,772,262)</u>
4	Postretirement Benefit per Company	<u>(24,286,067) [2]</u>
5	Adjustment to Postretirement Benefit (L3 - L4)	<u><u>(\$486,195)</u></u>

[1] Updated per Data Request Response 4-5.

[2] Per Company filing.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO PENSION ACCRUAL
For the Test Year Ended December 31, 2015

Public Staff Late Filed Exhibit 2
Schedule 2-2(l)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Pension Accrual at June 30, 2016	(\$44,570,450) [1]
2	Company Adjustment to remove FASB 158	27,217,794
3	Subtotal	<u>(17,352,656)</u>
4	Pension Accrual per Company	<u>(15,925,419) [2]</u>
5	Adjustment to Pension Accrual (L3 - L4)	<u><u>(\$1,427,237)</u></u>

[1] Updated per Data Request Response 4-5.

[2] Per Company filing.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Per Books Amounts (a)	Company Retaking Adjustments (1) (b)	After Company Adjustments (2) (c)	Public Staff Adjustments (3) (d)	After Public Staff Adjustments (4) (e)	(Lead) / Lag Days (f)	Working Capital From Lead / Lag Study (g)
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 28 SCHEDULE A)								
1.	Operating Revenues	\$435,618,557	(\$6,763,854)	\$428,854,703	\$4,063,800	\$430,918,503		\$47,271,181
2.	Gas Sales and Transportation	3,413,178		3,413,178	113,788	3,526,966		388,003
3.	Other Operating Revenues							
3.	Total Operating Revenues	\$439,031,733	(\$6,763,854)	\$430,288,079	\$4,177,588	\$434,465,667	46.04	\$47,659,094
Operating Expenses:								
4.	Purchased gas	\$181,239,574	(14,121,821)	\$177,117,753	\$3,270,310	\$180,388,063	(35.85)	(\$17,618,724)
5.	Operating and maintenance	92,788,883	26,134,388	118,923,271	(11,218,057)	107,705,214	(7.23)	(9,244,093)
6.	Depreciation	48,822,105	6,874,829	55,696,934	(441,452)	55,255,482	0.00	6
7.	General Taxes	17,433,263	3,026,990	20,460,253	(17,149,590)	3,310,663	(187.41)	(4,488,888)
8.	Income taxes - current	1,827,686	(22,245,171)	(20,417,485)	5,098,336	(15,319,149)	(25.50)	1,491,772
9.	State Income taxes - deferred - net	1,373,438	1,011,528	2,384,966	0	2,384,966	0.00	6
10.	Federal Income taxes - deferred - net	23,876,187	11,254,193	35,130,380	0	35,130,380	0.00	6
11.	Amortization of ITC	0	0	0	0	0	0.00	0
12.	Total Operating Expenses	\$372,933,257	\$5,837,404	\$378,770,661	(\$3,684,019)	\$375,086,642		(\$26,666,933)
Net Operating Income for Return:								
13.	Interest on long-term debt	\$20,879,571	\$2,416,929	\$23,296,500	\$200,518	\$23,500,018	(8.12)	(\$5,825,005)
14.	Interest on short-term debt	220,658	41,432	262,090	(18,000)	244,090	(8.26)	(6,539)
15.	Income available for common equity	45,188,047	(17,156,419)	28,031,628	7,554,974	35,586,602	0.00	0
16.	Total Operating Income for Return	\$68,098,476	(\$14,701,058)	\$53,397,418	\$7,242,407	\$60,639,825		(\$8,830,590)
17.	Total Cost of Service	\$438,031,733	(\$8,763,854)	\$430,288,078	\$4,177,588	\$434,465,667		(\$35,800,523)
18.	Investor Supplied Funds							\$11,657,671
19.	Working capital from lead / lag study per Public Staff							\$11,857,571
20.	Amount per Company application							\$19,008,817
21.	Adjustment to working capital from lead / lag study							\$1,847,854
OPERATING & MAINTENANCE EXPENSES (ITEM 28 SCHEDULE D)								
22.	Payroll (PSNC)	\$28,860,818	\$2,257,200	\$30,917,618	(\$37,388)	\$30,579,451	(11.77)	(\$85,792)
23.	Payroll (Services Co.)	6,874,418	294,185	7,168,603	(2,218,283)	4,950,320	(8.86)	(17,787)
24.	Other O&M (APF Invoices)	22,786,620	13,748,096	36,534,716	(5,184,985)	31,349,731	(3.53)	(2,110,004)
25.	Transportation Clearing (C&M)	3,873,074	838,235	4,711,309	9	4,720,308	8.89	107,430
26.	Uncollectible Accounts	460,957	195,802	656,759	(22,445)	634,314	(187.73)	(244,074)
27.	Insurance	8,473,500	197,465	8,670,965	0	8,670,965	22.56	412,868
28.	Pension	1,743,887	380,477	2,124,364	6	2,124,370	0.00	6
29.	Post Retirement	1,863,205	(138,987)	1,724,218	9	1,724,227	0.00	6
30.	401K Plan	2,668,268	169,594	2,837,862	(21,770)	2,816,092	(14.74)	(114,331)
31.	Regulatory Fees	660,881	(26,462)	634,419	0	634,419	(78.03)	(137,501)
32.	Rents	2,033,434	0	2,033,434	0	2,033,434	6.08	26,301
33.	Materials & Supplies	1,700,045	0	1,700,045	0	1,700,045	(18.05)	(64,387)
34.	Postage	2,104,270	(32,368)	2,071,902	(14,471)	2,057,431	14.57	78,926
35.	Incentive Pay	7,749,923	2,437,300	10,187,223	(2,388,189)	7,800,014	(252.87)	(5,211,809)
36.	Totals	\$97,768,883	\$20,134,368	\$117,903,251	(\$11,303,748)	\$106,599,503		(\$8,244,092)
INSURANCE (ITEM 28 SCHEDULE D-6)								
37.	Life, AD&D & Cobra	\$314,751		\$314,751	\$0	\$314,751	(7.86)	(\$6,785)
Self Insured Items:								
38.	Health/Dental Insurance*	4,001,570		4,001,570	0	4,001,570	(5.50)	(60,288)
39.	Long-Term Disability Insurance	516,749	187,495	704,244	9	704,253	14.71	28,868
40.	Short-Term Disability Insurance:							
40.	Salary	149,272		149,272	6	149,278	(8.46)	(2,842)
41.	Hourly	202,788		202,788	6	202,794	(13.46)	(7,476)
42.	Property & Liability Insurance	1,110,871		1,110,871	0	1,110,871	172.37	574,227
43.	Small Claims	183,233		183,233	6	183,239	(138.81)	(89,684)
44.	Worker's Compensation	(8,831)		(8,831)	6	(8,825)	(240.56)	8,467
45.	Totals	\$6,473,500	\$197,495	\$6,671,000	\$0	\$6,671,000		\$412,653
OTHER TAXES (ITEM 28 SCHEDULE E1)								
46.	City Occupation	\$43,188		\$43,188	\$0	\$43,188	168.87	\$22,478
47.	AD Valorem (City & County taxes)	6,973,838	1,221,955	8,195,793	(151,483)	8,044,310	(145.00)	(1,900,207)
48.	Utility Sales Tax	21,318		21,318	0	21,318	(4.79)	(265)
49.	Employer FICA & Medicare	3,295,858	195,881	3,491,739	(20,478)	3,471,261	(30.82)	(30,820)
50.	Unemployment Tax	69,382		69,382	0	69,382	(82.24)	(18,843)
51.	Subtotal	\$12,433,283	\$1,417,836	\$13,851,119	(\$171,958)	\$13,679,161		(\$4,016,572)
52.	Franchise Tax	0	1,809,044	1,809,044	0	1,809,044	0.00	0
53.	Total Cost of Service Other Taxes	\$12,433,283	\$3,026,880	\$15,460,163	(\$171,958)	\$15,288,205		(\$4,016,572)

[1] G-1, Item 28, Schedule A, page 3 and Schedule A, page 4, 12-months ended 12/31/15 column.
 [2] G-1, Item 28, Schedule A, page 4, Adjustments column.
 [3] G-1, Item 28, Schedule A, page 2 and Schedule A, page 4, After Adjustments column.
 [4] Exhibit Exhibit 1, Schedule 2-3(a), Column aa.
 [5] Column g plus Column d.
 [6] G-1, Item 28, Schedule A, page 2.
 [7] Column e divided by 385 times column f.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Update Plant In Service (e)	Gas Costs (b) (1)	End of period Revenue Adjustment (c)	LAUF Adjustment (d)	Adjust Uncollectibles (1) (e)
Operating Revenues						
1.	Gas Sales and Transportation		\$0	\$4,063,800		
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>4,063,800</u>	<u>0</u>	<u>0</u>
Operating Expenses:						
4.	Purchased gas		841,134	2,606,522	22,654	
5.	Operating and maintenance			5,889		(22,445)
6.	Depreciation	(305,869)				
7.	General Taxes	(123,494)				
8.	Income taxes - current	161,441	(241,066)	545,796	(8,516)	8,439
9.	State Income taxes - deferred - net					
10.	Federal Income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(297,922)</u>	<u>400,068</u>	<u>3,156,009</u>	<u>14,138</u>	<u>(14,006)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	297,922	(400,068)	905,791	(14,136)	14,006
16.	Total Operating Income for Return	<u>297,922</u>	<u>(400,068)</u>	<u>905,791</u>	<u>(14,136)</u>	<u>14,006</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>4,063,800</u>	<u>0</u>	<u>0</u>

OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)

19.	Payroll (PSNC)					
20.	Payroll (Services Co.)					
21.	Other D&M (A/P Invoices)					
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					(22,445)
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
28.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,445)</u>

INSURANCE (ITEM 28 SCHEDULE D-5)

34.	Life, AD&D & Cobrs					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
	Short-Term Disability Insurance:					
37.	Salary					
38.	Hourly					
39.	Property & Utility Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

OTHER TAXES (ITEM 28 SCHEDULE E)

43.	City Occupation					
44.	AD Valorem (City & County taxes)	(123,494)				
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
46.	Subtotal	<u>(123,494)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
48.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>(123,494)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[1] Corresponding column on Schedule 3.
[2] Sum of Columns s through cc.

Public Service Company of North Carolina
Docket No. G-5, Sub 565
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2015

Line No.	Item	Adjust MGP (f)	Adjust Executive Comp (g)	Adjust Regulatory Fee (h)	Adjust SalesForce (i)	Adjust Postage (j)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expense:						
4.	Purchased gas					
5.	Operating and maintenance	(884,509)	(278,312)	(34,304)	(37,385)	(144,717)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	332,575	431,983	12,898	14,056	54,414
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>(551,934)</u>	<u>152,671</u>	<u>(21,406)</u>	<u>(23,329)</u>	<u>(90,303)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	551,934	(152,671)	21,406	23,329	90,303
16.	Total Operating Income for Return	<u>551,934</u>	<u>(152,671)</u>	<u>\$21,406</u>	<u>23,329</u>	<u>90,303</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 28 SCHEDULE D)						
18.	Payroll (PSNC)		(70,369)			
20.	Payroll (Services Co.)					
21.	Other O&M (AP Invoices)	(884,509)		(34,304)	(37,385)	
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					(144,717)
32.	Incentive Pay		(208,944)			
33.	Totals	<u>(884,509)</u>	<u>(278,312)</u>	<u>(34,304)</u>	<u>(37,385)</u>	<u>(144,717)</u>
INSURANCE (ITEM 28 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 28 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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Line No.	Item	Adjust PJM (k) [1]	Adjust Payroll (l) [1]	Adjust Interest on Customer Deposits (m) [1]	Adjust Rate Case Expense (n) [1]	Adjust Inflation (o) [1]
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	0	0	0
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance	(1,644,756)	(266,967)	(11,337)	(77,026)	449,153
6.	Depreciation					
7.	General Taxes		(20,476)			
8.	Income taxes - current	618,429	108,079	4,262	26,962	(168,881)
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(1,026,329)	(179,365)	(7,075)	(49,064)	280,272
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	1,026,329	179,365	7,075	49,064	(280,272)
16.	Total Operating Income for Return	1,026,329	179,365	7,075	49,064	(280,272)
17.	Total Cost of Service	0	0	0	0	0
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
18.	Payroll (PSNC)		(266,967)			
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoicee)	(1,644,756)		(11,337)	(77,026)	449,153
22.	Transportation Clearing (O&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	(1,644,756)	(266,967)	(11,337)	(77,026)	449,153
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
36.	Hourly					
38.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare		(20,476)			
47.	Unemployment Tax					
48.	Subtotal	0	(20,476)	0	0	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	(20,476)	0	0	0

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Line No.	Item	Adjust Advertising (p)	Adjust Service Co. Charges (q)	Adjust Other Benefit Percentage (r)	Adjust Special Contracts (s)	Adjust GTI Charges (t)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues					
3.	Total Operating Revenues	0	0	0	0	0
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance	(675,916)	(3,216,283)	(21,770)		(6,369)
6.	Depreciation				(129,931)	
7.	General Taxes				(27,045)	
8.	Income taxes - current	254,145	1,208,322	8,186	58,023	2,395
9.	State Income taxes - deferred - net					
10.	Federal Income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	(421,771)	(2,008,961)	(13,584)	(97,953)	(3,974)
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	421,771	2,008,961	13,584	97,953	3,974
16.	Total Operating Income for Return	421,771	2,008,961	13,584	97,953	3,974
18.	Total Cost of Service	0	0	0	0	0
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)					
20.	Payroll (Services Co.)		(3,216,283)			(6,369)
21.	Other O&M (A/P Invoices)	(675,916)				
22.	Transportation Clearing (D&M)					
23.	Uncollectible Accounts					
24.	Insurance					
25.	Penalty					
26.	Post Retirement					
27.	401K Plan			(21,770)		
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay					
33.	Totals	(675,916)	(3,216,283)	(21,770)	0	(6,369)
INSURANCE (ITEM 28 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
39.	Property & Liability Insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	0	0	0	0	0
OTHER TAXES (ITEM 29 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)				(27,045)	
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	0	0	0	(27,045)	0
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	0	0	0	(27,045)	0

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Line No.	Item	Adjust Other Operating Income (u) (1)	Adjust Fuel Costs (v) (1)	Adjust DIMP (w) (1)	Adjust for Retirement Compensation (x) (1)	Adjust for Lobbying Exp (y) (1)
Operating Revenues						
1.	Gas Sales and Transportation					
2.	Other Operating Revenues	113,788				
3.	Total Operating Revenues	<u>113,788</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses:						
4.	Purchased gas					
5.	Operating and maintenance		(117,012)	(1,699,781)	(139,250)	(167,760)
6.	Depreciation					
7.	General Taxes					
8.	Income taxes - current	42,765	43,996	639,116	52,358	63,078
9.	State income taxes - deferred - net					
10.	Federal income taxes - deferred - net					
11.	Amortization of ITC					
12.	Total Operating Expenses	<u>42,765</u>	<u>(73,016)</u>	<u>(1,060,665)</u>	<u>(66,892)</u>	<u>(104,682)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt					
14.	Interest on short-term debt					
15.	Income available for common equity	71,003	73,018	1,060,663	66,892	104,682
16.	Total Operating Income for Return	<u>71,003</u>	<u>73,018</u>	<u>1,060,663</u>	<u>66,892</u>	<u>104,682</u>
18.	Total Cost of Service	<u>113,788</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
19.	Payroll (PSNC)				(10,032)	
20.	Payroll (Services Co.)					
21.	Other O&M (A/P Invoices)					
22.	Transportation Clearing (D&M)		(117,012)	(1,699,781)		(167,760)
23.	Uncollectible Accounts					
24.	insurance					
25.	Pension					
26.	Post Retirement					
27.	401K Plan					
28.	Regulatory Fees					
29.	Rents					
30.	Materials & Supplies					
31.	Postage					
32.	Incentive Pay				(129,218)	
33.	Totals	<u>0</u>	<u>(117,012)</u>	<u>(1,699,781)</u>	<u>(139,250)</u>	<u>(187,760)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					
Self Insured Items:						
35.	Health/Dental Insurance*					
36.	Long-Term Disability Insurance					
Short-Term Disability Insurance:						
37.	Salary					
38.	Hourly					
38.	Property & Liability insurance					
40.	Small Claims					
41.	Worker's Compensation					
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					
44.	AD Valorem (City & County taxes)					
45.	Utility Sales Tax					
46.	Employer FICA & Medicare					
47.	Unemployment Tax					
48.	Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax					
50.	Total Cost of Service Other Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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Line No.	Item	Adjust Non-utility (z)	Update Bonus (aa)	Adjust Sr Staff Bonus Pay (1) (bb)	Interest Synchronization (cc)	Total Public Staff Adjustments (2) (dd)
Operating Revenues						
1.	Gas Sales and Transportation					4,063,800
2.	Other Operating Revenues					113,788
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,177,588</u>
Operating Expenses:						
4.	Purchased gas					3,270,310
5.	Operating and maintenance	(257,861)	(1,178,457)	(889,580)		(11,286,057)
6.	Depreciation	(5,652)				(441,452)
7.	General Taxes	(941)				(171,956)
8.	Income taxes - current	99,472	443,100	326,962	(70,475)	5,076,338
9.	State income taxes - deferred - net					0
10.	Federal income taxes - deferred - net					0
11.	Amortization of ITC					0
12.	Total Operating Expenses	<u>(165,022)</u>	<u>(735,357)</u>	<u>(542,618)</u>	<u>(70,475)</u>	<u>(3,564,619)</u>
Net Operating Income for Return:						
13.	Interest on long-term debt				203,518	203,518
14.	Interest on short-term debt				(18,088)	(18,086)
15.	Income available for common equity	165,082	735,357	542,618	(116,958)	7,554,974
16.	Total Operating Income for Return	<u>165,082</u>	<u>735,357</u>	<u>542,618</u>	<u>70,475</u>	<u>7,742,407</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,177,588</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)						
18.	Payroll (PSNC)					(347,368)
20.	Payroll (Services Co.)					(3,216,283)
21.	Other O&M (A/P Invoices)	(257,961)				(5,184,965)
22.	Transportation Cleaning (O&M)					0
23.	Uncollectible Accounts					(22,445)
24.	Insurance					0
25.	Pension					0
26.	Post Retirement					0
27.	401K Plan					(21,770)
28.	Regulatory Fees					0
28.	Rents					0
30.	Materials & Supplies					0
31.	Postage					(144,717)
32.	Incentive Pay		(1,178,457)	(889,580)		(2,368,189)
33.	Totals	<u>(257,961)</u>	<u>(1,178,457)</u>	<u>(889,580)</u>	<u>0</u>	<u>(11,303,746)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)						
34.	Life, AD&D & Cobra					0
Self Insured Items:						
35.	Health/Dental Insurance*					0
36.	Long-Term Disability Insurance					0
Short-Term Disability Insurance:						
37.	Salary					0
38.	Hourly					0
39.	Property & Liability Insurance					0
40.	Small Claims					0
41.	Worker's Compensation					0
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)						
43.	City Occupation					0
44.	AD Valorem (City & County taxes)	(941)				(154,480)
45.	Utility Sales Tax					0
46.	Employer FICA & Medicare					(20,476)
47.	Unemployment Tax					0
48.	Subtotal	<u>(941)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171,956)</u>
48.	Franchise Tax					0
50.	Total Cost of Service Other Taxes	<u>(941)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171,956)</u>

