

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

January 3, 2022

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

Via Electronic Delivery

Re: Docket No. W-354 Sub 384
Joint Proposed Order Filed By Public Staff and Carolina Water
Service, Inc. of North Carolina

Dear Ms. Dunston:

Attached for filing please find the following documents, submitted by the
Public Staff and Carolina Water Service, Inc. of North Carolina:

- Joint Proposed Order;
- Appendices A, B, and C;
- Schellinger Affidavit of Rate Case Expenses; and
- Feasel Exhibits I and II.

I further certify that a Word version of the attached Joint Proposed Order is
being provided to the North Carolina Utilities Commission at briefs@ncuc.net.

As always, thank you and your staff for your assistance; please feel free to
contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford

N.C. State Bar No. 6831

Attorney for Carolina Water Service, Inc.
of North Carolina

c: Parties of Record

CERTIFICATE OF SERVICE

I hereby certify that the foregoing filing, captioned **Joint Proposed Order Filed by the Public Staff and Carolina Water Service, Inc. of North Carolina**, has been served on the parties of record to Docket No. W-354, Sub 384, in accordance with North Carolina Utilities Commission Rule R1-39, either: by United States mail, first class postage pre-paid; by hand delivery; or by means of electronic delivery upon agreement of the receiving party.

This the 3rd day of January, 2022.

Electronically Submitted
/s/Jo Anne Sanford
State Bar No. 6831

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Tel: 919.210.4900

**Attorney for Carolina Water Service,
Inc. of North Carolina**

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 384

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc. of)
North Carolina, 4944 Parkway Plaza)
Boulevard, Suite 375, Charlotte, North Carolina)
28217, for Authority to Adjust and Increase)
Rates for Water and Sewer Utility Service in All)
Service Areas in North Carolina)

**JOINT PROPOSED
ORDER**

HEARD: Monday, November 1, 2021, at 1:30 p.m., via videoconference and telephone

Monday, November 1, 2021, at 6:30 p.m., via videoconference and telephone

BEFORE: Chair Charlotte Mitchell, presiding, and Commissioners ToNola D. Brown-Bland, Lyons Gray, Daniel G. Clodfelter, Kimberley W. Duffley, Jeffrey A. Hughes, and Floyd B. McKissick

APPEARANCES:

For Carolina Water Service, Inc. of North Carolina:

Jo Anne Sanford, Sanford Law Office, PLLC, Post Office Box 28085,
Raleigh, North Carolina 27611

Mark R. Alson, Ice Miller LLP, One American Square, Suite 2900,
Indianapolis, Indiana 46282-0200

Kay E. Pashos, Ice Miller LLP, One American Square, Suite 2900,
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For the Using and Consuming Public:

John Little, Munashe Magarira, William E. Grantmyre, Staff
Attorneys, Public Staff – North Carolina Utilities Commission, 4326
Mail Service Center, Raleigh, North Carolina 27699

BY THE COMMISSION: On May 25, 2021, pursuant to Commission Rule R1-17(a), CWSNC submitted notice of its intent to file a general rate case application in Docket No. W-354, Sub 384 (Sub 384). On July 2, 2021, CWSNC filed its verified Application for a general rate increase (Application) in Sub 384 seeking authority to: (1) increase and adjust its rates for water and sewer utility service in all of its service areas in North Carolina; (2) implement fee-free payment options for customers, with the costs of the electronic processing fees added to the base rate revenue requirement; and (3) implement a water efficiency rebate program. In its application, CWSNC also indicated it intended to continue to pass through any increases in purchased bulk water rates and any increased costs of wastewater treatment performed by third parties and billed to CWSNC, all subject to CWSNC providing sufficient proof of such increases; and that CWSNC intended to continue the WSIC and SSIC charge mechanisms, after being reset to zero in this proceeding, to allow for Commission consideration of surcharge cost recovery of future eligible water and sewer system improvement projects. In addition, the Company included as part of its rate case filing certain information and data required by NCUC Form W-1.

As part of its Application CWSNC filed direct testimony of the following witnesses: Donald H. Denton, President of CWSNC; Dana Hill, Director of State Operations for CWSNC; Philip J. Drennan, Regional Director of Financial Planning and Analysis for CWSNC; Matthew P. Schellinger II, Manager of Financial Planning and Analysis for CWSNC; LaQuisha M. Parks, Vice President of Customer Experience for CWSNC¹; and Dylan D'Ascendis, Partner at ScottMadden, Inc.

The Company stated in its Application that as of March 31, 2021, it had approximately 30,856 active water customers, 3,373 water availability customers, 19,788 active sewer customers, and 1,207 sewer availability customers in North Carolina. The present rates for water and sewer service have been in effect since March 31, 2020, pursuant to the Commission's Order Granting Partial Rate Increase and Requiring Customer Notice issued in CWSNC's last general rate case in Docket No. W-354, Sub 364 (Sub 364 Order).

On July 26, 2021, the Commission issued an Order Establishing General Rate Case and Suspending Rates. By that order, the Commission declared the matter to be a general rate case pursuant to N.C. Gen. Stat. § 62-137, suspended the proposed new rates for up to 270 days pursuant to N.C.G.S. § 62-134, and established the test year period for this case as the 12-month period ending March 31, 2021.

¹ On November 30, 2021, CWSNC filed notice that Donald H. Denton would adopt the prefiled direct testimony of LaQuisha M. Parks.

On August 25, 2021, CWSNC filed a Revision to the Direct Testimony of Dana Hill.

On October 8, 2021, the Commission issued an Order Establishing Discovery Guidelines, Scheduling Hearings and Requiring Customer Notice (Scheduling Order) which required the parties to prefile testimony and exhibits, scheduled the matter for hearing, and required notice to all affected customers. That order scheduled customer hearings to be held remotely via Webex on November 1, 2021, at 1:30 pm and 6:30 pm. The Commission also set the expert witness hearing to be held in Raleigh, North Carolina, beginning December 7, 2021.

On October 8, 2021, CWSNC filed its rate case updates, schedules, and supporting data as required by Ordering Paragraph No. 9 of the Commission's Scheduling Order, along with Supplemental Testimony of Philip J. Drennan.

On October 22, 2021, CWSNC filed a certificate of service demonstrating that the Company provided notice of this general rate case proceeding to customers as required by the Commission's Scheduling Order.

The Public Staff – North Carolina Utilities Commission's (Public Staff) participation in this proceeding is recognized pursuant to N.C.G.S. § 62-15(d) and Commission Rule R1-19(e).

By Motion dated October 26, 2021 and filed November 1, 2021, CWSNC customer Mr. John D. Gumbel of New Bern requested to be allowed to intervene under Commission Rule R1-19.

Public witness hearings were held as scheduled on November 1, 2021, via videoconference. A total of thirty-five Company customers testified as public witnesses at the remote public witness hearings held in this proceeding.

The Public Staff filed its direct testimony on November 5, 2021, consisting of testimony and exhibits of Public Staff witnesses Gina Y. Casselberry, Advanced Utilities Engineer for the Public Staff; Lynn Feasel, Accountant for the Public Staff; Lindsay Q. Darden, Utilities Engineer for the Public Staff; and John R. Hinton, Director of the Economic Research Division of the Public Staff. On November 15, 2021, CWSNC filed its response to public witness testimony.

The Public Staff filed the Supplemental Testimony and Exhibits of Lynn Feasel and Lindsay Q. Darden on November 18, 2021. On November 30, 2021, CWSNC and the Public Staff (Stipulating Parties) filed a Joint Settlement Agreement and Stipulation (Stipulation). On that date, the Stipulating Parties also filed Feasel Exhibits I and II supporting the Stipulation. Also on that date, the Stipulating Parties filed a motion requesting that the Commission excuse all expert witnesses from testifying at the December 7, 2021 expert witness hearing and

accept the prefiled testimony and exhibits into the record. The Stipulating Parties stated that they waived cross-examination of the witnesses. Corrected Feasel Exhibits I and II supporting the Stipulation were filed by the Public Staff on December 1, 2021.

By notice entered into the docket on November 29, 2021, Mr. John D. Gumbel's withdrawal of his Motion to Intervene was recorded.

On December 3, 2021, the Commission issued an Order Excusing Witnesses, Accepting Testimony, Canceling Expert Witness Hearing, and Requiring Proposed Orders.

On January 3, 2022, CWSNC filed the affidavit of its Financial Planning and Analysis Manager, Matthew Schellinger, providing the updated amount of regulatory commission expense agreed to by CWSNC and the Public Staff.

On January 3, 2022, the Stipulating Parties filed Revised Settlement Exhibits I and II providing the final expense information of CWSNC and the Stipulating Parties' final revised recommendation.

Based upon the foregoing, including the verified Application and accompanying NCUC Form W-1, the testimony and exhibits of the public witnesses appearing at the hearings, the testimony and exhibits of the expert witnesses received into evidence, the Stipulation, and the entire record herein, the Commission makes the following:

FINDINGS OF FACT

General Matters

1. CWSNC is a corporation duly organized under the laws of and is authorized to do business in the State of North Carolina. It is a franchised public utility providing water and sewer utility service to customers in 38 counties in North Carolina, pursuant to North Carolina General Statutes, Chapter 62. CWSNC is a wholly-owned subsidiary of Corix Regulated Utilities, Inc. (Corix).
2. CWSNC is properly before the Commission pursuant to Chapter 62 of the North Carolina General Statutes for a determination of the justness and reasonableness of its proposed rates and charges for the water and sewer utility service it provides to customers in North Carolina.
3. The appropriate test year for use in this proceeding is the 12-month period ending March 31, 2021, updated for known and measurable changes through the close of the expert witness hearing.

4. CWSNC's present rates for water and sewer service have been in effect since March 31, 2020, pursuant to the Commission's Sub 364 Order.

The Stipulation

5. On November 30, 2021, the Stipulating Parties filed the Stipulation, resolving all of the contested issues between CWSNC and the Public Staff in this matter.

6. The Stipulation is the product of give-and-take in negotiations between the Stipulating Parties, is material evidence in this proceeding, and is entitled to be given appropriate weight in this case along with the other evidence of record, including that submitted by the Company, the Public Staff, and the public witnesses who testified at the public witness hearings.

7. The Stipulation is a settlement of all matters in controversy in this proceeding as between the Stipulating Parties.

Acceptance of Stipulation

8. The Stipulation will provide CWSNC and its ratepayers just and reasonable rates.

9. The provisions of the Stipulation are just and reasonable to all parties to this proceeding, as well as the CWSNC ratepaying customers, and serve the public interest.

10. It is appropriate to approve the Stipulation in its entirety.

Customer Concerns and Service

11. As of the 12-month period ended March 31, 2021, CWSNC served approximately 30,856 active water customers and 19,788 active wastewater customers. For the same period, CWSNC also had 3,373 water availability customers and 1,207 sewer availability customers. CWSNC operates 93 water utility systems and 38 sewer utility systems.

12. A total of thirty-five witnesses testified at the two-part, virtual public witness hearings held for the purpose of receiving customer testimony (as compared to twenty-four public witnesses who testified in the Sub 364 case, over the course of six hearings, spread across the state).

13. The service areas represented and (number of customers who testified) are Abington (1), Amber Acres (3), Amber Ridge (1), Amherst (2), Belvedere (1), Brandywine Bay (2), Carolina Pines (3), Carolina Trace (2), Connestee Falls (1), Danby (7), Elk River (1), Fairfield Harbour (1), Fairfield

Mountain (1), Fairfield/Sapphire Valley (1), Hound Ears (2), Powder Horn Mountain (1), Riverpoint (1), Sandy Trail (1), Sugar Mountain (2), and Treasure Cove (1).

14. The primary concern of the testifying customers was the magnitude of the rate increase, including overall cost of service and the frequency of rate increases. Customers also raised concerns about base rates, comparisons of rates to municipalities, and service issues, including discoloration of water and high mineral content.

15. As of November 14, 2021, the Public Staff had received approximately sixteen written customer statements of position from CWSNC customers (as compared to 316 written customer statements in the Sub 364 docket). Six of the customers' statements dealt with water quality – three generically, one concerning yellow staining, one describing high mineral content and occasional inconsistent pressure, and one describing staining of the toilet from the water. Three mentioned the high base charge and two discussed the use of flat rates. All objected to the rate increase.

16. CWSNC filed one verified report two weeks after the public hearings, addressing the service-related concerns and other comments by all thirty-five witnesses who testified at the virtual public witness hearings. The report described each of the witnesses' specific service-related concerns and comments, the Company's response, and how each concern and comment was resolved or addressed, if applicable. Because of the compressed response time, due to the accommodations in the hearing scheduled required due to pandemic issues, the Company committed to continue to work to attempt to contact each customer who testified.

17. CWSNC has continued its course of increased attention to the communications component of service to customers since the Company's last rate case, with a positive emphasis on proactive communications and the continuation of several social media platforms. These efforts have been particularly important during the pandemic. The Company did an exemplary job of keeping the Commission apprised of its response to the pandemic, by providing weekly reports to the Commission. CWSNC's internal efforts to improve the customer experience through elevation of the importance of the customer's experience, by hiring additional staff to support customer care, by improving the pay structure for experienced employees, and by serving customers via a localized response to questions or complaints are all positive steps towards better meeting customers' needs for communication and quicker service response. The fact that the Company has tested for impact via surveys, and has identified positive results, substantiates the efficacy of the internal improvements.

18. The Public Staff's description of the quality of service provided by CWSNC as "adequate" is supported by the record in this case.

19. The overall quality of water service provided by CWSNC is adequate on a company-wide and system-wide basis. The Company meets DEQ's and the United States Environmental Protection Agency's health-based primary quality standards.

20. The overall company-wide and system-wide quality of wastewater service provided by CWSNC is adequate and the Company operates its wastewater treatment plants in a reasonable and prudent manner.

21. The overall quality of service provided by CWSNC is adequate, efficient and reasonable.

Operating Revenues

22. The appropriate level of operating revenues under present rates for use in this proceeding is \$39,862,202, consisting of service revenues of \$39,731,767 and miscellaneous revenues of \$378,205, reduced by uncollectibles of \$247,770.

Rate Base

23. The appropriate level of rate base used and useful in providing service is \$143,656,896 for CWSNC's combined operations, itemized as follows:

Plant in service	\$257,456,710
Accumulated depreciation	(67,584,802)
Net plant in service	<u>189,871,908</u>
Cash working capital	2,821,379
Contributions in aid of construction	(38,801,607)
Advances in aid of construction	(32,940)
Accumulated deferred income taxes	(7,590,385)
Customer deposits	(381,404)
Inventory	246,182
Gain on sale and flow back taxes	(289,628)
Plant acquisition adjustment	(662,009)
Excess book value	0
Cost-free capital	(261,499)
Average tax accruals	(137,896)
Regulatory liability for excess deferred taxes	(3,761,852)
Deferred charges	2,636,647
Pro forma plant	<u>0</u>
Original cost rate base	<u><u>\$143,656,896</u></u>

Capital Structure, Cost of Capital, and Overall Rate of Return

24. A 50.20% equity and 49.80% debt ratio is a reasonable and appropriate capital structure for CWSNC in this case.

25. A 4.85% cost of debt for CWSNC is reasonable and appropriate for the purpose of this case.

26. A 9.40% rate of return on common equity for CWSNC is just and reasonable in this general rate case.

27. The cost of capital and revenue increase approved in this Order is intended to provide CWSNC, through sound management, the opportunity to earn an overall rate of return of 7.14%. This overall rate of return is derived from applying an embedded cost of debt of 4.85%, and a rate of return on common equity of 9.40%, to a capital structure consisting of 49.8% long-term debt and 50.2% common equity.

28. Continuous safe, adequate, reliable, and affordable water and wastewater utility service by CWSNC is essential to CWSNC's customers.

29. The rate of return on common equity and capital structure approved by the Commission appropriately balances the benefits received by CWSNC's customers from CWSNC's provision of safe, adequate, and reliable water and wastewater utility service with the difficulties that some of CWSNC's customers will experience in paying the Company's increased rates.

30. The 9.40% rate of return on common equity and the 50.2% equity capital structure approved by the Commission balance CWSNC's need to obtain equity and debt financing with its customers' need to pay the lowest possible rates.

31. The authorized levels of overall rate of return and rate of return on common equity set forth above are supported by competent, material, and substantial record evidence; are consistent with the requirements of N.C.G.S. § 62-133; and are fair to CWSNC's customers generally and in light of the impact of changing economic conditions.

Maintenance and General Expense

32. The appropriate level of maintenance expense and general expense for combined operations for use in this proceeding is \$9,667,061 and \$15,371,346, respectively.

33. It is appropriate for CWSNC to recover total rate case expenses of \$492,515 related to the current proceeding and \$701,533 of unamortized rate case costs related to the prior proceedings in Docket Nos. W-354, Sub 356, W-354, Sub 360, and W-354, Sub 364.

34. It is appropriate to amortize the total rate case costs for the current and prior proceedings over five (5) years and to include an annual level of costs in the amount of \$87,603 related to miscellaneous regulatory matters, resulting in an annual level of regulatory commission expense of \$326,413, as agreed to by the Stipulating Parties. As agreed to by the Stipulating Parties, unamortized rate case expense will not be included in rate base and will not earn a return.

Depreciation and Amortization Expense

35. The appropriate level of depreciation and amortization expense for combined operations for use in this proceeding is \$5,537,933.

Franchise, Property, Payroll, and Other Taxes

36. The appropriate level of franchise, property, payroll, and other taxes for use in this proceeding is \$880,869 for combined operations, consisting of \$125,494 for franchise and other taxes, \$255,064 for property taxes, and \$500,311 for payroll taxes.

Regulatory Fee and Income Taxes

37. It is reasonable and appropriate to calculate regulatory fee expense using the regulatory fee rate of 0.13% effective July 1, 2019, pursuant to the Commission's June 18, 2019 Order issued in Docket No. M-100, Sub 142. The appropriate level of regulatory fee for use in this proceeding is \$56,804.

38. It is reasonable and appropriate to use the current North Carolina corporate income tax rate of 2.50% to calculate CWSNC's revenue requirement. The appropriate level of state income taxes for use in this proceeding is \$217,779.

39. It is reasonable and appropriate to use the federal corporate income tax rate of 21.00% to calculate CWSNC's revenue requirement. The appropriate level of federal income taxes for use in this proceeding is \$1,783,606.

40. It is appropriate to calculate income taxes for ratemaking purposes based on the adjusted level of revenues and expenses and the tax rates for utility operations.

Revenue Requirement

41. CWSNC's rates should be changed by amounts which, after all pro forma adjustments, will produce the following increases in service revenues:

<u>Item</u>	<u>Amount</u>
CWSNC Uniform Water	\$ 1,802,605
CWSNC Uniform Sewer	\$ 1,329,598
BF/FH/TC Water	\$ 409,739
BF/FH Sewer	\$ 308,379
Total	<u>\$ 3,850,321</u>

These increases will allow CWSNC the opportunity to earn a 7.14% overall rate of return, which the Commission has found to be reasonable upon consideration of the findings in this order.

Rate Design

42. It is reasonable and appropriate for CWSNC's rate design for water utility service for its Uniform Water and Bradfield Farms/Fairfield Harbour/Treasure Cove (BF/FH/TC) Water residential customers to be based on a 40/60 ratio of base charge to usage charge, and to use an 60/40 ratio of base charge to usage charge for CWSNC's Uniform Sewer residential customers, as set out in the Stipulation.

43. It is reasonable and appropriate for CWSNC to move the Eastgate and Tanglewood South subdivisions to a purchased water pass through-rate from Fayetteville Public Works Commission, and it is reasonable and appropriate to move the Willowbrook subdivision to a purchased water pass-through rate from Johnston County Public Utilities.

44. In the Commission's Sub 364 Order, effective March 31, 2020, CWSNC was authorized to refund its remaining federal unprotected EDIT balances over 24 months. It is reasonable and appropriate to terminate this unprotected EDIT credit as of March 31, 2022.

45. The rates and charges included in Appendices A-1 and A-2, and the Schedules of Connection Fees for Uniform Water and Uniform Sewer, attached hereto as Appendices B-1 and B-2, are just and reasonable and should be approved.²

² Due to the nature of the change in fixed to volumetric rates for Uniform Sewer customers, the rates for the White Oak School and White Oak Daycare were increased at the same percentages as the White Oak flat rate residential customers.

Continuation of Bulk Purchase Pass-Through Mechanisms and Update of Purchased Water and Sewer Rates

46. It is reasonable and appropriate for CWSNC to update its purchased water and sewer rates as proposed by the Public Staff. It is reasonable and appropriate for CWSNC to continue to utilize the bulk purchased water and sewer services pass-through mechanism.

Continuation of WSIC and SSIC Mechanisms

47. It is reasonable and appropriate for CWSNC to continue to utilize certain rate adjustments, specifically, the Water System Improvement Charge (WSIC), and the Sewer System Improvement Charge (SSIC). Consistent with Commission Rules R7-39(k) and R10-36(k), CWSNC's WSIC and SSIC surcharges will reset to zero as of the effective date of the approved rates in this proceeding. Pursuant to N.C.G.S. § 62-133.12, the cumulative maximum charges that the Company can recover via its WSIC and SSIC surcharges between rate cases cannot exceed 7.5% of the total service revenues approved by the Commission in this rate case.

Fee-Free Payment Proposal

48. It is reasonable and appropriate for CWSNC to implement its proposed fee-free payment option for its residential customers, with the cost of service of such to be reflected in CWSNC's revenue requirements in the amount of \$253,495.

49. It is reasonable and appropriate for CWSNC to report to the Commission and the Public Staff concerning the fee-free payment option twice per year, with such reporting detailing the number of fee-free payments made by customers by month, along with levels of CWSNC uncollectibles expense by month.

Water Efficiency Program

50. It is reasonable and appropriate for CWSNC to be authorized to implement its proposed "Water Efficiency Program," under which CWSNC will offer efficient water fixture rebates for its customers. The Water Efficiency Program should be treated as a pilot program and re-evaluated in CWSNC's next rate case.

51. It is reasonable and appropriate that CWSNC be authorized to defer and subsequently recover in a future rate case the water efficiency rebates applied

to customer bills in a regulatory asset account, which asset should not earn a return or carrying charges. The noticing expenses estimated for this program should be included in the Company's revenue requirements, in the amount of \$2,000.

52. It is reasonable and appropriate for CWSNC to report to the Commission and the Public Staff about the Water Efficiency Program on an annual basis, with such reporting detailing the amount of rebates applied to customer bills, the size of the regulatory asset, the type of water efficiency measures for which rebates were applied, and estimates or ranges of water efficiency impacts of such measures from an authoritative, third-party source.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 1–4

General Matters

The evidence supporting these findings of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony and exhibits of the witnesses, and the entire record in this proceeding. These findings are informational, procedural, and jurisdictional in nature and are not contested by any party.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 5–10

The Stipulation and Acceptance of Stipulation

The evidence supporting these findings of fact is found in the Stipulation, the testimony of both CWSNC's and the Public Staff's witnesses, the affidavit of Matthew Schellinger, Joint Settlement Exhibit I, and corrected Feasel Settlement Exhibits I and II.

On November 30, 2021, CWSNC and the Public Staff entered into and filed a Joint Settlement Agreement and Stipulation, which memorializes their agreements on all of the issues in this proceeding. Attached to the Stipulation is Joint Settlement Exhibit 1, which demonstrates the impact of the Stipulating Parties' agreements on the calculation of CWSNC's gross revenue for the test year ended March 31, 2021. Thus, the Stipulation is based upon the same test period as the Company's Application, adjusted for certain changes in plant, revenues, and costs that were not known at the time the case was filed, but are based upon circumstances occurring or becoming known through the close of the expert witness hearing. In addition to the Stipulating Parties' agreements on all of the issues in this proceeding, the Stipulation provides that CWSNC and the Public Staff agree that the Stipulation reflects a negotiation of contested issues, and that the provisions of the Stipulation do not reflect any position asserted by either CWSNC or the Public Staff, but instead reflect compromise and settlement between them. The Stipulation provides that it is binding as between CWSNC and

the Public Staff, and that it is conditioned upon the Commission's acceptance of the Stipulation in its entirety. There are no other parties to this proceeding.

The key aspects of the Stipulation are as follows:

- **Tariff Rate Design** – The Stipulating Parties agree that rate design in this case should be based on a 40/60 ratio of fixed/volumetric revenues for the Uniform Water and BF/FH/TC Water residential customers and an 60/40 ratio of fixed/volumetric revenues for the Uniform Sewer residential customers. The Stipulating Parties also agree that: (1) the Eastgate and Tanglewood South subdivisions should be moved to a purchased water pass-through rate from Fayetteville Public Works Commission; (2) the Willowbrook subdivision should be moved to a purchased water pass-through rate from Johnston County Public Utilities; (3) the unprotected EDIT credit should terminate as of March 31, 2022; and (4) the purchased water and sewer rates should be updated as proposed by the Public Staff. Finally, the Stipulating Parties understand and agree that CWSNC will continue to utilize certain rate adjustment mechanisms, specifically, the WSIC, SSIC, and the bulk purchased water and sewer services pass-through mechanism.³
- **Capital Structure** – The Stipulating Parties agree that the capital structure appropriate for use in this proceeding is a capital structure consisting of 50.20% common equity and 49.80% long-term debt.
- **Cost of Capital** – The Stipulating Parties agree that a cost of equity of 9.40% is appropriate for use in this proceeding, and a cost of long-term debt of 4.85% is appropriate for use in this proceeding.
- **Pro Forma Adjustments** – The Stipulating Parties agree to the Public Staff's November 18, 2021 position with respect to *pro forma* adjustments, as shown in their supplemental filing, with the following exceptions/adjustments: (1) Salaries and wages expense to reflect previously filled area manager position; and (2) uncollectibles expense to reflect accrual for availability customers. In addition, the Stipulating Parties have agreed to a methodology for calculating regulatory expense, also known as rate case expenses, and have updated such for actual and estimated costs through the end of this proceeding, based upon supporting

³ In their joint proposed order, the Stipulating Parties also agreed that, due to the nature of the change in fixed to volumetric rates for Uniform Sewer customers, the rates for the White Oak School and White Oak Daycare should be increased at the same percentages as the White Oak flat rate residential customers, as shown in Appendix A-1

documentation provided by CWSNC. Further, the Stipulating Parties have agreed to remove unamortized rate case expense from rate base and to amortize rate case expense (both the unamortized portion from previous cases and the current rate case expense for this proceeding) over a five (5) year period without a return or carrying costs.

- **Fee-Free Payments** – The Stipulating Parties agree that CWSNC should implement its proposed fee-free payment option for its residential customers, with the cost of service of such to be reflected in CWSNC’s revenue requirements in the amount of \$253,495.
- **Water Loss Adjustment for Purchased Water Expense** – The Stipulating Parties agree upon a 15 or 20% water loss threshold for certain purchased water subdivisions as outlined in Casselberry Exhibit No. 1.
- **Revenue Requirement** – The Stipulating Parties agree to the revenue requirements as shown on Joint Settlement Exhibit 1, which was attached to the Stipulation and is incorporated by reference therein.

Based upon the foregoing and the entire record herein, the Commission finds that the Stipulation was entered into by the Stipulating Parties after full discovery and extensive negotiations, that the Stipulation is the product of give-and-take in settlement negotiations between CWSNC and the Public Staff, and that the Stipulation represents a reasonable and appropriate resolution of certain specific matters in dispute in this proceeding. In making this finding the Commission notes that no party expressed opposition to the provisions of the Stipulation. In addition, when the provisions of the Stipulation are compared to CWSNC's Application and the recommendations included in the testimony of the Public Staff's witnesses, the Stipulation results in a number of downward adjustments to the expenses sought to be recovered by CWSNC, and resolves issues, some of which were more important to CWSNC and, others of which were more important to the Public Staff. Therefore, the Commission further finds that the Stipulation is material evidence to be given appropriate weight in this proceeding, along with all other evidence of record, including that submitted by CWSNC, the Public Staff, and the public witnesses who testified at the hearings.

After careful consideration the Commission finds that the Stipulation strikes a fair balance between the interests of CWSNC to maintain its financial strength at a level that enables it to attract sufficient capital on reasonable terms, on the one hand, and its customers to receive safe, adequate, reliable, and affordable water and sewer service at the lowest reasonably possible rates, on the other. The Commission finds that the resulting rates are just and reasonable to both CWSNC and its customers. In addition, the Commission finds that the provisions of the Stipulation are just and reasonable to all parties to this proceeding and serve the public interest, and that it is appropriate to approve the Stipulation in its entirety.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 11-21

Customer Concerns and Service

The evidence supporting these findings of fact is found in the testimony of the thirty-five public witnesses appearing at the November 1, 2021 virtual hearings, in the original and Second Supplemental testimony of Public Staff witness Darden, in the testimony of CWSNC witness Denton (both in his original direct testimony and in the original testimony of LaQuisha Parks, which Mr. Denton adopted), in the verified report filed by CWSNC on November 15, 2021 (the "Report") in response to the concerns testified to by the public witnesses at the virtual hearings, and in the Company's December 1, 2021 Reply to witness Darden's Second Supplemental Testimony.

Due to the pressures and restrictions imposed by the pandemic, the Commission prudently concluded it should hear from the public via a virtual public hearing, conducted in two parts on November 1, 2021 by combination of telephonic and internet access. To help ensure ample notice to all customers, the Company voluntarily augmented the reach of the required mailed notice by utilizing a range of internal, corporate communications tools to contact customers and Homeowners Associations to alert them to the Commission's notice of the customers' opportunity to testify. Thirty-five customers participated, which was eleven more than the number of customers who participated in the last CWSNC rate case, W-354 Sub 364, when six "live" public hearings were held across the state in Charlotte, Manteo, Boone, Asheville, Raleigh and Jacksonville.

The Company responded promptly to the concerns and comments expressed at the November 21, 2021 public hearing by filing the seventy-nine page Report on November 15, 2021, addressing each customer's comments. Because of the short interval between the public hearing and the due date of the Report, the Company pledged to continue its efforts to contact every customer who had participated in the hearing, even after the date of the Report.

Public Staff witness Darden, in her initial testimony of November 5, 2021, testified that her investigation included a review of: company records; expenses; utility plant in service; the proposed credit card fee-free bill payment option in coordination with the Public Staff Accounting Division; the proposed Water Efficiency program; the billing analysis, including the proposed transition of Eastgate, Tanglewood South, and Willowbrook purchased water systems from partial to full purchased systems; North Carolina Department of Environmental Quality ("DEQ") records; customer complaints; contacts with the DEQ Division of Water Resources ("DWR") and Public Water Supply Section ("PWSS"); and Company records. She also conducted an analysis of revenues at existing and proposed rates. Because of Covid concerns, witness Darden did not make actual field investigations of the plants; however, she did review the environmental

agency records, as indicated, and she did not cite to any environmental or agency water quality concerns in her testimony.

In her Second Supplemental Testimony, witness Darden testified that she had reviewed approximately sixteen written customer statements of position as of November 24, 2021. The statements were in the forms of letters, emails, and facsimile transmissions. Approximately six of the statements detailed issues with water quality. Three of those statements were general statements that the water was not drinkable, one described the water as yellow, and one spoke to heavy mineral content in the water and occasional inconsistent water pressure. All of the customers objected to the magnitude of the proposed rate increase. Three of the statements specifically mentioned the high base charge and two additional statements referenced the flat rate sewer mechanism.

Witness Darden also described the public hearing process, wherein individuals who wished to testify pre-registered for the hearing by October 25, 2021 and testified by calling in over the phone. Seventy-two customers pre-registered to testify at the hearings and thirty-five customers actually testified on the record in the combination of both hearings, which were held at 1:30 pm and 6:30 pm on Monday, November 1, 2021. The service areas represented (and number of customers that testified) were Abington (1), Amber Acres (3), Amber Ridge (1), Amherst (2), Belvedere (1), Brandywine Bay (2), Carolina Pines (3), Carolina Trace (2), Connetsee Falls (1), Danby (7), Elk River (1), Fairfield Harbour (1), Fairfield Mountain (1), Fairfield/Sapphire Valley (1), Hound Ears (2), Powder Horn Mountain (1), Riverpoint (1), Sandy Trail (1), Sugar Mountain (2), and Treasure Cove (1).

The primary concerns of the testifying customers were the magnitude and frequency of rate increases. Various customers also raised concerns about base rates, comparisons of rates to municipalities, and service issues. Three opposed the proposed credit card processing fee adjustment and the Public Staff recommended alterations to it.

With respect to the rate increase, the record and the statutes make clear that the burden is on the Company to prove, in a heavily contested case, that it has made necessary investment at reasonable costs, and that it has been prudent in the operation and management of its regulated activities in this state. CWSNC filed a complete Application and supporting testimony on July 2, 2021 and provided the Public Staff with responses to 87 data requests sent as part of the Public Staff's investigation. The Public Staff has reviewed CWSNC's application for prudence and reasonableness described the findings in its testimony. The Company compromised with the Public Staff on numerous issues in order to reach a settlement.

As the Company explained in the November 15, 2021 Report, comparison of CWSNC's rates to the rates of municipal, county, or district systems lacks relevance to the necessary proof of costs to serve in rate cases conducted under

the comprehensive regulatory oversight established in General Statutes Chapter 62. The operational costs per customer can be lower for customers of municipalities because of service area density and economies of scale, while larger investor-owned utilities like CWSNC have fragmented service areas spread across the state. Investor-owned utilities are strictly regulated by the State of North Carolina. The General Statutes allow a properly managed, Commission-regulated utility the right to recover its operational expenses and the opportunity to earn a reasonable rate of return on its prudent investment. To the contrary, government-owned municipal systems are not regulated by the Commission and may subsidize the operating expenses of their utility systems through taxation. While investor-owned utilities fund capital projects through private investors or loans, municipalities and county systems may qualify for grants, low-interest tax-free bonds, and other loans to fund capital projects.

After carefully reviewing the testimony of the individual witnesses and the responses provided by the Company in its November 15, 2021 Report, witness Darden expressed the Public Staff's opinion that, with the exception of a few isolated service issues, which the Company has addressed or is in the process of resolving, the overall quality of service is adequate and that the water quality generally meets the standards set forth by the Safe Drinking Water Act, and is thus satisfactory.

The Public Staff recommended that CWSNC consider customer outreach to customers on the Danby system about how they can address and manage water hardness in their homes. The Public Staff also requested that CWSNC share the results of the evaluations from its iron sequestering agent supplier for the Belvedere and Brandywine Bay systems and that CWSNC continue to update the Public Staff on the progress addressing those systems' water quality issues.

By Reply dated December 1, 2021, the Company reported that it had already reached out to the Danby customers concerning water hardness and to the Belvedere and Brandywine Bay customers as well. CWSNC stated that it is sharing the results from its iron sequestering agent supplier for Belvedere and Brandywine Bay with the Public Staff,⁴ and that it will continue to update the Public Staff on its progress in addressing those systems' water quality issues.

Based upon the foregoing, and after careful review of the evidence which included the testimony of witness Denton (and of witness Parks, which Mr. Denton adopted), of the customers at the public hearings, of Public Staff witnesses Casselberry and Darden concerning their engineering and service quality investigation, plus the Company's Report on customer comments and its Reply to the Public Staff, the Commission concludes that, consistent with the statutory

⁴ The Company also advised that iron sequestering evaluation would include Fairfield Harbour as well.

requirements of N.C.G.S. § 62-131(b), the overall quality of service provided by CWSNC is adequate, efficient, and reasonable.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 22

Operating Revenues

The evidence supporting this finding of fact is found in the testimony of Public Staff witnesses Darden and Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II), the testimony of Company witnesses Drennan and Schellinger, and the Company's October 8, 2021 update. The following table summarizes the differences between the Company's level of operating revenues under present rates from its Application (as updated October 8, 2021), the amounts recommended by the Public Staff, and the amounts reflected in the Stipulation:

Item	Company per Application (Updated)	Amount per Public Staff	Amount per Stipulation
<u>Operating Revenues:</u>			
Service revenues	\$39,650,491	\$39,731,767	\$39,731,767
Miscellaneous revenues	\$255,463	\$378,205	\$378,205
Uncollectible accounts	(\$349,137)	(\$159,945)	(\$247,770)
Total operating revenues	\$39,556,817	\$39,950,027	\$39,862,202

Based on the Stipulation and the evidence presented in Ms. Feasel's corrected Settlement Exhibits I and II, the Company and the Public Staff agree to the following adjustments to operating revenues under present rates:

Item	Amount
Reflect pro forma level of service revenues	\$81,276
Adjustment to forfeited discounts	2,065
Adjustment to other revenue and sale of utility property	120,677
Adjustment to uncollectible accounts	<u>101,367</u>
Total	<u>\$305,385</u>

The Commission has found that the adjustments listed above are appropriate adjustments to be made to operating revenues under present rates in this proceeding.

Based on the foregoing, the Commission concludes that the appropriate level of operating revenues under present rates for combined operations for use in this proceeding is as follows:

<u>Item</u>	<u>Amount</u>
Service revenues	\$39,731,767
Miscellaneous revenues	\$378,205
Uncollectible accounts	(\$247,770)
Total operating revenues	\$39,862,202

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 23

Rate Base

The evidence supporting this finding of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony of Company witness Drennan (including Mr. Drennan's supplemental testimony), the Company's October 8, 2021 update, the testimony of Public Staff witnesses Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II), and the Stipulation.

The following table summarizes the differences between the Company's level of rate base from its Application (as updated October 8, 2021), the amounts recommended by the Public Staff, and the amounts agreed to in the Stipulation:

<u>Item</u>	<u>Company per Application (Updated)</u>	<u>Amount per Public Staff</u>	<u>Amount per Stipulation</u>
Plant in service	253,536,360	257,456,710	257,456,710
Accumulated depreciation	(68,202,205)	(67,584,802)	(67,584,802)
Net plant in service	185,334,156	189,871,908	189,871,908
Cash working capital	2,844,591	2,803,908	2,821,379
Contributions in aid of construct.	(38,895,923)	(38,801,607)	(38,801,607)
Advances in aid of construction	(32,940)	(32,940)	(32,940)
Accum. deferred income taxes	(7,152,856)	(7,543,647)	(7,590,385)
Customer deposits	(313,806)	(381,404)	(381,404)
Inventory	238,430	246,182	246,182
Gain on sale and flow back taxes	-	(289,628)	(289,628)
Plant acquisition adjustment	(692,112)	(662,009)	(662,009)
Excess book value	-	-	-
Cost-free capital	(261,499)	(261,499)	(261,499)
Average tax accruals	136,079	(137,919)	(137,896)

Item	Company per Application (Updated)	Amount per Public Staff	Amount per Stipulation
Regulatory liability for EDIT	(3,761,852)	(3,761,852)	(3,761,852)
Deferred charges	2,309,609	2,636,647	2,636,647
Pro forma plant	5,642,665	-	-
Original cost rate base	145,394,542	143,686,140	143,656,896

On the basis of the Stipulation and the evidence included in Ms. Feasel's corrected Settlement Exhibits I and II, the Company and the Public Staff are in agreement concerning all components of rate base. Therefore, the Commission finds that the amounts of rate base reflected in the Stipulation and Ms. Feasel's corrected Settlement Exhibits I and II are appropriate adjustments to be made in this proceeding. Therefore, the Commission concludes that the appropriate level of rate base for combined operations for use in this proceeding is as follows:

Item	Amount
Plant in service	257,456,710
Accumulated depreciation	(67,584,802)
Net plant in service	189,871,908
Cash working capital	2,821,379
Contributions in aid of construction	(38,801,607)
Advances in aid of construction	(32,940)
Accumulated deferred income taxes	(7,590,385)
Customer deposits	(381,404)
Inventory	246,182
Gain on sale and flow back taxes	(289,628)
Plant acquisition adjustment	(662,009)
Excess book value	-
Cost-free capital	(261,499)
Average tax accruals	(137,896)
Regulatory liability for excess deferred taxes	(3,761,852)
Deferred charges	2,636,647
Pro forma plant	-
Original cost rate base	143,656,896

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 24 - 31

Capital Structure, Cost of Debt and Equity Capital, and Overall Rate of Return

The evidence supporting these findings of fact and conclusions is contained in the verified Application and the accompanying NCUC Form W-1, the testimony and exhibits of the public witnesses, the direct testimony and exhibits of Company

witnesses Drennan and D'Ascendis, the Company's October 8, 2021 update, the direct testimony and exhibits of Public Staff witness Hinton, the Stipulation, and Ms. Feasel's corrected Settlement Exhibits I and II.

Capital Structure

CWSNC witnesses Drennan and D'Ascendis recommended in their direct testimony the use of the actual capital structure of Corix Regulated Utilities of 52.03% long-term debt and 47.97% common equity as of March 31, 2021. Witness Drennan's Supplemental testimony filed on October 8, 2021 reflected the use of an August 31, 2021 capital structure containing 50.57% long-term debt and 49.43% common equity, based on Corix Regulated Utilities' actual capital structure.

In his testimony Public Staff witness Hinton recommended a 49.80% long-term debt and 50.20% common equity. This capital structure was based on the September 30, 2021 capital structure for Corix Regulated Utilities. The Stipulation contains a 49.80% long-term debt and 50.20% common equity capital structure.

Accordingly, the Commission finds that the recommended capital structure of 49.80% long-term debt and 50.20% common equity is just and reasonable to all parties in light of all the evidence presented.

Cost of Debt

In its Application CWSNC proposed a cost rate for long-term debt of 4.97%, based on its actual embedded cost of debt as of March 31, 2021 and witness Drennan's Supplemental testimony contained a 4.76% cost of debt as of August 31, 2021. In his testimony, witness Hinton recommended a 4.85% cost of debt based on the actual embedded cost of debt as of September 30, 2021. The Stipulation includes a cost of debt rate of 4.85%.

Therefore, the Commission finds that the use of a debt cost rate of 4.85% is just and reasonable to all parties based upon the evidence presented in this proceeding.

Rate of Return on Equity

CWSNC witness D'Ascendis' direct testimony recommended a cost of equity of 10.50% for the Company, based on analyses of the Company's cost of equity using the following three methodologies: Discounted Cash Flow (DCF), Risk Premium Model, and Capital Asset Pricing Model. Mr. D'Ascendis' analyses produced an overall range of cost of equity for CWSNC of 10.13% to 10.42% using projected interest rates and a range of 9.81% to 10.05% using current interest rates. Mr. D'Ascendis then adjusted his recommended cost of equity for business risk due to the small size of CWSNC (a 0.40% upward adjustment), producing cost

of equity ranges of 10.53% to 10.82% and 10.21% to 10.45% (using current interest rates). In conclusion, witness D'Ascendis recommended a 10.50% rate of return for common equity.

In his testimony Public Staff witness Hinton recommended a cost of equity of 8.93% for CWSNC, based on a Discounted Cash Flow Model and a Risk Premium analysis. The results of Mr. Hinton's Discounted Cash Flow Model indicated a cost of equity of that ranged from 8.30% to 8.60%, and the results of his Risk Premium analysis indicated a cost of equity of 9.41%. In conclusion, witness Hinton recommended a 8.93% rate of return on common equity that was based on the average of the three DCF estimates and the one risk premium estimate. In addition, both Mr. D'Ascendis and Mr. Hinton presented the Commission with evidence concerning changing economic conditions and both witnesses testified that their recommendations are fair and reasonable given the economic conditions for the CWSNC service area.

The results derived from Mr. D'Ascendis' cost of equity analyses applied to his comparable group of water utilities and the non-price regulated companies are as follows:

	Using Projected Interest Rates	Using Current Interest Rates
Discounted Cash Flow Model	8.63%	8.63%
Risk Premium Model	11.03%	10.53%
Capital Asset Pricing Model	10.16%	9.85%
Market Models Applied to Comparable Risk, Non-Price Regulated Companies	10.68%	10.24%
Indicated Range of Common Equity Cost Rate Before Adjustments	10.13%-10.42%	9.81%-10.05%
Size Adjustment	0.40%	0.40%
Indicated Range of Common Equity after Adjustment	10.53%-10.82%	10.21%-10.45%
	10.50%	

With the use of multiple cost of common equity models and the addition of a 40 basis point adjustment for CWSNC's smaller size relative to his Utility Proxy Group, the witness testified that the cost rate ranged from 10.53%-10.82% (using projected interest rates) and 10.21%-10.45% (using current interest rates). Based on his cost of equity analyses and his review of the changing economic conditions, he concluded that a common equity cost rate of 10.50% is an appropriate rate of return for CWSNC.

Public Staff witness Hinton testified he used the DCF model and the Risk Premium model to determine the cost of equity for CWSNC. The DCF model is based on the theory that the price of the investment will equal the discounted cash flows of the return. Mr. Hinton DCF model estimated three estimates for the cost of equity that ranged from 8.30% to 8.60%.

Public Staff witness Hinton testified that his risk premium method relies on approved returns on common equity for water utility companies from various public utilities commissions and the average Moody's A-rated yields for Public Utility Bonds from 2006 through 2021. His regression analysis which incorporates years of historical data is combined with recent monthly yields to provide an estimate of the current cost of common equity. He testified by applying the risk premium to the current utility bond cost of 3.11% resulted in 9.41% cost rate for common equity.

Public Staff witness Hinton testified as to the reasonableness of his recommended return, that he considered the pre-tax interest coverage ratio produced by his cost rates for debt and equity capital. Based on his recommended 50.20% equity ratio, cost rate for long-term debt, and the 8.93% equity rate of return, witness Hinton testified that the pre-tax interest coverage ratio of approximately 3.4 times and a funds flow to debt ratio of 22.62 should allow CWSNC to qualify for a single "A" bond rating.

The Commission finds that the Stipulation's recommended return on equity of 9.40% reflects a negotiated settlement where concessions were made by both stipulating parties. The Commission finds the Stipulated 9.40% return on common equity is just and reasonable to all parties in light of all the evidence presented, including evidence concerning changing economic conditions.

The Commission concludes that the return on equity approved by the Commission in this proceeding appropriately balances the benefits received by CWSNC's customers from CWSNC's provision of safe, adequate, and reliable water and wastewater service with the difficulties that some of CWSNC's customers will experience in paying CWSNC's increased rates. The Commission notes further that its approval of a rate of return on common equity at the level of 9.40% or for that matter at any level, is not a guarantee to the Company that it will earn a rate of return on common equity at that level. Rather, as North Carolina law requires, setting the rate of return on common equity at this level merely affords CWSNC the opportunity to achieve such a return. The Commission finds and concludes, based upon all the evidence presented, that the rate of return on common equity provided for herein will indeed afford the Company the opportunity to earn a reasonable and sufficient return for its shareholders while at the same time producing rates that are just and reasonable to its customers.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 32 - 34

Maintenance and General Expense

The evidence for these findings of fact is found in the verified Application and the accompanying NCUC Form W-1; the testimony of Public Staff witnesses Casselberry and Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II); the testimony of Company witnesses Drennan and Hill; the Company's October 8, 2021 update; the Stipulation; and the affidavit of Matthew Schellinger.

The following table summarizes the differences between the Company's requested level of maintenance and general expenses (as updated October 8, 2021), the amounts recommended by the Public Staff, and the amounts agreed to in the Stipulation:

<u>Item</u>	<u>Company per Application (Updated)</u>	<u>Amount per Public Staff</u>	<u>Amount per Stipulation</u>
<u>Maintenance Expenses:</u>			
Salaries and wages	\$ 0	\$0	\$ 0
Purchased power	2,076,138	\$2,029,399	2,029,399
Purchased water & sewer	2,514,687	\$2,467,370	2,467,370
Maintenance and repair	3,323,015	\$3,484,398	3,484,398
Maintenance testing	587,838	\$587,838	587,838
Meter reading	260,546	\$259,916	259,916
Chemicals	875,047	\$871,544	871,544
Transportation	404,522	\$404,522	404,522
Operating expenses charged to plant	(504,416)	(\$504,961)	(504,961)
Outside services - other	67,033	\$67,033	67,033
Total maintenance expenses	<u>\$ 9,604,412</u>	<u>\$9,667,061</u>	<u>\$ 9,667,061</u>

<u>Item</u>	<u>Company per Application (Updated)</u>	<u>Amount per Public Staff</u>	<u>Amount per Stipulation</u>
General Expenses:			
Salaries and wages	\$ 6,634,050	\$6,367,921	\$ 6,456,840
Office supplies and other office expense	608,019	\$575,655	575,655
Regulatory commission expense	368,078	\$275,556	326,413
Pension and other benefits	1,294,406	\$1,329,784	1,329,784
Rent	258,936	\$250,741	250,741
Insurance	1,223,019	\$1,180,756	1,180,756
Office utilities	490,585	\$489,901	489,901
Miscellaneous	4,789,909	\$4,761,256	4,761,256
Total general expenses	<u>\$15,667,003</u>	<u>\$15,231,570</u>	<u>\$ 15,371,346</u>

Regulatory Commission Expense

In his January 3, 2022 affidavit, Matthew Schellinger provided an amount of \$492,515 for the actual costs incurred to date and the estimated expense to be incurred related to this rate case. Affiant Schellinger requested that the Commission approve total rate case costs of \$1,194,048 to be amortized over five years. He stated that the \$1,194,048 includes \$701,533 for unamortized rate case expense from prior proceedings plus \$492,515 related to this case. Affiant Schellinger requested that the annual amortization expense for rate case costs for this proceeding total \$238,810 (\$1,194,048 amortized over five years).

The Public Staff stated that it has reviewed the invoices and other supporting documents along with the rate case expense spreadsheet provided by CWSNC and found that the types of rate case expense in this rate case matched the nature of the expense in prior rate cases and the amount of these expenses in the current proceeding are appropriate and reasonable to be included in this rate case. Therefore, in light of the foregoing, the Commission finds that it is appropriate and reasonable to amortize the sum of the total rate case costs of \$492,515 for the current proceeding and the unamortized rate case cost balance of \$701,533 from the prior rate cases over five years, resulting in an annual level of rate case expense of \$238,810 plus \$87,603 in miscellaneous regulatory matters for a total annual regulatory commission expense of \$326,413 to be recovered in this proceeding.

On the basis of the Stipulation and Ms. Feasel's corrected Settlement Exhibits I and II, the Company and the Public Staff are in agreement concerning all adjustments to maintenance and general expenses. Based upon the foregoing,

the Commission concludes that the appropriate level of maintenance and general expenses for combined operations for use in this proceeding are as follows:

Item	Amount
<u>Maintenance Expenses:</u>	
Salaries and wages	\$ 0
Purchased power	2,029,399
Purchased sewer	2,467,370
Maintenance and repair	3,484,398
Maintenance testing	587,838
Meter reading	259,916
Chemicals	871,544
Transportation	404,522
Operation exp. charged to plant	(504,961)
Outside services - other	67,033
Total maintenance expenses	<u>\$ 9,667,061</u>
<u>General Expenses:</u>	
Salaries and wages	\$ 6,456,840
Office supplies and other office expense	575,655
Regulatory commission expense	326,413
Pension and other benefits	1,329,784
Rent	250,741
Insurance	1,180,756
Office utilities	489,901
Miscellaneous	4,761,256
Total general expenses	<u>\$ 15,371,346</u>

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 35

Depreciation and Amortization Expense

The evidence supporting this finding of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony of Public Staff witness Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II); the testimony of Company witness Drennan; and the Company's October 8, 2021 update. The following table summarizes the differences between the Company's level of depreciation and amortization expenses from its Application (as updated in its October 8, 2021 filing), the amounts recommended by the Public Staff, and the amounts reflected in the Stipulation:

Item	Company per Application (Updated)	Amount per Public Staff	Amount per Stipulation
Depreciation expense	7,000,610	\$7,105,034	7,105,034
Amortization exp. – CIAC	(1,486,158)	(\$1,491,601)	(1,491,601)
Amortization exp. - PAA	(94,678)	(\$74,981)	(74,981)
Amortization of ITC	(519)	(\$519)	(519)
Total	<u>\$5,419,256</u>	<u>\$5,537,933</u>	<u>\$5,537,933</u>

With respect to CWSNC's depreciation expense, in light of the agreements reached in the Stipulation and recommended by the Public Staff in its testimony and reflected in Ms. Feasel's corrected Settlement Exhibits I and II, the Commission finds that the adjustments to depreciation expense included in the Stipulation, which are not contested, are appropriate adjustments to be made to depreciation and amortization expense in this proceeding.

Based on the foregoing, the Commission concludes that the appropriate level of depreciation and amortization expense for use in this proceeding is as follows:

Item	Amount
Depreciation expense	7,105,034
Amortization expense – CIAC	(1,491,601)
Amortization expense – PAA	(74,981)
Amortization of ITC	(519)
Total	<u>\$5,537,933</u>

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 36

Franchise, Property, Payroll and Other Taxes

The evidence supporting this finding of fact is found in the verified Application and the accompanying NCUC Form W-1, in the testimony of Company witness Drennan, in the Company's October 8, 2021 update, and in the testimony of Public Staff witness Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II). The following table summarizes the differences between the Company's level of franchise, property, payroll, and other taxes from its Application (as updated October 8, 2021), the amounts recommended by the Public Staff, and the amounts reflected in the Stipulation:

Item	Company Application (Updated)	Amount per Public Staff	Amount per Stipulation
Franchise and other taxes	125,494	125,494	125,494
Property taxes	255,132	255,064	255,064
Payroll taxes	511,634	493,344	500,311
Total	\$892,261	\$873,902	\$880,869

Based on the Stipulation and amounts included in Ms. Feasel's corrected Settlement Exhibits I and II, the Commission finds that the amounts reflected in the Stipulation for franchise and other taxes and payroll taxes, are appropriate adjustments to be made to operating revenue deductions in this proceeding.

Based on the foregoing, the Commission concludes that the appropriate level of franchise, property, payroll, and other taxes for use in this proceeding is as follows:

Item	Amount
Franchise and other taxes	125,494
Property tax	255,064
Payroll taxes	<u>500,311</u>
Total	\$880,869

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 37 - 40

Regulatory Fee and Income Taxes

The evidence supporting these findings of fact is found in the testimony of Public Staff witness Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II), in the testimony of Company witnesses Drennan and Schellinger, and in the Company's October 8, 2021 update. The following table summarizes the differences between the Company's level of regulatory fee and income taxes from its Application (as updated October 8, 2021), the amounts recommended by the Public Staff, and the Stipulation:

Item	Company per Application	Amount per Public Staff	Amount per Stipulation
Regulatory fee	\$54,704	\$51,936	\$51,821
State income taxes	\$105,056	\$127,929	\$122,086
Federal income taxes	\$860,410	\$1,047,741	\$999,881
Deferred income taxes	0	<u>(69,127)</u>	<u>(\$69,128)</u>
Total	\$1,020,170	\$1,158,479	\$1,104,660

Regulatory Fee

Based on conclusions reached elsewhere in this Order regarding the levels of revenues, the Commission concludes that the appropriate level of regulatory fee for use in this proceeding is \$51,821.

State Income Taxes

Based on the conclusions reached elsewhere in the Order regarding the levels of revenues and expenses, the Commission concludes that the appropriate level of state income taxes for use in this proceeding is \$122,086 based on the current state corporate income tax rate of 2.50%.

Federal Income Taxes

Based on the conclusions reached elsewhere in the Order regarding the levels of revenues and expenses, the Commission concludes that the appropriate level of federal income taxes for use in this proceeding is \$999,881 based on the current federal corporate income tax rate of 21.00%.

Deferred Income Taxes

Based on the Stipulation, along with the verified Application, the testimony of Company witnesses Drennan and Schellinger, the Company's October 8, 2021 update, and the testimony of Public Staff witness Feasel (including Ms. Feasel's corrected Settlement Exhibits I and II), the Commission concludes that the appropriate level of regulatory fee and state and federal income taxes for use in this proceeding is as follows:

<u>Item</u>	<u>Amount</u>
Regulatory fee	\$51,821
State income taxes	\$122,086
Federal income taxes	\$999,881
Deferred income taxes	(\$69,128)
Total	\$1,104,660

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 41

Revenue Requirement

The following schedules summarize the gross revenue and overall rate of return that the Company should have a reasonable opportunity to achieve based on the increases in revenues reflected in the Stipulation and approved in this Order

for each rate division. These schedules, illustrating the Company's gross revenue requirements, incorporate the adjustments reflected in the Stipulation and found appropriate by the Commission in this Order.

SCHEDULE I

Carolina Water Service, Inc. of North Carolina

Docket No. W-354, Sub 384

Net Operating Income for a Return

For the Twelve Months Ended March 31, 2021

CWSNC Combined Operations

	<u>Present Rates</u>	<u>Increase Approved</u>	<u>After Approved Increase</u>
Operating Revenues:			
Service revenues	\$39,731,767	\$3,850,321	\$43,582,088
Miscellaneous revenues	378,205	10,918	389,123
Uncollectibles	(247,770)	(28,538)	(276,308)
Total operating revenues	39,862,202	3,832,701	43,694,903
Operating Revenue Deductions:			
Salaries and wages – Maintenance	-	-	-
Purchased power	2,029,399	-	2,029,399
Purchased water and sewer Maintenance and repair	2,467,370	-	2,467,370
Maintenance testing	3,484,398	-	3,484,398
Meter reading	587,838	-	587,838
Chemicals	259,916	-	259,916
Transportation	871,544	-	871,544
Operating expense charged to plant	404,522	-	404,522
Outside services – other	(504,961)	-	(504,961)
Salaries and wages – General	67,033	-	67,033
Office supplies & other office exp.	6,456,840	-	6,456,840
Regulatory commission expense	575,655	-	575,655
Pension and other benefits	326,413	-	326,413
Rent	1,329,784	-	1,329,784
Insurance	250,741	-	250,741
Office utilities	1,180,756	-	1,180,756
Miscellaneous	489,901	-	489,901
Depreciation expense	4,761,256	-	4,761,256
Amortization of CIAC	7,105,034	-	7,105,034
Amortization of PAA	(1,491,601)	-	(1,491,601)
Amortization of ITC	(74,981)	-	(74,981)
Franchise and other taxes	(519)	-	(519)
Property taxes	125,494	-	125,494
Payroll taxes	255,064	-	255,064
Regulatory fee	500,311	-	500,311
	51,821	4,983	56,804

	<u>Present Rates</u>	<u>Increase Approved</u>	<u>After Approved Increase</u>
Deferred income tax	(69,128)	-	(69,128)
State income tax	122,086	95,693	217,779
Federal income tax	999,881	783,725	1,783,606
Rounding	<u>0</u>	<u>0</u>	<u>0</u>
Total operating revenue deductions	32,561,868	884,401	33,446,268
<hr/>			
Net operating income for a return	\$7,300,334	\$2,948,300	\$10,248,635

SCHEDULE II

Carolina Water Service, Inc. of North Carolina

Docket No. W-354, Sub 384

Original Cost Rate Base

For the Twelve Months Ended March 31, 2021

CWSNC Combined Operations

<u>Item</u>	<u>Amount</u>
Plant in service	\$257,456,710
Accumulated depreciation	(67,584,802)
Net plant in service	<u>189,871,908</u>
Cash working capital	2,821,379
Contributions in aid of construction	(38,801,607)
Advances in aid of construction	(32,940)
Accumulated deferred income taxes	(7,590,385)
Customer deposits	(381,404)
Inventory	246,182
Gain on sale and flow back taxes	(289,628)
Plant acquisition adjustment	(662,009)
Excess book value	0
Cost-free capital	(261,499)
Average tax accruals	(137,896)
Regulatory liability for excess deferred taxes	(3,761,852)
Deferred charges	2,636,647
Pro forma plant	<u>0</u>
Original cost rate base	<u><u>\$143,656,896</u></u>
Rates of return:	
Present	5.09%
Approved	7.14%

SCHEDULE III

Carolina Water Service, Inc. of North Carolina

Docket No. W-354, Sub 364

Statement of Capitalization and Related Costs

For the Twelve Months Ended March 31, 2019

CWSNC Combined Operations

	<u>Ratio</u>	<u>Original Cost Rate Base</u>	<u>Embedded Cost</u>	<u>Net Operating Income</u>
PRESENT RATES				
Long-Term Debt	49.80%	\$71,541,134	4.85%	\$3,469,746
Common Equity	50.20%	72,115,762	5.31%	\$3,830,587
Total	100.00%	\$143,656,896		\$7,300,333
APPROVED RATES				
Long-Term Debt	49.80%	\$71,541,134	4.85%	\$3,469,746
Common Equity	50.20%	72,115,762	9.40%	6,778,882
Total	100.00%	\$143,656,896		\$10,248,628

SCHEDULE I-A
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 384
Net Operating Income for a Return
For the Twelve Months Ended March 31, 2021
CWSNC Water Operations

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increase</u>
Operating Revenues:			
Service revenues	\$19,981,801	\$1,802,605	\$21,784,406
Miscellaneous revenues	229,089	5,768	234,857
Uncollectibles	<u>(125,885)</u>	<u>(11,357)</u>	<u>(137,242)</u>
Total operating revenues	<u>20,085,005</u>	<u>1,797,016</u>	<u>21,882,021</u>
Operating Revenue Deductions:			
Salaries and wages – Maintenance	0	0	0
Purchased power	1,032,268	0	1,032,268
Purchased water and sewer	1,541,632	0	1,541,632
Maintenance and repair	1,216,836	0	1,216,836
Maintenance testing	251,466	0	251,466
Meter reading	214,533	0	214,533
Chemicals	345,016	0	345,016
Transportation	226,911	0	226,911
Operating expense charged to plant	(275,825)	0	(275,825)
Outside services – other	4,008	0	4,008
Salaries and wages – General	3,526,923	0	3,526,923
Office supplies & other office expense	320,752	0	320,752
Regulatory commission expense	178,383	0	178,383
Pension and other benefits	726,368	0	726,368
Rent	137,657	0	137,657
Insurance	644,964	0	644,964
Office utilities	207,887	0	207,887
Miscellaneous	2,581,151	0	2,581,151
Depreciation expense	3,432,026	0	3,432,026
Amortization of CIAC	(721,315)	0	(721,315)

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increase</u>
Amortization of PAA	(115,247)	0	(115,247)
Amortization of ITC	(326)	0	(326)
Franchise and other taxes	71,356	0	71,356
Property taxes	214,840	0	214,840
Payroll taxes	273,285	0	273,285
Regulatory fee	26,111	2,336	28,447
Deferred income tax	(26,375)	0	(26,375)
State income tax	59,213	44,867	104,080
Federal income tax	484,952	367,461	852,413
Total operating revenue deductions	<u>16,579,452</u>	<u>414,664</u>	<u>16,994,116</u>
Net operating income for a return	<u>\$3,505,553</u>	<u>\$1,382,352</u>	<u>\$4,887,905</u>

SCHEDULE II-A
Carolina Water Service, Inc. of North Carolina
 Docket No. W-354, Sub 384
 Original Cost Rate Base
 For the Twelve Months Ended March 31, 2021
 CWSNC Water Operations

<u>Item</u>	<u>Amount</u>
Plant in service	\$124,057,224
Accumulated depreciation	(34,060,485)
Net plant in service	89,996,739
Cash working capital	1,417,412
Contributions in aid of construction	(16,944,192)
Advances in aid of construction	(20,666)
Accumulated deferred income taxes	(2,896,200)
Customer deposits	(214,239)
Inventory	142,689
Gain on sale and flow back taxes	(196,947)
Plant acquisition adjustment	(1,878,698)
Excess book value	0
Cost-free capital	(121,791)
Average tax accruals	(112,642)
Regulatory liability for excess deferred taxes	(1,984,185)
Deferred charges	1,327,353
Pro forma plant	0
Original cost rate base	<u>\$68,514,633</u>
Rates of return:	
Present	5.12%
Approved	7.14%

SCHEDULE III-A
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 364
Statement of Capitalization and Related Costs
For the Twelve Months Ended March 31, 2019
CWSNC Water Operations

	<u>Ratio</u>	<u>Original Cost Rate Base</u>	<u>Embedded Cost</u>	<u>Net Operating Income</u>
PRESENT RATES				
Long-term Debt	49.80%	\$34,120,287	4.85%	\$1,654,834
Common Equity	<u>50.20%</u>	<u>34,394,346</u>	5.38%	<u>1,850,719</u>
Total	100.00%	\$68,514,633		\$3,505,553
APPROVED RATES				
Long-term Debt	49.80%	\$34,120,287	4.85%	\$1,654,834
Common Equity	<u>50.20%</u>	<u>34,394,346</u>	9.40%	<u>3,233,069</u>
Total	100.00%	\$68,514,633		\$4,887,903

SCHEDULE I-B
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 384
Net Operating Income for a Return
For the Twelve Months Ended March 31, 2021
CWSNC Sewer Operations

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increased</u>
Operating Revenues:			
Service revenues	\$16,021,148	\$1,329,598	\$17,350,746
Miscellaneous revenues	108,077	3,191	111,268
Uncollectibles	<u>(68,891)</u>	<u>(5,717)</u>	<u>(74,608)</u>
Total operating revenues	<u>16,060,334</u>	<u>1,327,072</u>	<u>17,387,406</u>
Operating Revenue Deductions:			
Salaries and wages – Maintenance	0	0	0
Purchased power	786,198	0	786,198
Purchased water and sewer	925,737	0	925,737
Maintenance and repair	1,891,536	0	1,891,536
Maintenance testing	291,697	0	291,697
Meter reading	8,702	0	8,702
Chemicals	428,449	0	428,449
Transportation	119,562	0	119,562
Operating expense charged to plant	(161,910)	0	(161,910)
Outside services – other	53,428	0	53,428
Salaries and wages – General	2,070,316	0	2,070,316
Office supplies & other office exp.	178,033	0	178,033
Regulatory commission expense	103,059	0	103,059
Pension and other benefits	426,381	0	426,381
Rent	81,246	0	81,246
Insurance	378,597	0	378,597
Office utilities	230,570	0	230,570
Miscellaneous	1,545,314	0	1,545,314
Depreciation expense	3,075,610	0	3,075,610
Amortization of CIAC	(582,263)	0	(582,263)
Amortization of PAA	(17,433)	0	(17,433)
Amortization of ITC	(193)	0	(193)
Franchise and other taxes	39,306	0	39,306
Property taxes	23,278	0	23,278
Payroll taxes	160,419	0	160,419
Regulatory fee	20,878	1,726	22,604
Deferred income tax	(34,370)	0	(34,370)
State income tax	61,748	33,134	94,882

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increased</u>
Federal income tax	505,720	271,364	777,084
Total operating revenue deductions	<u>12,609,615</u>	<u>306,224</u>	<u>12,915,839</u>
Net operating income for a return	<u>\$3,450,719</u>	<u>\$1,020,848</u>	<u>\$4,471,567</u>

SCHEDULE II-B
Carolina Water Service, Inc. of North Carolina
 Docket No. W-354, Sub 364
 Original Cost Rate Base
 For the Twelve Months Ended March 31, 2019
 CWSNC Sewer Operations

<u>Item</u>	<u>Amount</u>
Plant in service	\$110,278,015
Accumulated depreciation	(27,825,210)
Net plant in service	<u>82,452,805</u>
Cash working capital	1,053,897
Contributions in aid of construction	(17,013,315)
Advances in aid of construction	(12,274)
Accumulated deferred income taxes	(3,773,644)
Customer deposits	(124,331)
Inventory	96,029
Gain on sale and flow back taxes	(92,681)
Plant acquisition adjustment	351,344
Excess book value	0
Cost-free capital	(139,708)
Average tax accruals	(15,815)
Regulatory liability for excess deferred taxes	(1,178,367)
Deferred charges	1,074,799
Pro forma plant	<u>0</u>
Original cost rate base	<u><u>\$62,678,740</u></u>
Rates of return:	
Present	5.51%
Approved	7.14%

SCHEDULE III-B
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 364
Statement of Capitalization and Related Costs
For the Twelve Months Ended March 31, 2019
CWSNC Sewer Operations

	<u>Ratio</u>	<u>Original Cost Rate Base</u>	<u>Embedded Cost</u>	<u>Net Operating Income</u>
PRESENT RATES				
Long-term Debt	49.80%	\$31,214,012	4.85%	\$1,513,880
Common Equity	<u>50.20%</u>	<u>31,464,728</u>	6.16%	<u>1,936,839</u>
Total	<u>100.00%</u>	<u>\$62,678,740</u>		<u>\$3,450,719</u>
APPROVED RATES				
Long-term Debt	49.80%	\$31,214,012	4.85%	\$1,513,880
Common Equity	<u>50.20%</u>	<u>31,464,728</u>	9.40%	<u>2,957,684</u>
Total	<u>100.00%</u>	<u>\$62,678,740</u>		<u>\$4,471,564</u>

SCHEDULE I-C
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 384
Net Operating Income for a Return
For the Twelve Months Ended March 31, 2021
BF/FH/TC Water Operations

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increase</u>
Operating Revenues:			
Service revenues	\$1,432,804	\$409,739	\$1,842,543
Miscellaneous revenues	20,668	1,188	21,856
Uncollectibles	<u>(28,656)</u>	<u>(8,195)</u>	<u>(36,851)</u>
Total operating revenues	<u>1,424,816</u>	<u>402,732</u>	<u>1,827,548</u>
Operating Revenue Deductions:			
Salaries and wages – Maintenance	0	0	0
Purchased power	75,078	0	75,078
Purchased water and sewer	0	0	0
Maintenance and repair	155,792	0	155,792
Maintenance testing	21,125	0	21,125
Meter reading	36,681	0	36,681
Chemicals	72,519	0	72,519
Transportation	28,981	0	28,981
Operating expense charged to plant	(33,237)	0	(33,237)
Outside services – other	9,862	0	9,862
Salaries and wages – General	424,995	0	424,995
Office supplies & other office exp.	39,847	0	39,847
Regulatory commission expense	22,277	0	22,277
Pension and other benefits	87,528	0	87,528
Rent	15,741	0	15,741
Insurance	77,719	0	77,719
Office utilities	16,199	0	16,199
Miscellaneous	313,868	0	313,868
Depreciation expense	165,608	0	165,608
Amortization of CIAC	(57,905)	0	(57,905)
Amortization of PAA	13,849	0	13,849
Amortization of ITC	0	0	0
Franchise and other taxes	7,640	0	7,640
Property taxes	15,410	0	15,410
Payroll taxes	32,931	0	32,931
Regulatory fee	1,852	524	2,376
Deferred income tax	(809)	0	(809)
State income tax	(4,994)	10,055	5,061
Federal income tax	(40,903)	82,352	41,449

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increase</u>
Total operating revenue deductions	<u>1,497,654</u>	<u>92,931</u>	<u>1,590,585</u>
Net operating income for a return	<u>(\$72,838)</u>	<u>\$309,801</u>	<u>\$236,963</u>

SCHEDULE II-C
Carolina Water Service, Inc. of North Carolina
 Docket No. W-354, Sub 384
 Original Cost Rate Base
 For the Twelve Months Ended March 31, 2021
 BF/FH/TC Water Operations

<u>Item</u>	<u>Amount</u>
Plant in service	\$6,845,866
Accumulated depreciation	(2,365,836)
Net plant in service	<u>4,480,030</u>
Cash working capital	170,622
Contributions in aid of construction	(1,051,111)
Advances in aid of construction	0
Accumulated deferred income taxes	(88,892)
Customer deposits	(22,773)
Inventory	5,285
Gain on sale and flow back taxes	0
Plant acquisition adjustment	(10,057)
Excess book value	0
Cost-free capital	0
Average tax accruals	(8,075)
Regulatory liability for excess deferred taxes	(296,294)
Deferred charges	142,829
Pro forma plant	<u>0</u>
Original cost rate base	<u><u>\$3,321,564</u></u>
Rates of return:	
Present	-2.19%
Approved	7.14%

SCHEDULE III-C
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 384
Statement of Capitalization and Related Costs
For the Twelve Months Ended March 31, 2021
BF/FH/TC Water Operations

	<u>Ratio</u>	<u>Original Cost Rate Base</u>	<u>Embedded Cost</u>	<u>Net Operating Income</u>
PRESENT RATES				
Long-term Debt	49.80%	\$1,654,139	4.85%	\$80,226
Common Equity	50.20%	<u>1,667,425</u>	-9.18%	<u>(153,064)</u>
Total	100.00%	<u>\$3,321,564</u>		<u>(\$72,838)</u>
APPROVED RATES				
Long-term Debt	49.80%	\$1,654,139	4.85%	\$80,226
Common Equity	<u>50.20%</u>	<u>1,667,425</u>	9.40%	<u>156,738</u>
Total	100.00%	<u>\$3,321,564</u>		<u>\$236,964</u>

SCHEDULE I-D
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 384
Net Operating Income for a Return
For the Twelve Months Ended March 31, 2021
BF/FH Sewer Operations

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increased</u>
Operating Revenues:			
Service revenues	\$2,296,014	\$308,379	\$2,604,393
Miscellaneous revenues	20,371	771	21,142
Uncollectibles	<u>(24,338)</u>	<u>(3,269)</u>	<u>(27,607)</u>
Total operating revenues	<u>2,292,047</u>	<u>305,881</u>	<u>2,597,928</u>
Operating Revenue Deductions:			
Salaries and wages – Maintenance	0	0	0
Purchased power	135,856	0	135,856
Purchased water and sewer	0	0	0
Maintenance and repair	220,235	0	220,235
Maintenance testing	23,550	0	23,550
Meter reading	0	0	0
Chemicals	25,561	0	25,561
Transportation	29,069	0	29,069
Operating expense charged to plant	(33,989)	0	(33,989)
Outside services – other	(265)	0	(265)
Salaries and wages – General	434,606	0	434,606
Office supplies & other office exp.	37,023	0	37,023
Regulatory commission expense	22,693	0	22,693
Pension and other benefits	89,507	0	89,507
Rent	16,097	0	16,097
Insurance	79,476	0	79,476
Office utilities	35,246	0	35,246
Miscellaneous	320,923	0	320,923
Depreciation expense	431,789	0	431,789
Amortization of CIAC	(130,118)	0	(130,118)
Amortization of PAA	43,850	0	43,850
Amortization of ITC	0	0	0
Franchise and other taxes	7,192	0	7,192
Property taxes	1,536	0	1,536
Payroll taxes	33,676	0	33,676
Regulatory fee	2,980	397	3,377
Deferred income tax	(7,574)	0	(7,574)
State income tax	6,119	7,637	13,756

	Present <u>Rates</u>	Increase <u>Approved</u>	After Approved <u>Increased</u>
Federal income tax	50,112	62,548	112,660
Total operating revenue deductions	<u>1,875,148</u>	<u>70,582</u>	<u>1,945,730</u>
Net operating income for a return	<u>\$416,899</u>	<u>\$235,299</u>	<u>\$652,198</u>

SCHEDULE II-D
Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 384
Original Cost Rate Base
For the Twelve Months Ended March 31, 2021
BF/FH Sewer Operations

<u>Item</u>	<u>Amount</u>
Plant in service	\$16,275,605
Accumulated depreciation	(3,333,270)
Net plant in service	<u>12,942,335</u>
Cash working capital	179,448
Contributions in aid of construction	(3,792,989)
Advances in aid of construction	0
Accumulated deferred income taxes	(831,649)
Customer deposits	(20,062)
Inventory	2,179
Gain on sale and flow back taxes	0
Plant acquisition adjustment	875,401
Excess book value	0
Cost-free capital	0
Average tax accruals	(1,364)
Regulatory liability for excess deferred taxes	(303,006)
Deferred charges	91,666
Pro forma plant	<u>0</u>
Original cost rate base	<u><u>\$9,141,959</u></u>
Rates of return:	
Present	4.56%
Approved	7.14%

SCHEDULE III-D
Carolina Water Service, Inc. of North Carolina
 Docket No. W-354, Sub 384
 Statement of Capitalization and Related Costs
 For the Twelve Months Ended March 31, 2021
 BF/FH Sewer Operations

	<u>Ratio</u>	<u>Original Cost Rate Base</u>	<u>Embedded Cost</u>	<u>Net Operating Income</u>
PRESENT RATES				
Long-term Debt	49.80%	\$4,552,696	4.85%	\$220,806
Common Equity	<u>50.20%</u>	<u>4,589,263</u>	4.27%	<u>196,093</u>
Total	100.00%	<u>\$9,141,959</u>		<u>\$416,899</u>
APPROVED RATES				
Long-term Debt	49.80%	\$4,552,696	4.85%	\$220,806
Common Equity	<u>50.20%</u>	<u>4,589,263</u>	9.40%	<u>431,391</u>
Total	100.00%	<u>\$9,141,959</u>		<u>\$652,197</u>

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 42 - 45

Rate Design

The evidence supporting these findings of fact is found in the verified Application and the accompanying NCUC Form W-1, the Stipulation, and the testimony and exhibits of Public Staff witness Darden and CWSNC witness Schellinger.

The water rates proposed by CWSNC in its Application were based on a fixed-to-variable ratio of 50% fixed for the base facility charge and 50% variable for the usage charge. Sewer rates were based on a fixed-to-variable ratio of 80% fixed for the base facility charge and 20% variable for the usage charge.

As part of its Application and as discussed in Mr. Schellinger's testimony, CWSNC proposes to move the Eastgate and Tanglewood South subdivisions to a purchased water pass-through rate from Fayetteville Public Works Commission, because these subdivisions are entirely purchased water systems, with no water provided from wells. In addition, the Company proposes to move the Willowbrook subdivision to a purchased water pass-through rate from Johnson County Public Utilities, because this subdivision is also an entirely purchased water system, with no water provided from wells.

Public Staff witness Darden testified that the Public Staff recommended a service revenue ratio of 40/60 (base facilities charge to usage charge) for Uniform Water and BF/FH/TC Water residential customers, which she stated was consistent with the Commission-approved rate design ratio in the most recent Aqua NC rate case. Public Staff witness Darden recommended a 60/40 ratio for Uniform Sewer residential customers.

In the Stipulation, the Stipulating Parties agreed to a rate design for water utility service for its Uniform Water and BF/FH/TC Water residential customers to be based on a 40/60 ratio of base charge to usage charge, and to use an 60/40 ratio of base charge to usage charge for CWSNC's Uniform Sewer residential customers.⁵

Based upon the foregoing and the entire record herein, the Commission finds that it is appropriate to utilize a 40/60 ratio of base charge to usage charge in this proceeding for CWSNC's Uniform Water and BF/FH/TC Water residential

⁵ BF/FH Sewer Rate Division has a monthly flat rate for residential customers. As mentioned previously, in their Joint Proposed Order, the Stipulating Parties also recognized and agreed that, due to the nature of the change in fixed to volumetric rates for Uniform Sewer customers, the rates for the White Oak School and White Oak Daycare were increased at the same percentages as the White Oak flat rate residential customers.

customers and an 60/40 ratio of base charge to usage charge for CWSNC's Uniform Sewer residential customers as agreed to by the Company and the Public Staff, embodied in the Stipulation. The Commission concludes that such rate design is fair and reasonable to both CWSNC and its customers. Therefore, taking into account the foregoing findings and conclusions, the Commission concludes that the rates and charges included in Appendices A-1 and A-2, and the Schedules of Connection Fees for Uniform Water and Uniform Sewer, attached hereto as Appendices B-1 and B-2, are just and reasonable and should be approved.

Further, the Commission concludes that it is reasonable and appropriate to move the Eastgate and Tanglewood South subdivisions to a purchased water pass-through rate from Fayetteville Public Works Commission, and to move the Willowbrook subdivision to a purchased water pass-through rate from Johnson County Public Utilities, as proposed by the Company.

The Commission further concludes that it is reasonable and appropriate for the Company to terminate the unprotected EDIT credit as of March 31, 2022, as such credit will be fully amortized by that date, as demonstrated by the Company's testimony in this proceeding.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 46

Continuation of Bulk Purchase Pass-Through Mechanisms and Update of Purchased Water and Sewer Rates

Based on the evidence presented in this proceeding, in particular verified Application and the accompanying NCUC Form W-1, the Stipulation, and the testimony and exhibits of Public Staff witness Casselberry and CWSNC witness Drennan, the Commission finds that, consistent with CWSNC's proposal and the Stipulation, the Company should continue to utilize the bulk purchased water and sewer pass-through mechanisms and the Company's purchased water and sewer rates should be updated as proposed by CWSNC.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 47

Continuation of WSIC and SSIC Mechanisms

The evidence supporting these findings of fact is found in the generic rulemaking proceeding, Docket No. W-100, Sub 54, wherein the Commission issued orders establishing procedures for implementing and applying the WSIC and SSIC mechanism; in CWSNC's 2013 rate case, Docket No. W-354, Sub 336, wherein the Commission initially approved the Company's WSIC and SSIC mechanism; and in the Commission's prior orders approving WSIC and SSIC mechanisms for CWSNC and the other Corix companies that have been merged into CWSNC.

The Commission's previously-approved WSIC and SSIC rate adjustment mechanism continues in effect, although as required by Commission Rules R7-39(k) and R10-26(k), it has been reset to zero in this rate case. The WSIC and SSIC mechanism is designed to recover between rate case proceedings the costs associated with investment in certain completed, eligible projects for water and sewer system or water quality improvements pursuant to N.C.G.S. § 62-133.12. The WSIC and SSIC surcharge is subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charge recovered pursuant to the WSIC and SSIC mechanism may not exceed 7.5% of the total annual service revenues approved by the Commission in this rate case proceeding.

Based on the service revenues set forth and approved in this Order, the maximum WSIC and SSIC charges as of the effective date of this Order are:

<u>Item</u>	<u>Service Revenues</u>	<u>Cap %</u>	<u>WSIC & SSIC Cap</u>
CWSNC Uniform Water Operations	\$21,784,406	X 7.5% =	\$1,633,830
CWSNC Uniform Sewer Operations	\$17,350,746	X 7.5% =	\$1,301,306
BF/FH/TC Water Operations	\$1,842,543	X 7.5% =	\$138,191
BF/FH Sewer Operations	\$2,604,393	X 7.5% =	\$195,329

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 48 - 49

Fee-Free Payment Proposal

The evidence supporting these findings of fact is found in the verified Application, the testimony of Company witnesses Denton and Drennan, the testimony of Public Staff witness Darden, the Stipulation, Settlement Exhibit I, and Corrected Feasel Exhibits I and II.

In the Company's Application, it proposed changes to the way electronic payment fees are processed and remitted to the Company's third-party payment vendor. Company witnesses Denton and Drennan described the fee-free payment option proposal, which would eliminate electronic payment fees that customers pay to the third-party vendor when paying with a credit card. Instead, the electronic payment processing costs would be billed directly to the Company and added to the revenue requirement to be recovered in base rates. Witness Drennan explained the Company's position that it is appropriate to offer fully fee-free payment options for its customers, recovering the costs to process payments from all customers through its cost of service, as is currently done for existing fee-free methods such as checks. According to Witness Drennan, customers have become more comfortable with making electronic payments, without an additional fee, and other utility companies are now offering fee-free payment programs for customers.

Mr. Drennan noted that the Commission approved the use of fee-free transaction practices for Duke Energy Carolinas in Docket E-7 Sub 1214. Mr. Drennan also described the benefits to customers, including allowing customers to choose the most convenient payment options without penalty; more affordable automatic payment options; improvements in customer satisfaction and user experience; encouragement of paperless billing and payments over wasteful paper options; affording customers the benefits of rewards or cashback incentives with credit card providers; leveraged security and protection provided by credit card companies; and lower needs for customer calls to the Company's customer experience team, allowing the Company to better manage its administrative resources and operating expenses. In the application, the Company made a pro forma adjustment to include credit card transactions fees for residential and commercial customers in its revenue requirement, annualizing the total credit card fees charged from the first quarter of 2021 for both residential and commercial customers to determine the adjustment.

While no party contested the value or benefits of the fee-free credit card program for residential customers, Public Staff witness Darden noted that the Company did not calculate any impacts to late payments or uncollectibles associated with the request to include credit card fees. Witness Darden recommended the following adjustments be made to the Office Supplies and Other Office Expense in reference to the credit card fee program: 1) The credit card fees associated with commercial customers have been removed for all rate entities, and 2) the projected total of residential credit card fees be replaced with actual, historical costs. Witness Darden explained that since credit card fees are based upon the total cost of the transaction, the commercial credit card fees are substantially higher than residential fees for each bill, and thus the Company's proposal would unduly burden residential ratepayers as the allocation of costs for residential customers is greater than that of commercial customers. Additionally, the Public Staff disagreed with CWSNC's projection of fees and instead used actual costs from the test year, including the second quarter of 2020 through the first quarter of 2021, for residential customers.

In the Stipulation, the Stipulating Parties agreed that CWSNC should be authorized to implement its proposed fee-free payment option for its residential customers, with the cost of service of such to be reflected in CWSNC's revenue requirements in the amount of \$253,495. The Stipulating Parties also agreed that CWSNC should report to the Commission and the Public Staff concerning the fee-free payment option twice per year, with such reporting detailing the number of fee-free payments made by customers by month, along with levels of CWSNC uncollectibles expense by month.

Therefore, in light of the foregoing, the Commission concludes that it is appropriate and reasonable for the Company to implement its proposed fee-free payment option for its residential customers, with the cost of service of such to be reflected in CWSNC's revenue requirements in the amount of \$253,495.

Additionally, CWSNC shall report to the Commission and the Public Staff concerning the fee-free payment option twice per year, with such reporting detailing the number of fee-free payments made by customers by month, along with levels of CWSNC uncollectibles expense by month, as set out in the Stipulation.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 50 - 52

Water Efficiency Program

The evidence supporting these findings of fact is found in the verified Application, the testimony of Company witnesses Denton and Drennan, the testimony of Public Staff witness Darden, the Stipulation, Settlement Exhibit I, and Revised Settlement Exhibit I.

In the Company's Application, it proposed creating a new Water Efficiency Program, under which the Company would offer efficient water fixture rebates for its customers. Company witness Denton stated the program would be the first of its kind among North Carolina regulated water utilities and would provide an additional layer of customer benefit for those who also would save on their energy bills from the installation of efficient household fixtures. Company witness Drennan described that the rebate program would address non-discretionary water usage by focusing on indoor appliances that are used year-round and for which customers have less control of water usage. The Company believes that growing its toolkit available to address wise water use allows for improved management and flexibility for Company infrastructure and the limited water of water in its service territory.

Company witness Drennan explained how the Company proposes to administer the rebate program. He testified the Company proposed to implement a standard water fixture rebate application form on its website, along with a current list of fixtures eligible for rebate due to WaterSense or Energy Star certification (including toilets, washing machines, showerheads, and dishwashers). Using low/no-cost communication channels and annual bill inserts, the Company would communicate the program's availability and basic terms, and Company staff would log, review and approve or reject applications. Witness Drennan explained that an approved customer could expect a credit on their monthly bill, usually within one bill cycle.

Witness Drennan further explained that the Company proposes to post the rebates applied to customer bills to a Regulatory Asset Account, for recovery in a future rate case. The tracking and evaluation would allow the Company to recommend any necessary updates, enhancements, or modifications to the program in its next rate case. Mr. Drennan estimated that the cost to send bill inserts would be approximately \$2,000 annually.

Public Staff witness Darden expressed concerns about the cost-benefit to customers, the regulatory asset account balance, and the implementation of a brand new program. She stated that a cost-benefit analysis has not been completed for this program due to the unknown customer participation, and so CWSNC would be implementing a program without a trial period, and accordingly, with participation and thereby overall cost unknown, waiting to address the recovery of the regulatory asset in the next rate case may be contentious. She also stated that since customers typically stay in their homes longer than the estimated lives of the appliances included in this program, CWSNC's maximum credit of one dishwasher, one washing machine, two shower heads, and two toilets may be too limited. Witness Darden also testified that participation may be heavily influenced by household financial demographics, and, conceptually, more efficient appliances should reduce consumption, thereby the utility would request higher rates in future rate cases to recover program costs and offset lower consumption.

Public Staff witness Darden concluded that although the Public Staff does not oppose the Water Efficiency Program, due to its unpredictability and novelty, Staff recommended the program be treated as a pilot program to be re-evaluated in the next general rate case, and the regulatory asset shall not earn a return or have associated carrying costs. Public Staff also recommended that the Company provide quarterly reports.

In the Stipulation, the Stipulating Parties agreed that CWSNC should be authorized to implement its proposed Water Efficiency Program, under which CWSNC will offer efficient water fixture rebates for its customers. The Water Efficiency Program should be treated as a pilot program and re-evaluated in CWSNC's next rate case. The Stipulating Parties also agreed that CWSNC should be authorized to defer and subsequently recover in a future rate case the water efficiency rebates applied to customer bills in a regulatory asset account, which asset should not earn a return or carrying charges. The administrative expenses estimated for this program should be included in the Company's revenue requirements, in the amount of \$2,000. The Stipulating Parties also agreed that CWSNC should report to the Commission and the Public Staff about the Water Efficiency Program on an annual basis, with such reporting detailing the amount of rebates applied to customer bills, the size of the regulatory asset, the type of water efficiency measures for which rebates were applied, and estimates or ranges of water efficiency impacts of such measures from an authoritative, third-party source.

Therefore, in light of the foregoing, the Commission concludes that it is appropriate and reasonable for the Company to its implement its proposed Water Efficiency Program as a pilot program for re-evaluation in its next general rate case. CWSNC is authorized to defer and subsequently recover in a future rate case the water efficiency rebates applied to customer bills in a regulatory asset account, which asset should not earn a return or carrying charges, and administrative expenses for the program in the amount of \$2,000 shall be included

in its revenue requirement. Additionally, CWSNC shall report to the Commission and the Public Staff concerning the Water Efficiency Program on an annual basis, with such reporting detailing the amount of rebates applied to customer bills, the size of the regulatory asset, the type of water efficiency measures for which rebates were applied, and estimates or ranges of water efficiency impacts of such measures from an authoritative, third-party source, as set out in the Stipulation.

IT IS, THEREFORE, ORDERED as follows:

1. That the affidavit of CWSNC's Financial Planning and Analysis Manager, Matthew Schellinger and the Public Staff's Second Corrected Feasel Exhibits I and II, both filed on January 3, 2022, in these dockets are hereby entered into evidence;

2. That the Joint Settlement Agreement and Stipulation is incorporated herein by reference and is hereby approved in its entirety;

3. That the Joint Settlement Agreement and Stipulation and the parts of this Order pertaining to the contents of that agreement shall not be cited or treated as precedent in future proceedings;

4. That the Schedules of Rates, attached hereto as Appendices A-1 and A-2, and the Schedules of Connection Fees for Uniform Water and Uniform Sewer, attached hereto as Appendices B-1 and B-2, are hereby approved and deemed to be filed with the Commission pursuant to N.C.G.S. § 62-138, and are hereby authorized to become effective for service rendered on and after the issuance date of this Order;

5. That the Notices to Customers, attached hereto as Appendices C-1 and C-2 shall be mailed with sufficient postage or hand delivered to all affected customers in each relevant service area, respectively, in conjunction with the next regularly scheduled billing process;

6. That CWSNC shall file the attached Certificate of Service, properly signed and notarized, not later than ten days after the Notices to Customers are mailed or hand delivered to customers;

7. That CWSNC is authorized to terminate the federal protected EDIT credit effective March 31, 2022;

8. That CWSNC is authorized to move the Eastgate and Tanglewood South subdivisions to a purchased water pass-through rate from Fayetteville Public Works Commission; and that CWSNC is authorized to move the Willowbrook subdivision to a purchased water pass-through rate from Johnston County Public Utilities;

9. That CWSNC is authorized to update its purchased water and sewer rates as shown on Appendix A-1;

10. That CWSNC is authorized to implement its proposed fee-free payment option for residential customers; in connection with this option, CWSNC shall report to the Commission and Public Staff, approximately every six months, a report on the implementation of this option, detailing the number of fee-free payments made by customers by month, along with levels of CWSNC uncollectibles expense by month;

11. That CWSNC is authorized to implement its proposed "Water Efficiency Program", as a pilot program to be re-evaluated in CWSNC's next rate case; in connection with this program, CWSNC shall report to the Commission and the Public Staff, approximately annually, a report on the implementation of this program, detailing the amount of rebates applied to customer bills, the size of the regulatory asset, the type of water efficiency measures for which rebates were applied, and estimates or ranges of water efficiency impacts of such measures from a third-party authoritative source;

12. Consistent with CWSNC's proposal, the Stipulating Parties agree that CWSNC should be authorized to defer and subsequently recover the water efficiency rebates applied to customer bills in a regulatory asset account, with no return or carrying charges, for recovery in a future rate case;

13. That CWSNC shall continue to engage with all of its customers about water quality issues, particularly with the Danby customers concerning how to address problems with water hardness and the Brandywine Bay and Belvedere customers concerning concentrations of iron. The Company shall apprise the Public Staff on an ongoing basis about efforts made both regarding communications with customers about these issues as well as operational efforts to address the root causes.

14. That CWSNC shall continue its valuable investment in resources targeting improvements in customer communications, as described by witness Parks, in testimony adopted by witness Denton.

15. That the Chief Clerk shall establish Docket No. W-354, Sub 384A as the single docket to be used for all future WSIC and SSIC filings, orders, and reporting requirements and shall close Docket No. W-354, Sub 364A.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of _____, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notices to Customers issued by the North Carolina Utilities Commission in Docket No. W-354, Sub 384, and the Notices were mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2022.

By: _____
Signature

Carolina Water Service, Inc. of North Carolina

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notices to Customers were mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-354, Sub 384.

Witness my hand and notarial seal, this the ____ day of _____, 2022.

Notary Public

Printed or Typed Name

(SEAL) My Commission Expires: _____
Date

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing water and sewer utility service

in

ALL OF ITS SERVICE AREAS IN NORTH CAROLINA

(excluding Fairfield Harbour Service Area, Treasure Cove, Register Place Estates, North Hills, Glen Arbor/North Bend, Bradfield Farms, Silverton, Woodland Farms, Larkhaven (Sewer) Subdivisions, and Hawthorne at the Green Apartments)

WATER RATES AND CHARGES

Monthly Metered Water Service (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

< 1" meter	\$ 24.53
1" meter	\$ 61.33
1 1/2" meter	\$ 122.65
2" meter	\$ 196.24
3" meter	\$ 367.95
4" meter	\$ 613.25
6" meter	\$1,226.50
8" meter	\$1,962.40

Usage Charge:

A. Treated Water/1,000 gallons	\$ 11.71
B. Untreated Water/1,000 gallons (Brandywine Bay Irrigation Water)	\$ 5.99

C. Purchased Water for Resale, per 1,000 gallons:

<u>Service Area</u>	<u>Bulk Provider</u>		
Carolina Forest	Montgomery County	\$	3.19
Eastgate	Fayetteville PWC	\$	5.55
Tanglewood South	Fayetteville PWC	\$	5.55
High Vista Estates	City of Hendersonville	\$	4.72
Riverbend	Town of Franklin	\$	8.10
Riverpointe	Charlotte Water	\$	7.07
Whispering Pines	Town of Southern Pines	\$	3.52
White Oak Plantation/ Lee Forest	Johnston County	\$	3.02
Winston Plantation	Johnston County	\$	3.02
Winston Point	Johnston County	\$	3.02
Willowbrook	Johnston County	\$	3.02
Woodrun	Montgomery County	\$	3.19
Yorktown	City of Winston Salem	\$	5.79
Zemosa Acres	City of Concord	\$	5.52
Carolina Trace	City of Sanford	\$	2.21

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

When because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit or other structure separately, the following will apply:

Sugar Mountain Service Area:

Where service to multiple units or other structures is provided through a single meter, the average usage for each unit or structure served by that meter will be calculated. Each unit or structure will be billed based upon that average usage plus the base monthly charge for a <1" meter.

Mount Mitchell Service Area:

Service will be billed based upon the Commission-approved monthly flat rate.

Monthly Flat Rate Service: (Billed in Arrears) \$ 68.71
Availability Rate: (Semiannual)

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County \$ 29.60

<u>Availability Rate: (Monthly)</u>		
Applicable only to property owners in Linville Ridge Subdivision		\$ 14.83
<u>Availability Rate: (Monthly rate, billed semiannually)</u>		
Applicable only to property owners in Fairfield Sapphire Valley Service Area		\$ 10.96
<u>Availability Rate: (Monthly rate, billed quarterly)</u>		
Applicable only to property owners in Connestee Falls		\$ 5.78
<u>Meter Testing Fee:</u> ^{1/}		\$20.00
<u>New Water Customer Charge:</u>		\$27.00
<u>Reconnection Charge:</u> ^{2/}		
If water service is cut off by utility for good cause		\$42.00
If water service is discontinued at customer's request		\$42.00
<u>Reconnection Charge:</u> ^{3/} (Flat-rate water customers)		
If water service is cut off by utility for good cause		Actual Cost
<u>Management Fee:</u> (in the following subdivisions only) (Per connection)		
Wolf Laurel		\$150.00
Covington Cross Subdivision (Phases 1 & 2)		\$100.00
<u>Oversizing Fee:</u> (in the following subdivision only)		
(One-time charge per single-family equivalent) Winghurst		\$400.00
<u>Meter Fee:</u>		
For <1" meters		\$ 50.00
For meters 1" or larger		Actual Cost
<u>Irrigation Meter Installation:</u>		Actual Cost

SEWER RATES AND CHARGES

Monthly Metered Sewer Service:

A. Base Facility Charge:

Residential (zero usage) \$ 41.03

Commercial (based on meter size with zero usage)

< 1" meter	\$ 41.03
1" meter	\$ 102.58
1 1/2" meter	\$ 205.15
2" meter	\$ 328.24
3" meter	\$ 615.45
4" meter	\$1,025.75
6" meter	\$2,051.50
8" meter	\$3,282.40

B. Usage charge, per 1,000 gallons \$ 11.69

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

Monthly Metered Purchased Sewer Service:

Collection Charge (Residential and Commercial) \$ 28.72

Usage charge, per 1,000 gallons
(based on water consumption)

<u>Service Area</u>	<u>Bulk Provider</u>	
White Oak Plantation/ Lee Forest/Winston Pt.	Johnston County	\$ 6.45
Kings Grant	Two Rivers Utilities	\$ 4.39
College Park	Town of Dallas	\$ 7.77

Monthly Flat Rate Service, per SFE or REU: \$ 85.12

Multi-residential customers who are served by a master meter shall be charged the flat rate per unit. \$ 85.12

Mt. Carmel Subdivision Service Area:

Monthly Base Facility Charge	\$ 7.49
Monthly Collection Charge (Residential and Commercial)	\$ 28.72
Usage Charge, per 1,000 gallons (based on metered water from the water supplier)	\$ 6.51

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service	
Residential Service	\$ 85.12
White Oak High School	\$2,525.23
Child Castle Daycare	\$ 323.73
Pantry	\$ 177.51

Fairfield Mountain/Apple Valley (a.k.a. Rumbling Bald) Service Area, and
Highland Shores Subdivision:

Monthly Sewer Rates:

Residential	
Collection charge/dwelling unit	\$ 28.72
Treatment charge/dwelling unit	\$ 90.00
Total monthly flat rate/dwelling unit	<u>\$ 118.72</u>

Commercial and Other:

Minimum monthly collection and treatment charge \$ 118.72

Monthly collection and treatment charge for customers
who do not take water service \$ 118.72

Treatment charge per dwelling unit

Small (less than 2,500 gallons per month)	\$ 103.00
Medium (2,500 to 10,000 gallons per month)	\$ 182.00
Large (over 10,000 gallons per month)	\$ 286.00

Collection Charge (per 1,000 gallons) \$ 13.93

The Ridges at Mountain Harbour:

Monthly Sewer Rates:

Collection charge (Residential and Commercial)	\$ 28.72
Treatment charge (Residential and Commercial)	
< 1" meter	\$ 16.95
2" meter	\$ 135.60

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 11.05
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Availability Rate: (Monthly rate, billed quarterly)

Applicable only to property owners in Connestee Falls	\$ 6.23
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New Sewer Customer Charge: ^{4/} \$ 27.00

Reconnection Charge: ^{5/}

If sewer service is cut off by utility for good cause: Actual Cost

MISCELLANEOUS UTILITY MATTERS

Charge for processing NSF Checks: \$ 25.00

Bills Due: On billing date

Bills Past Due: 21 days after billing date

Billing Frequency: Bills shall be rendered monthly in all service areas, except for Mt. Carmel, which will be billed bimonthly.

Availability rates will be billed quarterly in advance for Connestee Falls, semiannually in advance for Carolina Forest, Woodrun, and Fairfield Sapphire Valley, and monthly for Linville Ridge.

Finance Charge for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Notes:

^{1/} If a customer requests a test of a water meter more frequently than once in a 24-month period, the Company will collect a \$20.00 service charge to defray the cost of the test. If the meter is found to register in excess of the prescribed accuracy limits, the meter testing charge will be waived. If the meter is found to register accurately or below prescribed accuracy limits, the charge shall be retained by the Company. Regardless of the test results, customers may request a meter test once in a 24-month period without charge.

^{2/} Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

^{3/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice.

^{4/} This charge shall be waived if customer is also a water customer within the same service area.

^{5/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice. This charge will be waived if customer also receives water service from Carolina Water Service within the same service area. Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-354, Sub 384, on this the _____ day of _____, 20XX.

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing water and sewer utility service

in

TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS, GLEN ARBOR/NORTH BEND SUBDIVISIONS, FAIRFIELD HARBOUR SERVICE AREA, BRADFIELD FARMS SUBDIVISION, LARKHAVEN (SEWER) SUBDIVISION, SILVERTON, AND WOODLAND FARMS SUBDIVISIONS, AND HAWTHORNE AT THE GREEN APARTMENTS

WATER RATES AND CHARGES

Monthly Metered Water Service (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

< 1" meter	\$ 17.08
1" meter	\$ 42.70
1 1/2" meter	\$ 85.40
2" meter	\$136.64

Usage Charge, per 1,000 gallons \$ 6.68

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Harbour Service Area \$ 4.57

Connection Charge:

Treasure Cove Subdivision	\$ 0.00
North Hills Subdivision	\$ 100.00
Glen Arbor/North Bend Subdivision	\$ 0.00
Register Place Estates	\$ 500.00

Fairfield Harbor: ^{1/}

All Areas Except Harbor Pointe II Subdivision

Recoupment of capital fees per tap	\$ 335.00
Connection charge per tap	\$ 140.00

Harbor Pointe Subdivision and any area where mains have been installed after July 24, 1989

Recoupment of capital fee per tap	\$ 650.00
Connection charge per tap	\$ 320.00

Bradfield Farms:

Connection charge per tap	None
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<u>Meter Testing Fee:</u> ^{2/}	\$ 20.00
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<u>New Water Customer Charge:</u>	\$ 27.00
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Reconnection Charge: ^{3/}

If water service is cut off by utility for good cause	\$ 42.00
If water service is discontinued at customer's request	\$ 42.00

<u>New Meter Charge:</u>	Actual Cost
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<u>Irrigation Meter Installation:</u>	Actual Cost
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SEWER RATES AND CHARGES

Monthly Sewer Service:

Residential:

Flat Rate, per dwelling unit	\$ 61.58
Bulk Flat Rate, per REU	\$ 61.58

Commercial and Other:

Monthly Flat Rate, per REU (Customers who do not take water service)	\$ 61.58
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Monthly Metered Rates
(based on meter size with zero usage)

<1" meter	\$ 50.97
1" meter	\$ 127.42
1 1/2" meter	\$ 254.84
2" meter	\$ 407.75

Usage Charge, per 1,000 gallons \$ 2.65

Bulk Sewer Service for Hawthorne at the Green Apartments: ^{4/}

Bulk Flat Rate, per REU \$ 61.58

(To be collected from Hawthorne and delivered to Carolina Water Service, Inc. of North Carolina for treatment of the Hawthorne wastewater pursuant to Docket No. W-218, Sub 291)

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Harbour Service Area \$ 3.23

Connection Charge

Fairfield Harbour: ^{1/}

All Areas Except Harbor Pointe II Subdivision

Recoupment of capital fees per tap	\$ 735.00
Connection charge per tap	\$ 140.00

Harbor Pointe Subdivision and any area where mains have been installed after July 24, 1989

Recoupment of capital fee per tap	\$2,215.00
Connection charge per tap	\$ 310.00

Bradfield Farms:

Connection charge per tap None

New Sewer Customer Charge: ^{5/} \$ 27.00

Reconnection Charge: ^{6/}

If sewer service is cut off by utility for good cause: Actual Cost

MISCELLANEOUS UTILITY MATTERS

<u>Charge for processing NSF Checks:</u>	\$ 25.00
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	21 days after billing date
<u>Billing Frequency:</u>	Bills shall be monthly for service in arrears. Availability billings semiannually in advance.
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Notes:

^{1/} The recoupment of capital portion of the connection charges shall be due and payable at such time as the main water and sewer lines are installed in front of each lot, and the tap-on fee for water and sewer shall be payable upon request by the owner of each lot to be connected to the water and sewer lines. With written consent of the company, payment of the recoupment capital portion of the connection charge may be made payable over five-year period following the installation of the water and sewer mains in front of each lot, payment to be made in such a manner and in such installments as agreed upon between lot owner and the company, together with interest on the balance of the unpaid recoupment of capital fee from said time until payment in full at the rate of 6% per annum.

^{2/} If a customer requests a test of a water meter more frequently than once in a 24-month period, the Company will collect a \$20.00 service charge to defray the cost of the test. If the meter is found to register in excess of the prescribed accuracy limits, the meter testing charge will be waived. If the meter is found to register accurately or below prescribed accuracy limits, the charge shall be retained by the Company. Regardless of the test results, customers may request a meter test once in a 24-month period without charge.

^{3/} Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

^{4/} Each Apartment building will be considered 92.42% occupied on an ongoing basis for billing purposes as soon as the certificate of occupancy is issued for that apartment building.

^{5/} This charge shall be waived if customer is also a water customer within the same service area.

^{6/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice. This charge will be waived if customer also receives water service from Carolina Water Service within the same service area. Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-354, Sub 384, on this the _____ day of _____, 20XX.

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

SCHEDULE OF CONNECTION FEES

FOR WATER UTILITY SERVICE UNDER UNIFORM RATES

Uniform Connection Fees: ^{1/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single-Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$ 400.00

The systems where connection fees other than the uniform fees have been approved and/or allowed to become effective by the North Carolina Utilities Commission are as follows. These fees are per SFE:

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Abington	\$ 0.00	\$ 0.00
Abington, Phase 14	\$ 0.00	\$ 0.00
Amherst	\$ 250.00	\$ 0.00
Bent Creek	\$ 0.00	\$ 0.00
Blue Mountain at Wolf Laurel	\$ 925.00	\$ 0.00
Buffalo Creek, Phase I, II, III, IV	\$ 825.00	\$ 0.00
Carolina Forest	\$ 0.00	\$ 0.00
Chapel Hills	\$ 150.00	\$ 400.00
Eagle Crossing	\$ 0.00	\$ 0.00
Elk River Development	\$1,000.00	\$ 0.00
Forest Brook/Old Lamp Place	\$ 0.00	\$ 0.00
Harbour	\$ 75.00	\$ 0.00
Hestron Park	\$ 0.00	\$ 0.00
Hound Ears	\$ 300.00	\$ 0.00
Kings Grant/Willow Run	\$ 0.00	\$ 0.00
Lemmond Acres	\$ 0.00	\$ 0.00
Linville Ridge	\$ 400.00	\$ 0.00
Monterrey (Monterrey LLC)	\$ 0.00	\$ 0.00
Quail Ridge	\$ 750.00	\$ 0.00
Queens Harbour/Yachtsman	\$ 0.00	\$ 0.00
Riverpointe	\$ 300.00	\$ 0.00
Riverpointe (Simonini Bldrs.)	\$ 0.00	\$ 0.00
Riverwood, Phase 6E (Johnston County)	\$ 825.00	\$ 0.00
Saddlewood/Oak Hollow (Summey Bldrs.)	\$ 0.00	\$ 0.00

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Sherwood Forest	\$ 950.00	\$ 0.00
Ski Country	\$ 100.00	\$ 0.00
The Ridges at Mountain Harbour	\$2,500.00	\$ 0.00
White Oak Plantation	\$ 0.00	\$ 0.00
Wildlife Bay	\$ 870.00	\$ 0.00
Willowbrook	\$ 0.00	\$ 0.00
Winston Plantation	\$1,100.00	\$ 0.00
Winston Pointe, Phase 1A	\$1,125.00	\$ 0.00
Wolf Laurel	\$ 925.00	\$ 0.00
Woodrun	\$ 0.00	\$ 0.00
Woodside Falls	\$ 500.00	\$ 0.00

Other Connection Fees:

The following connection fees apply unless specified differently by contract approved and/or filed with the North Carolina Utilities Commission.

Amber Acres, Amber Acres North, Amber Ridge, Ashley Hills North, Bishop Pointe, Carriage Manor, Country Crossing, Covington Cross, Heather Glen, Hidden Hollow, Jordan Woods, Lindsey Point, Neuse Woods, Oakes Plantation, Randsdell Forest, Rutledge Landing, Sandy Trails, Stewart's Ridge, Tuckahoe, Wilder's Village and Forest Hill Subdivisions

Connection Charge:

- | | |
|--------------------------|---------------------------------------|
| A. 5/8" meter | \$ 500.00 |
| B. All other meter sizes | Actual cost of meter and installation |

The systems where other connection fees have been approved and/or allowed to become effective by the North Carolina Utilities Commission are as follows:

<u>Subdivision</u>	<u>CC</u>
Lindsey Point Subdivision	\$ 0.00
Amber Acres North, Sections II & IV	\$ 570.00
Fairfield Mountain/Apple Valley (a.k.a Rumbing Bald) Service Area	\$ 500.00
Highland Shores Subdivision	\$ 500.00
Laurel Mountain Estates	\$ 0.00
Carolina Trace	\$ 605.00
Connestee Falls	\$ 600.00

The following connection fees apply unless specified differently by contract approved and/or filed with the North Carolina Utilities Commission.

All Areas Except Holly Forest XI, Holly Forest XIV, Holly Forest XV, Whisper Lake I, Whisper Lake II, Whisper Lake III, Deer Run, Lonesome Valley Phases I and II, and Chattooga Ridge

Recoupment of Capital Fee (RCF) ^{2/}	\$ 0.00
Connection charge	\$ 400.00

The systems where other connection fees have been approved and/or allowed to become effective by the North Carolina Utilities Commission are as follows.

<u>Subdivision</u>	<u>CC</u>	<u>RCF</u>
Holly Forest XI	\$ 400.00	\$2,400.00
Holly Forest XIV	\$ 400.00	\$ 250.00
Holly Forest XV	\$ 400.00	\$ 500.00
Whispering Lake Phase I	\$ 400.00	\$1,250.00
Whispering Lake Phases II and III	\$ 400.00	\$2,450.00
Deer Run	\$ 400.00	\$1,900.00
Lonesome Valley Phases I and II	\$ 0.00	\$ 0.00
Chattooga Ridge	\$ 0.00	\$ 0.00

^{1/} These fees are only applicable one time, when the unit is initially connected to the system.

^{2/} The recoupment of capital portion of the connection charges shall be due and payable at such time as the main water and sewer lines are installed in front of each lot, and the tap-on fee for water and sewer shall be payable upon request by the owner of each lot to be connected to the water and sewer lines. With written consent of the company, payment of the recoupment capital portion of the connection charge may be made payable over five-year period following the installation of the water and sewer mains in front of each lot, payment to be made in such a manner and in such installments as agreed upon between lot owner and the company, together with interest on the balance of the unpaid recoupment of capital fee from said time until payment in full at the rate of 6% per annum.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-354, Sub 384, on this the _____ day of _____, 20XX.

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

SCHEDULE OF CONNECTION FEES FOR

SEWER UTILITY SERVICE UNDER UNIFORM RATES

Uniform Connection Fees: ^{1/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single-Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

The systems where connection fees other than the uniform fees have been approved and/or allowed to become effective by the North Carolina Utilities Commission are as follows. These fees are per SFE:

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Abington	\$ 0.00	\$ 0.00
Abington, Phase 14	\$ 0.00	\$ 0.00
Amber Acres North (Phases II & IV)	\$ 815.00	\$ 0.00
Ashley Hills	\$ 0.00	\$ 0.00
Amherst	\$ 500.00	\$ 0.00
Bent Creek	\$ 0.00	\$ 0.00
Brandywine Bay	\$ 100.00	\$1,456.00
Camp Morehead by the Sea	\$ 100.00	\$1,456.00
Elk River Development	\$1,200.00	\$ 0.00
Hammock Place	\$ 100.00	\$1,456.00
Hestron Park	\$ 0.00	\$ 0.00
Hound Ears	\$ 30.00	\$ 0.00
Independent/Hemby Acres/Beacon Hills (Griffin Bldrs.)	\$ 0.00	\$ 0.00
Kings Grant/Willow Run	\$ 0.00	\$ 0.00
Kynwood	\$ 0.00	\$ 0.00
Mt. Carmel/Section 5A	\$ 500.00	\$ 0.00
Queens Harbor/Yachtsman	\$ 0.00	\$ 0.00
Riverpointe	\$ 300.00	\$ 0.00
Riverpointe (Simonini Bldrs.)	\$ 0.00	\$ 0.00
Steeplechase (Spartabrook)	\$ 0.00	\$ 0.00
The Ridges at Mountain Harbour	\$2,500.00	\$ 0.00
White Oak Plantation	\$ 0.00	\$ 0.00
Willowbrook	\$ 0.00	\$ 0.00

Willowbrook (Phase 3)	\$ 0.00	\$ 0.00
Winston pointe (Phase 1A)	\$1,400.00	\$ 0.00
Woodside Falls	\$ 0.00	\$ 0.00

Other Connection Fees:

The systems where other connection fees have been approved and/or allowed to become effective by the North Carolina Utilities Commission are as follows.

Subdivision

Carolina Pines

Residential	\$1,350.00 per unit (including single-family homes, condominiums, apartments, and mobile homes)
Hotels	\$750.00 per unit
Nonresidential	\$3.57 per gallon of daily design of discharge
or	\$900.00 per unit, whichever is greater

Subdivision

CC

Fairfield Mountain/Apply Valley (a.k.a. Rumbling Bald) Service Area	\$ 550.00
Highland Shores	\$ 550.00
Carolina Trace	\$ 533.00
Connestee Falls	\$ 400.00

The following connection fees apply unless specified differently by contract approved and/or filed with the North Carolina Utilities Commission.

All Areas Except Holly Forest XIV, Holly Forest XV, Deer Run, and Lonesome Valley Phases I and II

Recoupment of Capital Fee (RCF) ^{2/}	\$ 0.00
Connection charge	\$ 550.00

The systems where other connection fees have been approved and/or allowed to become effective by the North Carolina Utilities Commission are as follows:

<u>Subdivision</u>	<u>CC</u>	<u>RCF</u>
Holly Forest XIV	\$ 550.00	\$1,650.00
Holly Forest XV	\$ 550.00	\$ 475.00
Deer Run	\$ 550.00	\$1,650.00
Lonesome Valley Phases I and II	\$ 0.00	\$ 0.00

^{1/} These fees are only applicable one time, when the unit is initially connected to the system.

^{2/} The recoupment of capital portion of the connection charges shall be due and payable at such time as the main water and sewer lines are installed in front of each lot, and the tap-on fee for water and sewer shall be payable upon request by the owner of each lot to be connected to the water and sewer lines. With written consent of the company, payment of the recoupment capital portion of the connection charge may be made payable over five-year period following the installation of the water and sewer mains in front of each lot, payment to be made in such a manner and in such installments as agreed upon between lot owner and the company, together with interest on the balance of the unpaid recoupment of capital fee from said time until payment in full at the rate of 6% per annum.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-354, Sub 384, on this the _____ day of _____, 20XX.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 384

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc. of)	
North Carolina, 4944 Parkway Plaza)	
Boulevard, Suite 375, Charlotte, North)	
Carolina 28217, for Authority to Adjust and)	NOTICE TO CUSTOMERS
Increase Rates for Water and Sewer Utility)	
Service in All Service Areas in North Carolina)	

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has issued an Order authorizing Carolina Water Service, Inc. of North Carolina (CWSNC) to increase rates for water and sewer utility service in all of its service areas in North Carolina. The new approved rates are as follows:

WATER RATES AND CHARGES

(Excluding Fairfield Harbour Service Area and Treasure Cove, Register Place Estates, North Hills, Glen Arbor/North Bend, Bradfield Farms, Silverton, and Woodland Farms Subdivisions, and Hawthorne at the Green Apartments

Uniform Water Customers:

Monthly Metered Water Service (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

< 1" meter	\$ 24.53
1" meter	\$ 61.33
1 1/2" meter	\$ 122.65
2" meter	\$ 196.24
3" meter	\$ 367.95
4" meter	\$ 613.25
6" meter	\$1,226.50
8" meter	\$1,962.40

Usage Charge:

A. Treated Water/1,000 gallons	\$ 11.71
B. Untreated Water/1,000 gallons (Brandywine Bay Irrigation Water)	\$ 5.99

C. Purchased Water for Resale, per 1,000 gallons:

<u>Service Area</u>	<u>Bulk Provider</u>		
Carolina Forest	Montgomery County	\$	3.19
Eastgate	Fayetteville PWC	\$	5.55
Tanglewood South	Fayetteville PWC	\$	5.55
High Vista Estates	City of Hendersonville	\$	4.72
Riverbend	Town of Franklin	\$	8.10
Riverpointe	Charlotte Water	\$	7.07
Whispering Pines	Town of Southern Pines	\$	3.52
White Oak Plantation/ Lee Forest	Johnston County	\$	3.02
Winston Plantation	Johnston County	\$	3.02
Winston Point	Johnston County	\$	3.02
Willowbrook	Johnston County	\$	3.02
Woodrun	Montgomery County	\$	3.19
Yorktown	City of Winston Salem	\$	5.79
Zemosa Acres	City of Concord	\$	5.52
Carolina Trace	City of Sanford	\$	2.21

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

When because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit or other structure separately, the following will apply:

Sugar Mountain Service Area:
Where service to multiple units or other structures is provided through a single meter, the average usage for each unit or structure served by that meter will be calculated. Each unit or structure will be billed based upon that average usage plus the base monthly charge for a <1" meter.

Mount Mitchell Service Area:
Service will be billed based upon the Commission-approved monthly flat rate.

Monthly Flat Rate Service: (Billed in Arrears) \$ 68.71
Availability Rate: (Semiannual)

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County \$ 29.60

Availability Rate: (Monthly)
Applicable only to property owners in Linville Ridge Subdivision \$ 14.83

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Sapphire Valley Service Area \$ 10.96

Availability Rate: (Monthly rate, billed quarterly)

Applicable only to property owners in Connestee Falls \$ 5.78

SEWER RATES AND CHARGES

(Excluding Fairfield Harbour Service Area, Treasure Cove, Register Place Estates, North Hills and Glen Arbor/North Bend Subdivisions, Bradfield Farms, Larkhaven (sewer), Silverton, and Woodland Farms Subdivisions, and Hawthorne at the Green Apartments

Uniform Sewer Customers:

Monthly Metered Sewer Service:

A. Base Facility Charge:

Residential (zero usage) \$ 41.03

Commercial (based on meter size with zero usage)

< 1" meter	\$ 41.03
1" meter	\$ 102.58
1 1/2" meter	\$ 205.15
2" meter	\$ 328.24
3" meter	\$ 615.45
4" meter	\$1,025.75
6" meter	\$2,051.50
8" meter	\$3,282.40

B. Usage charge, per 1,000 gallons \$ 11.69

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

Monthly Metered Purchased Sewer Service:

Collection Charge (residential and commercial) \$ 28.72

Usage charge, per 1,000 gallons based on water consumption

<u>Service Area</u>	<u>Bulk Provider</u>		
White Oak Plantation/ Lee Forest/Winston Pt.	Johnston County	\$	6.45
Kings Grant	Two Rivers Utilities	\$	4.39
College Park	Town of Dallas	\$	7.77

Monthly Flat Rate Service, per SFE or REU: \$ 85.12

Multi-residential customers who are served by a master meter shall be charged the flat rate per unit. \$ 85.12

Mt. Carmel Subdivision Service Area:

Monthly Base Facility Charge \$ 7.49

Monthly Collection Charge
(Residential and commercial) \$ 28.72

Usage Charge/1,000 gallons based on purchased water \$ 6.51

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service			
Residential Service		\$	85.12
White Oak High School		\$	2,525.23
Child Castle Daycare		\$	323.73
Pantry		\$	177.51

Fairfield Mountain/Apple Valley (a.k.a. Rumbling Bald) Service Area, Highland Shores Subdivisions and Laurel Mountain Estates

Monthly Sewer Rates:

Residential			
Collection charge/dwelling unit		\$	28.72
Treatment charge/dwelling unit		\$	90.00
Total monthly flat rate/dwelling unit		\$	<u>118.72</u>

Commercial and Other:

Minimum monthly collection and treatment charge \$ 118.72

Monthly collection and treatment charge for customers who do not take water service \$ 118.72

Treatment charge per dwelling unit

Small (less than 2,500 gallons per month)	\$	103.00
Medium (2,500 to 10,000 gallons per month)	\$	182.00

Large (over 10,000 gallons per month)	\$ 286.00
Collection Charge (per 1,000 gallons)	\$ 13.93

The Ridges at Mountain Harbour:

Monthly Sewer Rates:

Collection charge (Residential and Commercial)	\$ 28.72
Treatment charge (Residential and Commercial)	
< 1" meter	\$ 16.95
2" meter	\$ 135.60

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 11.05
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Availability Rate: (Monthly rate, billed quarterly)

Applicable only to property owners in Connestee Falls	\$ 6.23
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RATE ADJUSTMENT MECHANISM:

The Commission-authorized water and sewer system improvement charge (WSIC/SSIC) rate adjustment mechanism continues in effect and will be applicable to all customers in CWSNC's North Carolina service areas. It has been reset at zero in the Docket No. W-354, Sub 384 rate case, but CWSNC may, under the Rules and Regulations of the Commission, next apply for a rate surcharge on July 31, 2022 to become effective October 1, 2022. The WSIC/SSIC mechanism is designed to recover, between rate case proceedings, the costs associated with investment in certain completed, eligible projects for system or water quality improvement. The WSIC/SSIC mechanism is subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charge recovered pursuant to the WSIC/SSIC mechanism may not exceed 7.5% of the total annual service revenues approved by the Commission in this general rate case proceeding. Additional information regarding the WSIC/SSIC mechanism is contained in the Commission's Order and can be accessed from the Commission's website at www.ncuc.net, under Docket Information, using the Docket Search feature for docket number "W-354 Sub 364A" and "W-354, Sub 384A".

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2022.

NORTH CAROLINA UTILITIES COMMISSION

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 364

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Carolina Water Service, Inc.) of North Carolina, 4944 Parkway Plaza) Boulevard, Suite 375, Charlotte, North) Carolina 28217, for Authority to Adjust and) Increase Rates for Water and Sewer Utility) Service in All of its Service Areas in North) Carolina)) NOTICE TO CUSTOMERS) IN TREASURE COVE, REGISTER) PLACE ESTATES, NORTH HILLS,) AND GLEN ARBOR/NORTH BEND) SUBDIVISIONS, FAIRFIELD) HARBOUR SERVICE AREA,) BRADFIELD FARMS, LARKHAVEN) (SEWER), SILVERTON, AND) WOODLAND FARMS) SUBDIVISIONS, AND) HAWTHORNE AT THE GREEN) APARTMENTS
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NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has issued an Order authorizing Carolina Water Service, Inc. of North Carolina to charge the following new rates for water and sewer utility service in Treasure Cove, Register Place Estates, North Hills, and Glen Arbor/North Bend Subdivisions, Fairfield Harbour Service Area, Bradfield Farms, Larkhaven (Sewer), Silverton, and Woodland Farms Subdivisions, and Hawthorne at the Green Apartments:

WATER RATES AND CHARGES

Monthly Metered Water Service (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)	
< 1" meter	\$ 17.08
1" meter	\$ 42.70
1 1/2" meter	\$ 85.40
2" meter	\$ 136.64
 Usage Charge, per 1,000 gallons	 \$ 6.68

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Harbour Service Area	\$ 4.57
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SEWER RATES AND CHARGES

Monthly Sewer Service:

Residential:

Flat Rate, per dwelling unit	\$ 61.58
Bulk Flat Rate, per REU	\$ 61.58

Commercial and Other:

Monthly Flat Rate, per REU (Customers who do not take water service)	\$ 61.58
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Monthly Metered Rates
(based on meter size with zero usage)

<1" meter	\$ 50.97
1" meter	\$ 127.42
1 1/2" meter	\$ 254.84
2" meter	\$ 407.75

Usage Charge, per 1,000 gallons	\$ 2.65
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Bulk Sewer Service for Hawthorne at the Green Apartments: ^{4/}

Bulk Flat Rate, per REU	\$ 61.58
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(To be collected from Hawthorne and delivered to Carolina Water Service, Inc. of North Carolina for treatment of the Hawthorne wastewater pursuant to Docket No. W-218, Sub 291)

Availability Rate: (Monthly rate, billed semiannually)

Applicable only to property owners in Fairfield Harbour Service Area	\$ 3.23
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RATE ADJUSTMENT MECHANISM:

The Commission-authorized water and sewer system improvement charge (WSIC/SSIC) rate adjustment mechanism continues in effect and will be applicable to all customers in CWSNC's North Carolina service areas. It has been reset at zero in the Docket No. W-354, Sub 384 rate case, but CWSNC may, under the Rules and Regulations of the Commission, next apply for a rate surcharge on July 31, 2022 to become effective October 1, 2022. The WSIC/SSIC mechanism is designed to recover, between rate case proceedings, the costs associated with investment in certain completed, eligible projects for system or water quality improvement. The WSIC/SSIC mechanism is subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charge recovered pursuant to the WSIC/SSIC mechanism may not exceed 7.5% of the total annual service revenues approved by the Commission in this general rate case proceeding. Additional information regarding the WSIC/SSIC mechanism is

contained in the Commission's Order and can be accessed from the Commission's website at www.ncuc.net, under Docket Information, using the Docket Search feature for docket number "W-354 Sub 364A" and "W-354, Sub 384A".

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2022.

NORTH CAROLINA UTILITIES COMMISSION

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 384

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Carolina Water Service, Inc. of)
North Carolina, 4944 Parkway Plaza)
Boulevard, Suite 375, Charlotte, North Carolina) AFFIDAVIT OF
28217, for Authority to Adjust and Increase) MATTHEW SCHELLINGER
Rates for Water and Sewer Utility Service in)
All of Its Service Areas in North Carolina)

**AFFIDAVIT OF MATTHEW SCHELLINGER
FINANCIAL PLANNING AND ANALYSIS MANAGER
CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA**

Matthew Schellinger, Financial Planning and Analysis Manager for Carolina Water Service, Inc. of North Carolina ("CWSNC" or "Company"), first being duly sworn, deposes and says:

1. On July 2, 2021, CWSNC filed an Application for a general rate increase in Docket No. W-354, Sub 384 seeking authority to increase and adjust its rates for water and sewer utility service in all of its service areas in North Carolina.

2. On November 30, 2021, CWSNC and the Public Staff filed a Joint Settlement Agreement and Stipulation ("Stipulation") in Docket Nos. W-354 Sub 384. Section II, Paragraph H of the Stipulation provides as follows:

The Stipulating Parties have agreed to a methodology for calculating regulatory commission expense, also known as rate case expense, and will update the number in Joint Settlement Exhibit 1, Line 35, for actual and estimated costs through the end of this proceeding, once supporting documentation is provided by CWSNC. The Stipulating Parties agree to remove rate case expense from rate base and amortize rate case expenses (both the unamortized portion from

previous case(s) and the current rate case expense for this proceeding) over a 5-year period without a return or carrying costs.

3. As required by the November 30, 2021 Stipulation, CWSNC has provided the Public Staff with all required documentation of rate case expense incurred to date in conjunction with this proceeding. The documentation provided by the Company includes an estimate for the costs of preparing and mailing Notices to Customers (\$25,617)¹ once the Commission issues its Final Order in this case, an estimate totaling \$30,000 for post-hearing work (including work on preparation of the Joint Proposed Order) by the Company's attorneys, and an estimate for 10 hours of capitalized time totaling \$712; for a total estimated post-hearing expense of \$56,329. Otherwise, all costs submitted by CWSNC for review by the Public Staff and for inclusion in the Company's cost of service in this proceeding are based on actual costs incurred to date.

4. CWSNC's rate case costs related solely to this case total \$492,515. Those costs are broken down into the following categories and applicable amounts:

Capitalized Time	\$107,710
Administrative	\$ 53,127
Consulting Fees	\$ 42,294
Attorney Fees ²	\$289,385
Travel Expenses	\$ 0
TOTAL	\$492,515

¹ CWSNC has included an estimate for this expense in the amount of \$25,617.36, which is identical to the cost incurred by the Company to prepare and mail the first Notices to Customers at initiation of this case.

² The listed expense for attorney fees also includes costs related to the NCUC Sub 384 Rate Case Application filing fee, printing costs for the Company's Rate Case Application and direct and rebuttal testimony.


5. CWSNC requests that the Commission approve cost recovery of the Company's total rate case costs in the amount of \$1,194,048 with those costs being amortized over five years. The total amount of \$1,194,048 includes \$701,533 of costs related to unamortized rate case expense from prior proceedings plus the amount of \$492,515 related to this case. The amount was agreed to be amortized over five years. The annual amortization expense for rate case costs which CWSNC requests that the Commission include in rates is \$238,810.

6. Also included in the Regulatory Commission Expense line is \$87,603 in miscellaneous regulatory costs for filings and compliance type activities not directly related to rate case costs. These expenses are a direct cost of service, not disputed, and were agreed upon between CWSNC and the Public Staff in the Stipulation.

7. Thus, CWSNC requests that the Commission include in rates an annual amount of rate case costs of \$238,810 and miscellaneous regulatory costs of \$87,603, for a total amount of \$326,413.

FURTHER AFFIANT SAYETH NOT.

This the 29th day of December, 2021.



Matthew Schellinger
Financial Planning and Analysis Manager
Carolina Water Service, Inc. of North Carolina

Sworn and subscribed before me this 29th day of December, 2021.

Ein P...

Notary Public

(SEAL)



My Commission Expires:

03/01/2024

INDEX TO FEASEL EXHIBIT I		Settlement Revised
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CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 1(a)
 Settlement
 Revised

CWSNC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$34,120,287 [2]	4.85% [1]	2.42%	\$1,654,834 [8]
2	Equity	50.20%	34,394,346 [2]	5.38% [6]	2.70%	1,850,719 [9]
3	Total	<u>100.00%</u>	<u>\$68,514,633</u> [3]		<u>5.12%</u>	<u>\$3,505,553</u> [10]
Company Proposed Rates:						
4	Debt	49.80%	\$34,120,287 [4]	4.85% [1]	2.42%	\$1,654,834 [8]
5	Equity	50.20%	34,394,346 [4]	9.75% [6]	4.89%	3,354,702 [11]
6	Total	<u>100.00%</u>	<u>\$68,514,633</u> [3]		<u>7.31%</u>	<u>\$5,009,536</u> [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$34,120,287 [5]	4.85% [1]	2.42%	\$1,654,834 [8]
8	Equity	50.20%	34,394,346 [5]	9.40% [1]	4.72%	3,233,069 [13]
9	Total	<u>100.00%</u>	<u>\$68,514,633</u> [3]		<u>7.14%</u>	<u>\$4,887,903</u> [14]

[1] Per Public Staff Financial Analyst Hilton.
 [2] Column (a) multiplied by Line 3, Column (b).
 [3] Feasel Exhibit I, Schedule 2(a), Column (c), Line 18.
 [4] Column (a) multiplied by Line 6, Column (b).
 [5] Column (a) multiplied by Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) multiplied by Column (c).
 [8] Column (b) multiplied by Column (c).
 [9] Line 3 minus Line 1, Column (e).
 [10] Feasel Exhibit I, Schedule 3(a), Column (c), Line 38.
 [11] Line 6 minus Line 4, Column (e).
 [12] Feasel Exhibit I, Schedule 3(a), Column (e), Line 38.
 [13] Line 9 minus Line 7, Column (e).
 [14] Feasel Exhibit I, Schedule 3(a), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 1(b)
 Settlement
 Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$31,214,012 [2]	4.85% [1]	2.42%	\$1,513,880 [8]
2	Equity	50.20%	31,464,728 [2]	6.16% [6]	3.09%	1,936,839 [9]
3	Total	<u>100.00%</u>	<u>\$62,678,740</u> [3]		<u>5.51%</u>	<u>\$3,450,719</u> [10]
Company Proposed Rates:						
4	Debt	49.80%	\$31,214,012 [4]	4.85% [1]	2.42%	\$1,513,880 [8]
5	Equity	50.20%	31,464,728 [4]	10.48% [6]	5.26%	3,296,084 [11]
6	Total	<u>100.00%</u>	<u>\$62,678,740</u> [3]		<u>7.68%</u>	<u>\$4,809,964</u> [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$31,214,012 [5]	4.85% [1]	2.42%	\$1,513,880 [8]
8	Equity	50.20%	31,464,728 [5]	9.40% [1]	4.72%	2,957,684 [13]
9	Total	<u>100.00%</u>	<u>\$62,678,740</u> [3]		<u>7.14%</u>	<u>\$4,471,564</u> [14]

[1] Per Public Staff Financial Analyst Hilton.
 [2] Column (a) multiplied by Line 3, Column (b).
 [3] Feasel Exhibit I, Schedule 2(b), Column (c), Line 18.
 [4] Column (a) multiplied by Line 6, Column (b).
 [5] Column (a) multiplied by Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) multiplied by Column (c).
 [8] Column (b) multiplied by Column (c).
 [9] Line 3 minus Line 1, Column (e).
 [10] Feasel Exhibit I, Schedule 3(b), Column (c), Line 38.
 [11] Line 6 minus Line 4, Column (e).
 [12] Feasel Exhibit I, Schedule 3(b), Column (e), Line 38.
 [13] Line 9 minus Line 7, Column (e).
 [14] Feasel Exhibit I, Schedule 3(b), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
 Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
 For The Test Year Ended March 31, 2021

Feasel Exhibit I
 Schedule 1(c)
 Settlement
 Revised

BF/FH/TC WATER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$1,654,139 [2]	4.85% [1]	2.42%	\$80,226 [8]
2	Equity	50.20%	1,667,425 [2]	-9.18% [6]	-4.61%	(153,064) [9]
3	Total	<u>100.00%</u>	<u>\$3,321,564</u> [3]		<u>-2.19%</u>	<u>(\$72,838)</u> [10]
Company Proposed Rates:						
4	Debt	49.80%	\$1,654,139 [4]	4.85% [1]	2.42%	\$80,226 [8]
5	Equity	50.20%	1,667,425 [4]	10.05% [6]	5.05%	167,582 [11]
6	Total	<u>100.00%</u>	<u>\$3,321,564</u> [3]		<u>7.47%</u>	<u>\$247,808</u> [12]
Public Staff Recommended Rates:						
7	Debt	49.80%	\$1,654,139 [5]	4.85% [1]	2.42%	\$80,226 [8]
8	Equity	50.20%	1,667,425 [5]	9.40% [1]	4.72%	156,738 [13]
9	Total	<u>100.00%</u>	<u>\$3,321,564</u> [3]		<u>7.14%</u>	<u>\$236,964</u> [14]

[1] Per Public Staff Financial Analyst Hilton.
 [2] Column (a) multiplied by Line 3, Column (b).
 [3] Feasel Exhibit I, Schedule 2(c), Column (c), Line 18.
 [4] Column (a) multiplied by Line 6, Column (b).
 [5] Column (a) multiplied by Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) multiplied by Column (c).
 [8] Column (b) multiplied by Column (c).
 [9] Line 3 minus Line 1, Column (e).
 [10] Feasel Exhibit I, Schedule 3(c), Column (c), Line 38.
 [11] Line 6 minus Line 4, Column (e).
 [12] Feasel Exhibit I, Schedule 3(c), Column (e), Line 38.
 [13] Line 9 minus Line 7, Column (e).
 [14] Feasel Exhibit I, Schedule 3(c), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 384
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 1(d)
Settlement
Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
Present Rates:						
1	Debt	49.80%	\$4,552,696 [2]	4.85% [1]	2.42%	\$220,806 [8]
2	Equity	50.20%	4,589,263 [2]	4.27% [6]	2.14%	196,093 [9]
3	Total	<u>100.00%</u>	<u>\$9,141,959 [3]</u>		<u>4.56%</u>	<u>\$416,899 [10]</u>
Company Proposed Rates:						
4	Debt	49.80%	\$4,552,696 [4]	4.85% [1]	2.42%	\$220,806 [8]
5	Equity	50.20%	4,589,263 [4]	9.45% [6]	4.74%	433,657 [11]
6	Total	<u>100.00%</u>	<u>\$9,141,959 [3]</u>		<u>7.16%</u>	<u>\$654,463 [12]</u>
Public Staff Recommended Rates:						
7	Debt	49.80%	\$4,552,696 [5]	4.85% [1]	2.42%	\$220,806 [8]
8	Equity	50.20%	4,589,263 [5]	9.40% [1]	4.72%	431,391 [13]
9	Total	<u>100.00%</u>	<u>\$9,141,959 [3]</u>		<u>7.14%</u>	<u>\$652,197 [14]</u>

[1] Per Public Staff Financial Analyst Hilton.
[2] Column (a) multiplied by Line 3, Column (b).
[3] Feasel Exhibit I, Schedule 2(d), Column (c), Line 18.
[4] Column (a) multiplied by Line 6, Column (b).
[5] Column (a) multiplied by Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) multiplied by Column (c).
[8] Column (b) multiplied by Column (c).
[9] Line 3 minus Line 1, Column (e).
[10] Feasel Exhibit I, Schedule 3(d), Column (c), Line 38.
[11] Line 6 minus Line 4, Column (e).
[12] Feasel Exhibit I, Schedule 3(d), Column (e), Line 38.
[13] Line 9 minus Line 7, Column (e).
[14] Feasel Exhibit I, Schedule 3(d), Column (g), Line 38.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(a)

Settlement

Revised

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
1	Plant in service	\$122,859,030	\$1,198,194	\$ 124,057,224 [3]
2	Accumulated depreciation	(34,852,660)	792,175	(34,060,485) [4]
3	Net plant in service (L1 + L2)	88,006,370	1,990,368	89,996,739
4	Cash working capital	1,425,901	(8,489)	1,417,412 [5]
5	Contributions in aid of construction	(17,012,317)	68,125	(16,944,192) [6]
6	Advances in aid of construction	(20,666)	0	(20,666)
7	Accumulated deferred income taxes	(2,883,849)	(12,351)	(2,896,200) [7]
8	Customer deposits	(178,310)	(35,930)	(214,239) [8]
9	Inventory	137,825	4,864	142,689 [9]
10	Gain on sale and flow back taxes	0	(196,947)	(196,947) [10]
11	Plant acquisition adjustment	(1,946,044)	67,346	(1,878,698) [11]
12	Excess book value	0	0	0
13	Cost-free capital	(121,791)	0	(121,791)
14	Average tax accruals	111,699	(224,341)	(112,642) [12]
15	Regulatory liability for excess deferred taxes	(1,984,185)	0	(1,984,185)
16	Deferred charges	1,151,101	176,253	1,327,353 [13]
17	Pro forma plant	2,097,697	(2,097,697)	0 [14]
18	Original cost rate base (Sum of L3 thru L17)	\$68,783,433	(\$268,800)	\$68,514,633

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(b)

Settlement

Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
1	Plant in service	\$108,575,598	\$1,702,417	\$ 110,278,015 [3]
2	Accumulated depreciation	(27,892,591)	67,381	(27,825,210) [4]
3	Net plant in service (L1 + L2)	80,683,006	1,769,798	82,452,805
4	Cash working capital	1,067,035	(13,138)	1,053,897 [5]
5	Contributions in aid of construction	(17,022,223)	8,908	(17,013,315) [6]
6	Advances in aid of construction	(12,274)	0	(12,274)
7	Accumulated deferred income taxes	(3,389,270)	(384,374)	(3,773,644) [7]
8	Customer deposits	(99,193)	(25,137)	(124,331) [8]
9	Inventory	93,141	2,888	96,029 [9]
10	Gain on sale and flow back taxes	0	(92,681)	(92,681) [10]
11	Plant acquisition adjustment	351,841	(498)	351,344 [11]
12	Excess book value	0	0	0
13	Cost-free capital	(139,708)	0	(139,708)
14	Average tax accruals	13,949	(29,764)	(15,815) [12]
15	Regulatory liability for excess deferred taxes	(1,178,367)	0	(1,178,367)
16	Deferred charges	969,347	105,453	1,074,799 [13]
17	Pro forma plant	2,083,167	(2,083,167)	0 [14]
18	Original cost rate base (Sum of L3 thru L17)	\$63,420,450	(\$741,710)	\$62,678,740

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(c)

Settlement

Revised

BF/FH/TC WATER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Plant in service	\$6,868,674	(\$22,808)	\$6,845,866 [3]
2	Accumulated depreciation	(2,327,528)	(38,309)	(2,365,836) [4]
3	Net plant in service (L1 + L2)	4,541,146	(61,117)	4,480,030
4	Cash working capital	173,669	(3,047)	170,622 [5]
5	Contributions in aid of construction	(1,071,205)	20,094	(1,051,111) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(99,444)	10,552	(88,892) [7]
8	Customer deposits	(19,338)	(3,435)	(22,773) [8]
9	Inventory	5,285	0	5,285
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	(2,046)	(8,010)	(10,057) [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	8,598	(16,673)	(8,075) [10]
15	Regulatory liability for excess deferred taxes	(296,294)	0	(296,294)
16	Deferred charges	120,006	22,823	142,829 [11]
17	Pro forma plant	99,090	(99,090)	0 [12]
18	Original cost rate base (Sum of L3 thru L17)	\$3,459,467	(\$137,903)	\$3,321,564

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

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

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

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

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

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

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ORIGINAL COST RATE BASE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2(d)

Settlement

Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
1	Plant in service	\$15,233,059	\$1,042,546	\$16,275,605 [3]
2	Accumulated depreciation	(3,129,426)	(203,844)	(3,333,270) [4]
3	Net plant in service (L1 + L2)	12,103,633	838,702	12,942,335
4	Cash working capital	177,986	1,462	179,448 [5]
5	Contributions in aid of construction	(3,790,178)	(2,811)	(3,792,989) [6]
6	Advances in aid of construction	0	0	0
7	Accumulated deferred income taxes	(780,292)	(51,357)	(831,649) [7]
8	Customer deposits	(16,965)	(3,096)	(20,062) [8]
9	Inventory	2,179	0	2,179
10	Gain on sale and flow back taxes	0	0	0
11	Plant acquisition adjustment	904,137	(28,735)	875,401 [9]
12	Excess book value	0	0	0
13	Cost-free capital	0	0	0
14	Average tax accruals	1,832	(3,196)	(1,364) [10]
15	Regulatory liability for excess deferred taxes	(303,006)	0	(303,006)
16	Deferred charges	69,156	22,510	91,666 [11]
17	Pro forma plant	1,362,711	(1,362,711)	0 [12]
18	Original cost rate base (Sum of L3 thru L17)	\$9,731,192	(\$589,233)	\$9,141,959

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
<u>Plant In Service:</u>				
1	Direct plant in service	\$110,985,510	\$ 5,935,429	\$116,920,940 [3]
2	Allocation of common plant in service: Corix, Regional and NC	11,873,520	(4,737,235)	7,136,284 [4]
3	Total plant in service (L1 + L2)	<u>\$122,859,030</u>	<u>\$1,198,194</u>	<u>\$124,057,224</u>
<u>Accumulated Depreciation:</u>				
4	Direct accumulated depreciation	(\$26,987,466)	(\$1,493,893)	(\$28,481,358) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	(7,865,194)	2,286,067	(5,579,127) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$34,852,660)</u>	<u>\$792,175</u>	<u>(\$34,060,485)</u>

- [1] Column (c) minus Column (a), unless otherwise footnoted.
[2] Column (a) plus Column (b), unless otherwise footnoted.
[3] Feasel Exhibit I, Schedule 2-1(a)(1), Column (d), Line 51.
[4] Calculated based on information provided by the Company.
[5] Feasel Exhibit I, Schedule 2-2, Column (a), Line 9.

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

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

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)
<u>Plant In Service:</u>				
1	Direct plant in service	\$102,256,460	\$3,740,760	\$105,997,220 [3]
2	Allocation of common plant in service: Corix, Regional and NC	6,319,138	(2,038,343)	4,280,795 [4]
3	Total plant in service (L1 + L2)	<u>\$108,575,598</u>	<u>\$1,702,417</u>	<u>\$110,278,015</u>
<u>Accumulated Depreciation:</u>				
4	Direct accumulated depreciation	(\$23,814,281)	(\$839,429)	(\$24,653,711) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	(4,078,310)	906,811	(3,171,499) [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$27,892,591)</u>	<u>\$67,381</u>	<u>(\$27,825,210)</u>

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

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

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

BF/FH/TC WATER OPERATIONS

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

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

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

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

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)
<u>Plant In Service:</u>				
1	Direct plant in service	\$14,189,079	\$1,077,492	\$15,266,571 [3]
2	Allocation of common plant in service: Corix, Regional and NC	<u>1,043,980</u>	(34,945)	<u>1,009,035</u> [4]
3	Total plant in service (L1+ L2)	<u>\$15,233,059</u>	<u>\$1,042,546</u>	<u>\$16,275,605</u>
<u>Accumulated Depreciation:</u>				
4	Direct accumulated depreciation	(\$2,354,975)	(\$227,753)	(\$2,582,728) [5]
5	Allocation of common accumulated depreciation: Corix, Regional and NC	<u>(774,451)</u>	23,909	<u>(750,542)</u> [4]
6	Total accumulated depr. (L4 + L5)	<u>(\$3,129,426)</u>	<u>(\$203,844)</u>	<u>(\$3,333,270)</u>

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

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

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

CWSNC WATER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$483,877	\$0	\$155	\$484,032
2	141202	Franchises	229,516	0	0	229,516
3	141102	Land & land rights pump	50,795	0	0	50,795
4	141103	Land and Rights Water	357,109	0	0	357,109
5	141104	Land and Rights Trans	18,896	0	0	18,896
6	141101	Land & land rights gen. plt.	708,146	0	9,662	717,808
7	141204	Struct & improv. src. supply	4,388,823	0	(3,572)	4,385,251
8	141205	Struct & improv. wtr. trt. plt.	1,499,965	0	(18,577)	1,481,387
9	141206	Struct & improv. trans. dist.	283,578	0	(3,872)	279,706
10	141203	Struct & improv. gen. plt.	351,645	0	6,528	358,173
11	141221	Collecting reservoirs	13,922	0	0	13,922
12	141223	Wells & springs	14,715,848	(1,077)	(27,611)	14,687,160
13	141224	Infiltration gallery	45,185	0	0	45,185
14	141225	Supply mains	715,555	0	(2,622)	712,933
15	141226	Power generation equip.	162,616	0	0	162,616
16	141227	Electric pump equip. src. plt.	2,943,492	(4)	(94,641)	2,848,847
17	141228	Electric pump equip. wtp.	9,059,572	0	(109,447)	8,950,125
18	141229	Electric pump equip. trans.	3,869,767	0	(17,590)	3,852,177
19	141230	Water treatment equip.	4,868,118	(649)	819,602	5,687,071
20	141231	Dist. resv. & standpipes	8,521,091	(179)	286,734	8,807,647
21	141232	Trans. & distr. mains	35,376,074	(138)	15,869	35,391,805
22	141233	Service lines	14,233,937	0	(87,686)	14,146,251
23	141234	Meters	6,468,169	(46)	6,157	6,474,281
24	141235	Meter installations	2,049,133	(973)	(11,967)	2,036,192
25	141236	Hydrants	1,327,297	0	8,849	1,336,146
26	141237	Backflow prevention devic.	37,453	0	(775)	36,678
27	141268	Other plt. & misc. equip. src. su.	260	0	0	260
28	141269	Other plt. & misc. equip. wtp.	12,104	0	3,460	15,564
29	141220	Office struct & improv.	(199,003)	(17)	327,743	128,722
30	141303	Office furn. & equip.	271,256	0	2,286	273,543
31	141305	Stores equipment	16,618	0	(646)	15,973
32	141308	Tool shop & misc. equip.	1,075,392	0	272	1,075,664
33	141306	Laboratory equipment	130,314	0	0	130,314
34	141309	Power operated equip.	353,987	0	(1,919)	352,068
35	141310	Communication equip.	263,488	0	(1,239)	262,248
36	141311	Misc. equipment	193,336	0	(2,314)	191,022
37	141278	Water plant allocated	207,809	0	0	207,809
38	141271	Other tangible plt. water	38,399	0	0	38,399
39	141248	Receiving Wells	-	(141)	176,744	176,603
40	141401	Transportation equip.	397,139	0	39,321	436,460
41	141503	Mainframe computer - wtr	(965)	0	965	0
42	141504	Mini computer - wtr	8,179	0	(3,344)	4,835
43	141602	Comp. system cost - wtr	61,077	0	(1,332)	59,744
44	141603	Micro system cost - wtr	(444)	0	444	(0)
45	141255	Plant Sewers Treatment Plt	23,751	(23,751)	0	0
46	141299	Utility Plant Clearing	(0)	0	0	(0)
47	141699	Computer Clearing	(3,322)	0	3,322	(0)
48	141501	Computer Hardware	713	0	(713)	0
49	141502	Desktop/Laptop Computers	(1,162)	0	1,162	0
50	141601	Computer Software	82,594	0	(82,594)	0
51		Total plant in service (Sum of L1 thru L50)	<u>\$115,711,100</u>	<u>(\$26,976)</u>	<u>\$1,236,816</u>	<u>\$116,920,940</u>

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

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

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

CWSNC SEWER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$883,147	\$0	\$0	\$883,147
2	141202	Franchises intang. plt.	127,476	0	0	127,476
3	141101	Land and Rights General	(5,402)	0	5,402	0
4	141107	Land and Rights Treatment	39,167	0	0	39,167
5	141108	Land and Rights Reclaim	1,150	0	0	1,150
6	141207	Struct/improv. coll. plt.	92,470	0	2,231	94,701
7	141208	Struct/improv. pump plt. ls.	9,631,047	(2,090)	1,068,240	10,697,197
8	141209	Struct/improv. treat. plt.	20,039,364	(31)	791	20,040,124
9	141210	Struct/improv. reclaim. wtp.	3,271	0	0	3,271
10	141211	Struct/improv. reclaim. wtr.	180,664	0	(183)	180,481
11	141203	Struct/improv. gen. plt.	1,742,829	0	7,281	1,750,110
12	141238	Power gen. equip. coll. plt.	107,623	0	0	107,623
13	141239	Power gen. equip. pump plt.	53,009	0	0	53,009
14	141240	Power gen. equip. treat. plt.	237,666	0	0	237,666
15	141241	Sewer force main/serv. lin.	3,748,199	(37)	(1,070)	3,747,092
16	141242	Sewer gravity main	18,127,774	(122)	108,390	18,236,043
17	141243	Manholes	1,408,815	(69)	6,304	1,415,051
18	141244	Special coll. structures	7,032	0	0	7,032
19	141245	Services to customers	2,061,403	0	(5,974)	2,055,429
20	141246	Flow measure devices	142,965	0	(177)	142,787
21	141247	Flow measure install	1,106	0	0	1,106
22	141248	Receiving wells	123,500	0	8,265	131,765
23	141249	Pumping equipment pump plt.	4,883,950	0	(65,806)	4,818,144
24	141250	Pumping equipment reclaim.	33,926	0	(670)	33,256
25	141251	Pumping equipment rcl. wtr.	69,777	0	(2,264)	67,513
26	141252	Treat./disp. equip. lagoon	593,775	0	(1,673)	592,103
27	141253	Treat./disp. equip. trt. plt.	19,389,406	0	(55,625)	19,333,782
28	141254	Treat./disp. equip. rct. wtp.	13,823	0	47	13,870
29	141255	Plant sewers treat. plt.	17,823,152	23,574	33,721	17,880,447
30	141256	Plant sewers reclaim wtp.	5,155	0	646	5,802
31	141257	Outfall lines	542,466	(446)	11,764	553,783
32	141271	Other plt. tangible	8,416	0	0	8,416
33	141272	Other plt. collection	21,442	0	0	21,442
34	141273	Other plt. pump	51,974	0	776	52,750
35	141274	Other plt. treatment	45,438	(76)	241,030	286,391
36	141275	Other plt. reclaim wtr. trt.	650	0	0	650
37	141276	Other plt. reclaim wtr. dis.	460	0	0	460
38	141220	Office struct & improv.	(115,102)	0	182,868	67,766
39	141303	Office fum. & equip.	156,554	0	1,025	157,578
40	141305	Stores equipment	7,366	0	(600)	6,766
41	141308	Tool shop & misc. equip.	551,390	0	(1,260)	550,130
42	141306	Laboratory equipment	191,617	0	(1,940)	189,677
43	141309	Power operated equip.	452,408	0	(14,773)	437,635
44	141310	Communication equip.	155,388	0	97,776	253,164
45	141311	Misc equip. sewer	28,690	0	5,103	33,793
46	141278	Sewer plant allocated	526,952	0	0	526,952
47	0	Other tangible plt. sewer	-	0	0	0
48	141263	Reuse dist. reservoirs	3,507	0	0	3,507
49	141264	Reuse transmission & dist.	79,865	0	(923)	78,942
50	141401	Transportation equip.	238,563	0	20,647	259,210
51	141502	Desktop computer - wtr	(648)	0	648	0
52	141503	Mainframe computer - wtr	(430)	0	430	0
53	141504	Mini computer - wtr	3,962	0	(1,177)	2,785
54	141602	Comp. system cost - wtr	38,845	0	(3,364)	35,482
55	141603	Micro system cost - wtr	(194)	0	194	(0)
56	141501	Computer Hardware	399	0	(399)	0
57	141601	Computer Software	46,254	0	(46,254)	0
58	141699	Computer Clearing	(1,857)	0	1,857	(0)
59	141231	Dist Resv and Standpipes	(303)	0	303	0
60	141232	Trans and Distr Mains	(1,003)	0	1,003	0
61	141299	Utility Plant Clearing	(0)	0	(0)	(0)
62	141399	Building and Equipment Clearing	-	0	0	0
63	141233	Service Lines	935	0	0	935
64	141293	Plt. held for future use	(227,340)	0	0	(227,340)
65		Pro forma plant additions	-	0	0	0
66		Total plant in service (Sum of L1 thru L65)	<u>\$104,373,904</u>	<u>\$20,703</u>	<u>\$1,602,612</u>	<u>\$105,997,220</u>

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

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

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

BF/FH/TC WATER OPERATIONS

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

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

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

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

BF/FH SEWER OPERATIONS

Line No.	New Account No.	Item	Amount Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Actual Plant Additions [1] (c)	Amount Per Public Staff [3] (d)
1	141201	Organization	\$14,682	\$0	\$0	\$14,682
2	141202	Franchises intang. plt.	41,938	0	0	41,938
3	141501	Computer Hardware	98	0	(98)	0
4	141601	Computer Software	11,350	0	(11,350)	0
5	141699	Computer Clearing	(459)	0	459	0
6	141101	Land and Rights General	(1,334)	0	1,334	0
7	141208	Struct/improv. pump plt. ls.	1,730,180	(80)	356,607	2,086,706
8	141209	Struct/improv. treat. plt.	2,019,018	0	773,063	2,792,081
9	141210	Struct/improv. reclaim. wtp.	-	0	0	0
10	141211	Struct/improv. reclaim. wtr.	2,477	0	0	2,477
11	141203	Struct/improv. gen. plt.	267,332	0	(720)	266,612
12	141238	Power gen. equip. coll. plt.	-	0	0	0
13	141239	Power gen. equip. pump plt.	41,826	0	0	41,826
14	141240	Power gen. equip. treat. plt.	-	0	0	0
15	141241	Sewer force main/serv. lin.	220,227	0	190	220,416
16	141242	Sewer gravity main	5,329,351	0	0	5,329,351
17	141243	Manholes	47,225	0	0	47,225
18	141244	Special coll. structures	775	0	0	775
19	141245	Services to customers	234,090	0	(90,663)	143,427
20	141246	Flow measure devices	17,806	0	0	17,806
21	141247	Flow measure install	-	0	0	0
22	141248	Receiving wells	-	0	0	0
23	141249	Pumping equipment pump plt.	813,761	0	(2,958)	810,803
24	141250	Pumping equipment reclaim.	63,520	0	5,115	68,635
25	141251	Pumping equipment rcl. wtr.	-	0	0	0
26	141252	Treat./disp. equip. lagoon	56	0	0	56
27	141253	Treat./disp. equip. trt. plt.	2,842,179	0	(16,673)	2,825,507
28	141254	Treat./disp. equip. rct. wtp.	-	0	0	0
29	141255	Plant sewers treat. plt.	395,654	0	(1,144)	394,509
30	141256	Plant sewers reclaim wtp.	-	0	0	0
31	141257	Outfall lines	15,379	0	3,798	19,176
32	0	Other plt. tangible	-	0	0	0
33	141272	Other plt. collection	(224)	0	0	(224)
34	141273	Other plt. pump	2,873	0	0	2,873
35	141274	Other plt. treatment	-	0	0	0
36	141275	Other plt. reclaim wtr. trt.	8,372	0	0	8,372
37	141276	Other plt. reclaim wtr. dis.	-	0	0	0
38	141220	Office struct & improv.	(24,912)	0	45,504	20,592
39	141303	Office fum. & equip.	1,133	0	491	1,624
40	141305	Stores equipment	2,827	0	(28)	2,799
41	141308	Tool shop & misc. equip.	17,123	0	3	17,125
42	141306	Laboratory equipment	6,227	0	0	6,227
43	141309	Power operated equip.	50,343	0	0	50,343
44	141310	Communication equip.	9,982	0	1,585	11,567
45	141311	Misc equip. sewer	12,678	0	3,332	16,010
46	141231	Dist Resv and Standpipes	(103)	0	103	0
47	141232	Trans and Distr Mains	(339)	0	339	0
48	141263	Reuse dist. reservoirs	2,763	0	0	2,763
49	141264	Reuse transmission & dist.	2,491	0	0	2,491
50	141401	Transportation equip.	(6,355)	0	6,355	(0)
51	141502	Desktop computer - wtr	(162)	0	162	0
52	141503	Mainframe computer - wtr	(209)	0	209	0
53	141504	Mini computer - wtr	(64)	0	64	(0)
54	141602	Comp. system cost - wtr	(1,631)	0	1,631	0
55	141603	Micro system cost - wtr	(99)	0	99	(0)
56	141299	Utility Plant Clearing	-	0	0	0
57	141293	Plt. held for future use	-	0	0	0
58		Pro forma plant additions	-	0	0	0
59		Total plant in service (Sum of L1 thru L58)	<u>\$14,189,843</u>	<u>(\$80)</u>	<u>\$1,076,808</u>	<u>\$15,266,571</u>

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

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

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

CWSNC WATER OPERATIONS

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

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

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

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

CWSNC SEWER OPERATIONS

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

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

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

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

BF/FH/TC WATER OPERATIONS

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

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

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

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

BF/FH SEWER OPERATIONS

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

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

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

Feasel Exhibit I
Schedule 2-2
Settlement
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Direct accumulated depreciation per Company updates	(\$25,827,338)	(\$22,770,538)	(\$1,610,302)	(\$2,509,947)
2	Adjustment to include company updates 10.08.2021	(1,160,128)	(1,043,743)	49,179	154,973
3	Direct accumulated depreciation after adjusted for company updates (L1 + L2)	(26,987,466)	(23,814,281)	(1,561,123)	(2,354,975)
4	Remove Company adjustment (-L2)	1,160,128	1,043,743	(49,179)	(154,973)
5	Adjustment to include actual general ledger A/D additions through 9/30/2021	(425,242) [1]	(739,410) [1]	(12,240) [1]	(32,668) [1]
6	Adjustment to reclass accumulated depreciaton from CWSNC cost cente	(2,278,055) [1]	(961,231) [1]	(6,617) [1]	(393) [1]
7	Adjustment to reflect annual level of depreciation	49,276 [1]	(182,533) [1]	(670) [1]	(39,719) [1]
8	Adjustment to accumulated depreciation (Sum of L4 thru L7)	(1,493,893)	(839,429)	(68,707)	(227,753)
9	Direct accumulated depreciation per Public Staff (L3 + L8)	(28,481,358)	(24,653,711)	(1,629,830)	(2,582,728)

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

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

Feasel Exhibit I
Schedule 2-3
Settlement
Revised

Line No.	<u>Item</u>	CWSNC Water <u>(a)</u>	CWSNC Sewer <u>(b)</u>	BF/FH/TC Water <u>(c)</u>	BF/FH Sewer <u>(d)</u>
<u>Cash Working Capital:</u>					
1	Maintenance expenses, less purchased water and sewer	\$3,015,213 [1]	\$3,417,660 [5]	\$366,801 [9]	\$400,016 [13]
2	General expenses	8,324,085 [2]	5,013,516 [6]	998,174 [10]	1,035,570 [14]
3	Total cash working capital expenses (L1 + L2)	<u>\$11,339,299</u>	<u>\$8,431,177</u>	<u>\$1,364,975</u>	<u>\$1,435,586</u>
4	Cash working capital (L3 x 1/8)	<u>1,417,412</u>	<u>1,053,897</u>	<u>170,622</u>	<u>179,448</u>
<u>Average Tax Accruals:</u>					
5	Property taxes	214,840 [3]	23,278 [7]	15,410 [11]	1,536 [15]
6	Average accrual (L5 x 1/2)	<u>107,420</u>	<u>11,639</u>	<u>7,705</u>	<u>768</u>
7	Regulatory fee	26,111 [4]	20,878 [8]	1,852 [12]	2,980 [16]
8	Average accrual (L7 x 1/5)	<u>5,222</u>	<u>4,176</u>	<u>370</u>	<u>596</u>
9	Total tax accrual (L6 + L8)	<u>112,642</u>	<u>15,815</u>	<u>8,075</u>	<u>1,364</u>
10	Total cash working capital (L4 - L9)	<u>\$1,304,770</u>	<u>\$1,038,082</u>	<u>\$162,547</u>	<u>\$178,084</u>

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

Feasel Exhibit I
Schedule 2-4
Settlement
Revised

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

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

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

Feasel Exhibit I
Schedule 2-4
Settlement
Revised

Line No.	Item	BF/FH/TC Water Operations			BF/FH Sewer Operations		
		CIAC (g)	Accumulated Amortization (h)	CIAC, Net of Amortization [4] (i)	CIAC (j)	Accumulated Amortization (k)	CIAC, Net of Amortization [5] (l)
1	CIAC and accumulated amortization per application	<u>(\$2,268,453)</u>	<u>\$1,220,442</u>	<u>(\$1,048,011)</u>	<u>(\$7,106,629)</u>	<u>\$3,258,550</u>	<u>(\$3,848,079)</u>
2	Adjustment to include company updates 10.08.2021	(39,889)	16,695	(23,194)	(2,542)	60,443	57,901
3	CIAC and accumulated amortization after adjusted for company updates (L1 + L2)	(2,308,342)	1,237,137	(1,071,205)	(7,109,172)	3,318,993	(3,790,178)
4	Remove Company adjustment (-L2)	39,889	(16,695)	23,194	2,542	(60,443)	(57,901)
5	Adjustment to include actual general ledger additions through 9/30/2021	(41,289) [1]	20,068 [1]	(21,220)	(2,542) [1]	72,532 [1]	69,990
6	Adjustment to reclassify the CIAC gross up tax			0			0
7	Adjustment to reflect annual level of amortization	<u>0</u>	<u>18,121</u> [1]	<u>18,121</u>	<u>0</u>	<u>(14,900)</u> [1]	<u>(14,900)</u>
8	Adjustment to CIAC (L2 + L4 + L5 + L6 + L7)	<u>(41,289)</u>	<u>38,189</u>	<u>(3,100)</u>	<u>(2,542)</u>	<u>57,632</u>	<u>55,090</u>
9	CIAC per Public Staff (L1 + L8)	<u>(\$2,309,742)</u>	<u>\$1,258,631</u>	<u>(\$1,051,111)</u>	<u>(\$7,109,172)</u>	<u>\$3,316,182</u>	<u>(\$3,792,989)</u>

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

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

Feasel Exhibit I
Schedule 2-5(a)
Settlement
Revised

CWSNC UNIFORM OPERATIONS

Line No.	Item	Total ADIT Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [3] (c)	CWS Uniform Water [7] (d)	CWS Uniform Sewer [7] (e)
1	ACCUM DEF INCOME TAX-FED	\$131,576	\$0	\$131,576	\$82,906	\$48,670
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	2,391,164	0	2,391,164	1,506,672	884,492
4	DEF FED TAX - RATE CASE	(181,948)	12,401	(169,547) [4]	(106,832) [8]	(62,715) [8]
5	DEF FED TAX - DEF MAINT	(131,652)	(360,189)	(491,841) [4]	(271,791) [9]	(220,050) [9]
6	DEF FED TAX - ORGN EXP	(194,154)	0	(194,154)	(122,337)	(71,818)
7	DEF FED TAX - BAD DEBT	193,678	0	193,678	122,037	71,642
8	DEF FED TAX - Post TY Plant Additions	0	(5,770)	(5,770) [5]	(3,636) [10]	(2,134) [10]
9	DEF FED TAX - DEPRECIATIO	(11,253,164)	0	(11,253,164)	(5,957,425)	(5,295,739)
10	DEF FED TAX - NOL	<u>3,628,290</u>	<u>0</u>	<u>3,628,290</u>	<u>2,286,185</u>	<u>1,342,104</u>
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(5,416,211)</u>	<u>(353,557)</u>	<u>(5,769,769)</u>	<u>(2,464,221)</u>	<u>(3,305,548)</u>
12	ACCUM DEF INCOME TAX - ST	(442,419)	0	(442,419)	(278,768)	(163,651)
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	738,124	0	738,124	465,092	273,032
15	DEF ST TAX - RATE CASE	(22,216)	1,514	(20,702) [6]	(13,044) [8]	(7,658) [8]
16	DEF ST TAX - DEF MAINT	(16,075)	(43,979)	(60,054) [6]	(33,186) [9]	(26,868) [9]
17	DEF ST TAX - ORGN EXP	(109,028)	0	(109,028)	(68,698)	(40,329)
18	DEF ST TAX - BAD DEBT	18,062	0	18,062	11,381	6,681
19	DEF ST TAX - Post TY Plant Additions	0	(704)	(704) [5]	(444) [10]	(260) [10]
20	DEF ST TAX - DEPRECIATION	(1,295,972)	0	(1,295,972)	(686,088)	(609,884)
21	DEF ST TAX - NOL	<u>273,398</u>	<u>0</u>	<u>273,398</u>	<u>172,268</u>	<u>101,130</u>
22	Total State ADIT (Sum of L12 thru L21)	<u>(856,127)</u>	<u>(43,169)</u>	<u>(899,296)</u>	<u>(431,487)</u>	<u>(467,807)</u>
23	Total Direct ADIT (L11 + L22)	(6,272,338)	(396,727)	(6,669,065)	(2,895,708)	(3,773,355)
24	ADIT allocated from WSC	(781)		(781)	(492)	(289)
25	Total ADIT (L23 + L24)	(6,273,119)	(396,727)	(6,669,846)	(2,896,200)	(3,773,644)
26	Excess deferred income tax	0	0	0	0	0
27	Total ADIT, after EDIT impact	<u>(\$6,273,119)</u>	<u>(\$396,727)</u>	<u>(\$6,669,846)</u>	<u>(\$2,896,200)</u>	<u>(\$3,773,644)</u>

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

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

Feasel Exhibit I
Schedule 2-5(b)
Settlement
Revised

BF/FH/TC OPERATIONS

Line No.	Item	Total ADIT Per Updates [1] (a)	Public Staff Adjustments [2] (b)	Amount To Be Allocated Per Public Staff [3] (c)	BF/FH/TC Water [7] (d)	BF/FH Sewer [7] (e)
1	ACCUM DEF INCOME TAX-FED	\$127,750	\$0	\$127,750	\$63,160	\$64,591
2	DEF FED TAX - CIAC PRE 19	0	0	0	0	0
3	DEF FED TAX - TAP FEE POS	262,717	0	262,717	129,887	132,830
4	DEF FED TAX - RATE CASE	(27,845)	1,807	(26,038) [4]	(12,873) [8]	(13,165) [8]
5	DEF FED TAX - DEF MAINT	(15,227)	(32,786)	(48,013) [4]	(29,245) [9]	(18,768) [9]
6	DEF FED TAX - ORGN EXP	(18,554)	0	(18,554)	(9,173)	(9,381)
7	DEF FED TAX - BAD DEBT	30,161	0	30,161	14,911	15,249
8	DEF FED TAX - Post TY Plant Additions	0	(5,385)	(5,385) [5]	(2,662) [10]	(2,723) [10]
9	DEF FED TAX - DEPRECIATIO	(1,692,517)	0	(1,692,517)	(501,154)	(1,191,363)
10	DEF FED TAX - NOL	484,504	0	484,504	239,539	244,965
11	Total Federal ADIT (Sum of L1 thru L10)	<u>(849,010)</u>	<u>(36,364)</u>	<u>(885,374)</u>	<u>(107,610)</u>	<u>(777,765)</u>
12	ACCUM DEF INCOME TAX - ST	12,497	0	12,497	6,179	6,318
13	DEF ST TAX - CIAC PRE 198	0	0	0	0	0
14	DEF ST TAX - TAP FEE POS	77,813	0	77,813	38,471	39,342
15	DEF ST TAX - RATE CASE	(3,400)	221	(3,179) [6]	(1,572) [8]	(1,607) [8]
16	DEF ST TAX - DEF MAINT	(1,859)	(4,003)	(5,862) [6]	(3,571) [9]	(2,291) [9]
17	DEF ST TAX - ORGN EXP	(6,286)	0	(6,286)	(3,108)	(3,178)
18	DEF ST TAX - BAD DEBT	4,017	0	4,017	1,986	2,031
19	DEF ST TAX - Post TY Plant Additions	0	(658)	(658) [5]	(325) [10]	(333) [10]
20	DEF ST TAX - DEPRECIATION	(185,460)	0	(185,460)	(54,915)	(130,545)
21	DEF ST TAX - NOL	72,072	0	72,072	35,632	36,440
22	Total State ADIT (Sum of L12 thru L21)	<u>(30,606)</u>	<u>(4,440)</u>	<u>(35,046)</u>	<u>18,777</u>	<u>(53,823)</u>
23	Total Direct ADIT (L11 + L22)	(879,616)	(40,804)	(920,420)	(88,833)	(831,588)
24	ADIT allocated from WSC	(120)		(120)	(59)	(61)
25	Total ADIT (L23 + L24)	(879,736)	(40,804)	(920,540)	(88,892)	(831,649)
26	Excess deferred income tax	0	0	0	0	0
27	Total ADIT, after EDIT impact	<u>(\$879,736)</u>	<u>(\$40,804)</u>	<u>(\$920,540)</u>	<u>(\$88,892)</u>	<u>(\$831,649)</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO CUSTOMER DEPOSITS

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-6
Settlement
Revised

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO GAIN ON SALE

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 2-7

Settlement

Revised

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

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

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

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

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

Feasel Exhibit I
Schedule 2-8
Settlement
Revised

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

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

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

Feasel Exhibit I
Schedule 2-8
Settlement
Revised

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF DEFERRED CHARGES

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 2-9
Settlement
Revised

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

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

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

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

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

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

Feasel Exhibit I
Schedule 2-9(a)
Settlement
Revised

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

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

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

Feasel Exhibit I
 Schedule 3(a)
 Page 1 of 2
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Line No.	Item	Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [30]	Operations After Rate Increase [31]	Net Public Staff Increase [37]	Operations After Rate Increase [38]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$19,985,529	(\$3,728)	\$19,981,801 [3]	\$1,961,211	\$21,943,012 [3]	\$1,802,605	\$21,784,406 [39]		
2	Miscellaneous revenues	160,294	68,795	229,089 [4]	6,276	235,365 [32]	5,768	234,857 [40]		
3	Uncollectible accounts	(209,832)	83,947	(125,885) [5]	(12,356)	(138,241) [33]	(11,357)	(137,242) [41]		
4	Total operating revenues (Sum of L1 thru L3)	<u>19,935,991</u>	<u>149,014</u>	<u>20,085,005</u>	<u>1,955,131</u>	<u>22,040,136</u>	<u>1,797,016</u>	<u>21,882,021</u>		
Maintenance Expenses:										
5	Salaries and wages	0	0	0	0	0	0	0		
6	Purchased power	1,073,381	(41,113)	1,032,268 [6]	0	1,032,268	0	1,032,268		
7	Purchased water	1,588,925	(47,293)	1,541,632 [7]	0	1,541,632	0	1,541,632		
8	Maintenance and repair	1,135,405	81,431	1,216,836 [8]	0	1,216,836	0	1,216,836		
9	Maintenance testing	224,634	26,832	251,466 [9]	0	251,466	0	251,466		
10	Meter reading	215,163	(630)	214,533 [10]	0	214,533	0	214,533		
11	Chemicals	348,519	(3,503)	345,016 [11]	0	345,016	0	345,016		
12	Transportation	226,911	0	226,911	0	226,911	0	226,911		
13	Operating expenses charged to plant	(293,984)	18,158	(275,825) [12]	0	(275,825)	0	(275,825)		
14	Outside services - other	4,008	0	4,008	0	4,008	0	4,008		
15	Total maintenance expenses (Sum of L5 thru L14)	<u>4,522,963</u>	<u>33,883</u>	<u>4,556,846</u>	<u>0</u>	<u>4,556,846</u>	<u>0</u>	<u>4,556,846</u>		
General Expenses:										
16	Salaries and wages	3,606,564	(79,641)	3,526,923 [13]	0	3,526,923	0	3,526,923		
17	Office supplies and other office expense	338,397	(17,645)	320,752 [14]	0	320,752	0	320,752		
18	Regulatory commission expense	200,509	(22,126)	178,383 [15]	0	178,383	0	178,383		
19	Pension and other benefits	718,543	7,825	726,368 [16]	0	726,368	0	726,368		
20	Rent	140,769	(3,112)	137,657 [17]	0	137,657	0	137,657		
21	Insurance	663,129	(18,165)	644,964 [18]	0	644,964	0	644,964		
22	Office utilities	208,126	(239)	207,887 [19]	0	207,887	0	207,887		
23	Miscellaneous	2,597,136	(15,985)	2,581,151 [20]	0	2,581,151	0	2,581,151		
24	Total general expenses (Sum of L16 thru L23)	<u>8,473,173</u>	<u>(149,088)</u>	<u>8,324,085</u>	<u>0</u>	<u>8,324,085</u>	<u>0</u>	<u>8,324,085</u>		
Depreciation and Taxes:										
25	Depreciation expense	3,490,487	(58,461)	3,432,026 [21]	0	3,432,026	0	3,432,026		
26	Amortization of CIAC	(700,669)	(20,646)	(721,315) [22]	0	(721,315)	0	(721,315)		
27	Amortization of PAA	(102,531)	(12,716)	(115,247) [23]	0	(115,247)	0	(115,247)		
28	Amortization of ITC	(326)	0	(326) [24]	0	(326)	0	(326)		
29	Franchise and other taxes	71,356	0	71,356	0	71,356	0	71,356		
30	Property taxes	214,908	(68)	214,840 [24]	0	214,840	0	214,840		
31	Payroll taxes	278,147	(4,862)	273,285 [25]	0	273,285	0	273,285		
32	Regulatory fee	29,339	(3,228)	26,111 [26]	2,541	28,652 [34]	2,336	28,447 [42]		
33	Deferred Income Tax	0	(26,375)	(26,375) [27]	0	(26,375)	0	(26,375)		
34	State income tax	115,860	(56,647)	59,213 [28]	48,814	108,027 [35]	44,867	104,080 [43]		
35	Federal income tax	948,894	(463,942)	484,952 [29]	399,793	884,745 [36]	367,461	852,413 [44]		
36	Total depreciation and taxes (Sum of L25 thru L35)	<u>4,345,465</u>	<u>(646,944)</u>	<u>3,698,520</u>	<u>451,148</u>	<u>4,149,668</u>	<u>414,664</u>	<u>4,113,184</u>		
37	Total operating revenue deductions (L15 + L24 + L36)	<u>17,341,601</u>	<u>(762,150)</u>	<u>16,579,452</u>	<u>451,148</u>	<u>17,030,600</u>	<u>414,664</u>	<u>16,994,116</u>		
38	Net operating income for a return (L4 - L37)	<u>\$2,594,390</u>	<u>\$911,163</u>	<u>\$3,505,553</u>	<u>\$1,503,983</u>	<u>\$5,009,536</u>	<u>\$1,382,352</u>	<u>\$4,887,905</u>		

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

CWSNC SEWER OPERATIONS

Feasel Exhibit I
Schedule 3(b)
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Line No.	Item	Present Rates			Company Proposed Rates		Public Staff Recommended Rates	
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [26]	Operations After Rate Increase [27]	Net Public Staff Increase [33]	Operations After Rate Increase [34]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$15,942,434	\$78,714	\$16,021,148 [3]	\$1,770,341	\$17,791,489 [3]	\$1,329,598	\$17,350,746 [35]
2	Miscellaneous revenues	71,132	36,945	108,077 [4]	4,249	112,326 [28]	3,191	111,268 [36]
3	Uncollectible accounts	(89,447)	20,556	(68,891) [5]	(7,612)	(76,503) [29]	(5,717)	(74,608) [37]
4	Total operating revenues (Sum of L1 thru L3)	<u>15,924,119</u>	<u>136,215</u>	<u>16,060,334</u>	<u>1,766,978</u>	<u>17,827,312</u>	<u>1,327,072</u>	<u>17,387,406</u>
Maintenance Expenses:								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	791,824	(5,626)	786,198 [6]	0	786,198	0	786,198
7	Purchased sewer	925,737	0	925,737	0	925,737	0	925,737
8	Maintenance and repair	1,853,966	37,570	1,891,536 [7]	0	1,891,536	0	1,891,536
9	Maintenance testing	315,483	(23,786)	291,697 [8]	0	291,697	0	291,697
10	Meter reading	8,702	0	8,702	0	8,702	0	8,702
11	Chemicals	428,449	(0)	428,449	0	428,449	0	428,449
12	Transportation	119,562	0	119,562	0	119,562	0	119,562
13	Operating expenses charged to plant	(140,440)	(21,471)	(161,910) [9]	0	(161,910)	0	(161,910)
14	Outside services - other	53,428	0	53,428	0	53,428	0	53,428
15	Total maintenance expenses (Sum of L5 thru L14)	<u>4,356,711</u>	<u>(13,313)</u>	<u>4,343,398</u>	<u>0</u>	<u>4,343,398</u>	<u>0</u>	<u>4,343,398</u>
General Expenses:								
16	Salaries and wages	2,141,911	(71,595)	2,070,316 [10]	0	2,070,316	0	2,070,316
17	Office supplies and other office expense	188,394	(10,361)	178,033 [11]	0	178,033	0	178,033
18	Regulatory commission expense	117,027	(13,968)	103,059 [12]	0	103,059	0	103,059
19	Pension and other benefits	395,502	30,879	426,381 [13]	0	426,381	0	426,381
20	Rent	83,602	(2,356)	81,246 [14]	0	81,246	0	81,246
21	Insurance	393,827	(15,230)	378,597 [15]	0	378,597	0	378,597
22	Office utilities	230,765	(195)	230,570 [16]	0	230,570	0	230,570
23	Miscellaneous	1,554,276	(8,962)	1,545,314 [17]	0	1,545,314	0	1,545,314
24	Total general expenses (Sum of L16 thru L23)	<u>5,105,305</u>	<u>(91,789)</u>	<u>5,013,516</u>	<u>0</u>	<u>5,013,516</u>	<u>0</u>	<u>5,013,516</u>
Depreciation and Taxes:								
25	Depreciation expense	2,924,906	150,704	3,075,610 [18]	0	3,075,610	0	3,075,610
26	Amortization of CIAC	(622,894)	40,632	(582,263) [19]	0	(582,263)	0	(582,263)
27	Amortization of PAA	(34,048)	16,615	(17,433) [20]	0	(17,433)	0	(17,433)
28	Amortization of ITC	(193)	0	(193)	0	(193)	0	(193)
29	Franchise and other taxes	39,306	0	39,306	0	39,306	0	39,306
30	Property taxes	23,278	0	23,278	0	23,278	0	23,278
31	Payroll taxes	165,189	(4,770)	160,419 [21]	0	160,419	0	160,419
32	Regulatory fee	23,116	(2,238)	20,878 [22]	2,298	23,176 [30]	1,726	22,604 [38]
33	Deferred Income Tax	0	(34,370)	(34,370) [23]	0	(34,370)	0	(34,370)
34	State income tax	106,822	(45,074)	61,748 [24]	44,117	105,865 [31]	33,134	94,882 [39]
35	Federal income tax	874,870	(369,150)	505,720 [25]	361,318	867,038 [32]	271,364	777,084 [40]
36	Total depreciation and taxes (Sum of L25 thru L35)	<u>3,500,351</u>	<u>(247,651)</u>	<u>3,252,701</u>	<u>407,733</u>	<u>3,660,434</u>	<u>306,224</u>	<u>3,558,925</u>
37	Total operating revenue deductions (L15 + L24 + L36)	<u>12,962,367</u>	<u>(352,752)</u>	<u>12,609,615</u>	<u>407,733</u>	<u>13,017,348</u>	<u>306,224</u>	<u>12,915,839</u>
38	Net operating income for a return (L4 - L37)	<u>\$2,961,753</u>	<u>\$488,967</u>	<u>\$3,450,719</u>	<u>\$1,359,245</u>	<u>\$4,809,964</u>	<u>\$1,020,848</u>	<u>\$4,471,567</u>

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

BF/FH/TC WATER OPERATIONS

Feasel Exhibit I
Schedule 3(c)
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Line No.	Present Rates			Company Proposed Rates		Public Staff Recommended Rates		
	Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [26]	Operations After Rate Increase [27]	Net Public Staff Increase [33]	Operations After Rate Increase [34]	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues:								
1	Service revenues	\$1,432,484	\$320	\$1,432,804 [3]	\$424,082	\$1,856,886 [3]	\$409,739	\$1,842,543 [35]
2	Miscellaneous revenues	11,973	8,695	20,668 [4]	1,230	21,898 [28]	1,188	21,856 [36]
3	Uncollectible accounts	(34,412)	5,756	(28,656) [5]	(8,482)	(37,138) [29]	(8,195)	(36,851) [37]
4	Total operating revenues (Sum of L1 thru L3)	1,410,045	14,771	1,424,816	416,830	1,841,646	402,732	1,827,548
Maintenance Expenses:								
5	Salaries and wages	0	0	0	0	0	0	0
6	Purchased power	75,078	0	75,078	0	75,078	0	75,078
7	Purchased water	12	(12)	0 [6]	0	0	0	0
8	Maintenance and repair	142,668	13,123	155,792 [7]	0	155,792	0	155,792
9	Maintenance testing	18,615	2,510	21,125 [8]	0	21,125	0	21,125
10	Meter reading	36,681	0	36,681	0	36,681	0	36,681
11	Chemicals	72,519	0	72,519	0	72,519	0	72,519
12	Transportation	28,981	0	28,981	0	28,981	0	28,981
13	Operating expenses charged to plant	(21,010)	(12,227)	(33,237) [9]	0	(33,237)	0	(33,237)
14	Outside services - other	9,862	0	9,862	0	9,862	0	9,862
15	Total maintenance expenses (Sum of L5 thru L14)	363,407	3,394	366,801	0	366,801	0	366,801
General Expenses:								
16	Salaries and wages	437,859	(12,864)	424,995 [10]	0	424,995	0	424,995
17	Office supplies and other office expense	42,039	(2,193)	39,847 [11]	0	39,847	0	39,847
18	Regulatory commission expense	24,930	(2,653)	22,277 [12]	0	22,277	0	22,277
19	Pension and other benefits	89,691	(2,163)	87,528 [13]	0	87,528	0	87,528
20	Rent	17,090	(1,349)	15,741 [14]	0	15,741	0	15,741
21	Insurance	82,201	(4,482)	77,719 [15]	0	77,719	0	77,719
22	Office utilities	16,449	(250)	16,199 [16]	0	16,199	0	16,199
23	Miscellaneous	315,701	(1,832)	313,868 [17]	0	313,868	0	313,868
24	Total general expenses (Sum of L16 thru L23)	1,025,958	(27,785)	998,174	0	998,174	0	998,174
Depreciation and Taxes:								
25	Depreciation expense	163,315	2,293	165,608 [18]	0	165,608	0	165,608
26	Amortization of CIAC	(38,608)	(19,298)	(57,905) [19]	0	(57,905)	0	(57,905)
27	Amortization of PAA	11,672	2,177	13,849 [20]	0	13,849	0	13,849
28	Amortization of ITC	0	0	0	0	0	0	0
29	Franchise and other taxes	7,640	0	7,640	0	7,640	0	7,640
30	Property taxes	15,410	0	15,410	0	15,410	0	15,410
31	Payroll taxes	33,769	(838)	32,931 [21]	0	32,931	0	32,931
32	Regulatory fee	2,472	(620)	1,852 [22]	542	2,394 [30]	524	2,376 [38]
33	Deferred Income Tax	0	(809)	(809) [23]	0	(809)	0	(809)
34	State income tax	5,827	(10,821)	(4,994) [24]	10,407	5,413 [31]	10,055	5,061 [39]
35	Federal income tax	47,725	(88,628)	(40,903) [25]	85,235	44,332 [32]	82,352	41,449 [40]
36	Total depreciation and taxes (Sum of L25 thru L35)	249,222	(116,543)	132,679	96,184	228,863	92,931	225,610
37	Total operating revenue deductions (L15 + L24 + L36)	1,638,588	(140,934)	1,497,654	96,184	1,593,838	92,931	1,590,585
38	Net operating income for a return (L4 - L37)	(\$228,543)	\$155,705	(\$72,838)	\$320,646	\$247,808	\$309,801	\$236,963

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

Feasel Exhibit I
 Schedule 3(d)
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Line No.	Item	Present Rates			Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Updates	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [32]	Operations After Rate Increase [33]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Operating Revenues:									
1	Service revenues	\$2,290,044	\$5,970	\$2,296,014 [3]	\$311,348	\$2,607,362 [3]	\$308,379	\$2,604,393 [34]	
2	Miscellaneous revenues	12,064	8,307	20,371 [4]	778	21,149 [27]	771	21,142 [35]	
3	Uncollectible accounts	(15,446)	(8,892)	(24,338) [5]	(3,300)	(27,638) [28]	(3,269)	(27,607) [36]	
4	Total operating revenues (Sum of L1 thru L3)	2,286,662	5,385	2,292,047	308,826	2,600,873	305,881	2,597,928	
Maintenance Expenses:									
5	Salaries and wages	0	0	0	0	0	0	0	
6	Purchased power	135,856	0	135,856	0	135,856	0	135,856	
7	Purchased sewer	12	(12)	0 [6]	0	0	0	0	
8	Maintenance and repair	190,975	29,260	220,235 [7]	0	220,235	0	220,235	
9	Maintenance testing	29,106	(5,556)	23,550 [8]	0	23,550	0	23,550	
10	Meter reading	0	0	0	0	0	0	0	
11	Chemicals	25,561	0	25,561	0	25,561	0	25,561	
12	Transportation	29,069	0	29,069	0	29,069	0	29,069	
13	Operating expenses charged to plant	(48,982)	14,993	(33,989) [9]	0	(33,989)	0	(33,989)	
14	Outside services - other	(265)	0	(265)	0	(265)	0	(265)	
15	Total maintenance expenses (Sum of L5 thru L14)	361,331	38,685	400,016	0	400,016	0	400,016	
General Expenses:									
16	Salaries and wages	447,717	(13,111)	434,606 [10]	0	434,606	0	434,606	
17	Office supplies and other office expense	39,189	(2,166)	37,023 [11]	0	37,023	0	37,023	
18	Regulatory commission expense	25,612	(2,919)	22,693 [12]	0	22,693	0	22,693	
19	Pension and other benefits	90,670	(1,163)	89,507 [13]	0	89,507	0	89,507	
20	Rent	17,475	(1,378)	16,097 [14]	0	16,097	0	16,097	
21	Insurance	83,862	(4,386)	79,476 [15]	0	79,476	0	79,476	
22	Office utilities	35,246	0	35,246	0	35,246	0	35,246	
23	Miscellaneous	322,797	(1,873)	320,923 [16]	0	320,923	0	320,923	
24	Total general expenses (Sum of L16 thru L23)	1,062,566	(26,996)	1,035,570	0	1,035,570	0	1,035,570	
Depreciation and Taxes:									
25	Depreciation expense	421,903	9,887	431,789 [17]	0	431,789	0	431,789	
26	Amortization of CIAC	(123,987)	(6,131)	(130,118) [18]	0	(130,118)	0	(130,118)	
27	Amortization of PAA	30,229	13,621	43,850 [19]	0	43,850	0	43,850	
28	Amortization of ITC	0	0	0	0	0	0	0	
29	Franchise and other taxes	7,192	0	7,192	0	7,192	0	7,192	
30	Property taxes	1,536	0	1,536	0	1,536	0	1,536	
31	Payroll taxes	34,529	(853)	33,676 [20]	0	33,676	0	33,676	
32	Regulatory fee	3,496	(516)	2,980 [21]	401	3,381 [29]	397	3,377 [37]	
33	Deferred Income Tax	0	(7,574)	(7,574) [22]	0	(7,574)	0	(7,574)	
34	State income tax	16,391	(10,272)	6,119 [23]	7,710	13,829 [30]	7,637	13,756 [38]	
35	Federal income tax	134,245	(84,133)	50,112 [24]	63,151	113,263 [31]	62,548	112,660 [39]	
36	Total depreciation and taxes (Sum of L25 thru L35)	525,534	(85,973)	439,562	71,262	510,824	70,582	510,144	
37	Total operating revenue deductions (L15 + L24 + L36)	1,949,432	(74,283)	1,875,148	71,262	1,946,410	70,582	1,945,730	
38	Net operating income for a return (L4 - L37)	\$337,230	\$79,668	\$416,899	\$237,564	\$654,463	\$235,299	\$652,198	

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

FOOTNOTES TO SCHEDULE 3(a)

For The Test Year Ended March 31, 2021

CWSNC WATER OPERATIONS

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

FOOTNOTES TO SCHEDULE 3(b)

For The Test Year Ended March 31, 2021

CWSNC SEWER OPERATIONS

Feasel Exhibit I
Schedule 3(b)
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Revised

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

FOOTNOTES TO SCHEDULE 3(c)

For The Test Year Ended March 31, 2021

BF/FH/TC WATER OPERATIONS

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

FOOTNOTES TO SCHEDULE 3(d)

For The Test Year Ended March 31, 2021

BF/FH SEWER OPERATIONS

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

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

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

CWSNC WATER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)		Public Staff Adjustments [3] (b)		Amount Per Public Staff [4] (c)
Present Rates:						
1	Forfeited discounts	\$62,155	[1]	\$1,787		\$63,942 [5]
2	Other water/sewer revenues	98,139	[1]	19,014		117,153 [6]
3	Sale of utility property	0	[1]	47,994		47,994 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$160,294</u>		<u>\$68,795</u>		<u>\$229,089</u>
Company Proposed Rates:						
5	Forfeited discounts	\$63,942	[2]	\$6,276		\$70,218 [8]
6	Other water/sewer revenues	117,153	[2]	0		117,153
7	Sale of utility property	47,994	[2]	0		47,994
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$229,089</u>		<u>\$6,276</u>		<u>\$235,365</u>
Public Staff Recommended Rates:						
9	Forfeited discounts	\$63,942	[2]	\$5,768		\$69,710 [9]
10	Other water/sewer revenues	117,153	[2]	0		117,153
11	Sale of utility property	47,994	[2]	0		47,994
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$229,089</u>		<u>\$5,768</u>		<u>\$234,857</u>

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

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

Feasel Exhibit I
Schedule 3-1(b)
Settlement
Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$38,422 [1]	\$29	\$38,451 [5]
2	Other water/sewer revenues	32,711 [1]	10,061	42,771 [6]
3	Sale of utility property	0 [1]	26,854	26,854 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$71,132</u>	<u>\$36,945</u>	<u>\$108,077</u>
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$38,451 [2]	\$4,249	\$42,700 [8]
6	Other water/sewer revenues	42,771 [2]	0	42,771
7	Sale of utility property	26,854 [2]	0	26,854
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$108,077</u>	<u>\$4,249</u>	<u>\$112,326</u>
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$38,451 [2]	\$3,191	\$41,642 [9]
10	Other water/sewer revenues	42,771 [2]	0	42,771
11	Sale of utility property	26,854 [2]	0	26,854
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$108,077</u>	<u>\$3,191</u>	<u>\$111,268</u>

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

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

Feasel Exhibit I
Schedule 3-1(c)
Settlement
Revised

BF/FH/TC WATER OPERATIONS

Line No.	<u>Item</u>	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
<u>Present Rates:</u>				
1	Forfeited discounts	\$4,082 [1]	\$73	\$4,155 [5]
2	Other water/sewer revenues	7,890 [1]	2,167	10,057 [6]
3	Sale of utility property	0 [1]	6,456	6,456 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	\$11,973	\$8,696	\$20,668
<u>Company Proposed Rates:</u>				
5	Forfeited discounts	\$4,155 [2]	\$1,230	\$5,385 [8]
6	Other water/sewer revenues	10,057 [2]	0	10,057
7	Sale of utility property	6,456 [2]	0	6,456
8	Total miscellaneous revenues (Sum of L5 thru L7)	\$20,668	\$1,230	\$21,898
<u>Public Staff Recommended Rates:</u>				
9	Forfeited discounts	\$4,155 [2]	\$1,188	\$5,343 [9]
10	Other water/sewer revenues	10,057 [2]	0	10,057
11	Sale of utility property	6,456 [2]	0	6,456
12	Total miscellaneous revenues (Sum of L9 thru L11)	\$20,668	\$1,188	\$21,856

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

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

Feasel Exhibit I
Schedule 3-1(d)
Settlement
Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Amount Per Before Adjustment (a)	Public Staff Adjustments [3] (b)	Amount Per Public Staff [4] (c)
Present Rates:				
1	Forfeited discounts	\$5,565 [1]	\$175	\$5,740 [5]
2	Other water/sewer revenues	6,500 [1]	1,555	8,054 [6]
3	Sale of utility property	0 [1]	6,577	6,577 [7]
4	Total miscellaneous revenues (Sum of L1 thru L3)	<u>\$12,064</u>	<u>\$8,307</u>	<u>\$20,371</u>
Company Proposed Rates:				
5	Forfeited discounts	\$5,740 [2]	\$778	\$6,518 [8]
6	Other water/sewer revenues	8,054 [2]	0	8,054
7	Sale of utility property	6,577 [2]	0	6,577
8	Total miscellaneous revenues (Sum of L5 thru L7)	<u>\$20,371</u>	<u>\$778</u>	<u>\$21,149</u>
Public Staff Recommended Rates:				
9	Forfeited discounts	\$5,740 [2]	\$771	\$6,511 [9]
10	Other water/sewer revenues	8,054 [2]	0	8,054
11	Sale of utility property	6,577 [2]	0	6,577
12	Total miscellaneous revenues (Sum of L9 thru L11)	<u>\$20,371</u>	<u>\$771</u>	<u>\$21,142</u>

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

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

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

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Service revenues	\$19,514,827 [1]	\$15,798,921 [1]	\$1,416,761 [1]	\$2,261,289 [1]
2	Forfeited discounts	62,155 [1]	38,422 [1]	4,082 [1]	5,565 [1]
3	Forfeited discounts percentage (L2 / L1)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
Present Rates:					
4	Service revenues	\$19,981,801 [2]	\$16,021,148 [5]	\$1,432,804 [8]	\$2,296,014 [11]
5	Forfeited discounts percentage (L3)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
6	Forfeited discounts (L4 x L5)	<u>\$63,942</u>	<u>\$38,451</u>	<u>\$4,155</u>	<u>\$5,740</u>
Company Proposed Rates:					
7	Service revenues	\$21,943,012 [3]	\$17,791,489 [6]	\$1,856,886 [9]	\$2,607,362 [12]
8	Forfeited discounts percentage (L3)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
9	Forfeited discounts (L7 x L8)	<u>\$70,218</u>	<u>\$42,700</u>	<u>\$5,385</u>	<u>\$6,518</u>
Public Staff Recommended Rates:					
10	Service revenues	\$21,784,406 [4]	\$17,350,746 [7]	\$1,842,543 [10]	\$2,604,393 [13]
11	Forfeited discounts percentage (L3)	<u>0.32%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.25%</u>
12	Forfeited discounts (L10 x L11)	<u>\$69,710</u>	<u>\$41,642</u>	<u>\$5,343</u>	<u>\$6,511</u>

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

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

Feasel Exhibit I
Schedule 3-2
Settlement
Revised

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
Test Year:					
1	Sum of uncollectible percentage for the last four years	2.52% [1]	1.72% [1]	8.00% [1]	4.24% [1]
2	Four years	4 [1]	4 [1]	4 [1]	4 [1]
3	Average uncollectible accounts percentage (L2 / L1)	<u>0.63%</u>	<u>0.43%</u>	<u>2.00%</u>	<u>1.06%</u>
Present Rates:					
4	Service revenues	\$19,981,801 [2]	\$16,021,148 [5]	\$1,432,804 [8]	\$2,296,014 [11]
5	Uncollectible accounts percentage (L3)	0.63%	0.43%	2.00%	1.06%
6	Uncollectible accounts (L4 x L5)	<u>\$125,885</u>	<u>\$68,891</u>	<u>\$28,656</u>	<u>\$24,338</u>
Company Proposed Rates:					
7	Service revenues	\$21,943,012 [3]	\$17,791,489 [6]	\$1,856,886 [9]	\$2,607,362 [12]
8	Uncollectible accounts percentage (L3)	0.63%	0.43%	2.00%	1.06%
9	Uncollectible accounts (L7 x L8)	<u>\$138,241</u>	<u>\$76,503</u>	<u>\$37,138</u>	<u>\$27,638</u>
Public Staff Recommended Rates:					
10	Service revenues	\$21,784,406 [4]	\$17,350,746 [7]	\$1,842,543 [10]	\$2,604,393 [13]
11	Uncollectible accounts percentage (L3)	0.63%	0.43%	2.00%	1.06%
12	Uncollectible accounts (L10 x L11)	<u>\$137,242</u>	<u>\$74,608</u>	<u>\$36,851</u>	<u>\$27,607</u>

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

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

Feasel Exhibit I
Schedule 3-3
Settlement
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Salaries & Wages general per application	<u>\$ 3,235,827</u>	<u>\$1,919,737</u>	<u>\$393,282</u>	<u>\$400,363</u>
2	Adjustment to include company 10.08.2021 updates	370,737	222,174	44,576	47,354
3	Salaries & Wages general adjusted for company updates (L1 + L2)	3,606,564	2,141,911	437,859	447,717
4	Adjustments to update employee salaries through September 30, 2021	<u>(79,641) [1]</u>	<u>(71,595) [1]</u>	<u>(12,864) [1]</u>	<u>(13,111) [1]</u>
5	Salaries & Wages general per Public Staff (L3 + L4)	<u><u>\$ 3,526,923</u></u>	<u><u>\$ 2,070,316</u></u>	<u><u>\$ 424,995</u></u>	<u><u>\$ 434,606</u></u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PURCHASE POWER

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-4
Settlement
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH/TC Sewer</u> (d)
1	Purchase power per application	<u>\$1,073,381</u>	<u>\$791,824</u>	<u>\$75,078</u>	<u>\$135,856</u>
2	Adjustment to include company 10.08.2021 updates	-	-	-	-
3	Purchase power after the Company's 10.08.21 updates (L1 + L2)	1,073,381	791,824	75,078	135,856
4	Adjustment to remove ineligible expenses	<u>(41,113)</u> [1]	<u>(5,626)</u> [1]	<u>-</u>	<u>-</u>
5	Purchase power per Public Staff (L3 + L4)	<u>\$ 1,032,268</u>	<u>\$ 786,198</u>	<u>\$ 75,078</u>	<u>\$ 135,856</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PURCHASE WATER SEWER

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-5
Settlement
Revised

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

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

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

Feasel Exhibit I
Schedule 3-6
Settlement
Revised

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

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

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

Feasel Exhibit I
Schedule 3-6(a)
Settlement
Revised

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO METER TESTING

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-7
Settlement
Revised

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO METER READING

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-8
Settlement
Revised

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

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

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

Feasel Exhibit I
Schedule 3-9
Settlement
Revised

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

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

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

Feasel Exhibit I
 Schedule 3-10
 Settlement
 Revised

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

[1] Per recommendation of Public Staff witness Lindsay Darden.

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

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

Feasel Exhibit I
Schedule 3-11
Settlement
Revised

Line No.	Item	Amount Per Updates (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	CWSNC Water (d)	CWSNC Sewer (e)	BF/FH/TC Water (f)	BF/FH Sewer (g)
1	Rate case expenses for current proceeding	<u>\$579,258</u>	<u>(\$86,743)</u>	\$492,515 [2]				
2	Amortization period in years			5				
3	Annual rate case expense for current proceeding (L1 / L2)			<u>98,503</u>	\$53,805 [4]	\$31,584 [5]	\$6,484 [6]	\$6,630 [7]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>394,012</u>	215,221 [4]	126,336 [5]	25,934 [6]	26,521 [7]
5	Sub 364 and prior rate cases unamortized rate case expense	<u>\$701,533</u>	<u>(\$0)</u>	701,533 [3]				
6	Amortization period in years			5				
7	Sub 364 and prior rate cases unamortized annual rate case expense (L5 / L6)			<u>140,307</u>	76,640 [4]	44,988 [5]	9,235 [6]	9,444 [7]
8	Unamortized balance of prior rate case expense (L5 - L7)			<u>561,226</u>	306,559 [4]	179,951 [5]	36,940 [6]	37,776 [7]
9	Total annual rate case expense (L3 + L7)			\$238,810	\$130,445	\$76,572	\$15,719	\$16,074
10	Miscellaneous regulatory matters per application			<u>\$87,603</u> [2]	<u>\$47,938</u> [2]	<u>\$26,487</u> [2]	<u>\$6,559</u> [2]	<u>\$6,619</u> [2]
11	Total regulatory commission expense per Public Staff (L9 + L10)			<u>\$326,413</u>	<u>\$178,383</u>	<u>\$103,059</u>	<u>\$22,277</u>	<u>\$22,693</u>
12	Total unamortized balance of rate case expense (L4 + L8)			<u>\$955,238</u>	<u>\$521,780</u>	<u>\$306,287</u>	<u>\$62,874</u>	<u>\$64,297</u>

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

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

[3] Calculated base on amount approved in prior rate cases.

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PENSION AND BENEFITS

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-12
Settlement
Revised

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO RENT

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-13
Settlement
Revised

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ALLOCATION OF INSURANCE

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-14
Settlement
Revised

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

[1] Column (f) times customer ratios for each rate division.

[2] Based on information provided by the Company.

[3] Feasel Exhibit I, Schedule 3-14(a), Column (c).

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INSURANCE

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-14 (a)
Settlement
Revised

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

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

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

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

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

[5] Percentage of CWSNC insurance based on revenue.

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

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

Feasel Exhibit I
 Schedule 3-15
 Settlement
 Revised

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

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

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

Feasel Exhibit I
 Schedule 3-16
 Settlement
 Revised

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

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

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

Feasel Exhibit I
 Schedule 3-17
 Settlement
 Revised

Line No.		CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH Sewer (d)
1	Depreciation on direct plant	\$3,191,844 [1]	\$2,943,356 [6]	\$133,610 [9]	\$399,125 [12]
2	Depreciation on allocated plant	240,182 [2]	132,254 [2]	31,998 [2]	32,664 [2]
3	Gain on sale	0 [3]	0 [3]	0 [3]	0 [3]
4	Excess book value	0 [3]	0 [3]	0 [3]	0 [3]
5	Total depreciation expense (Sum of L1 thru L4)	<u>\$3,432,026</u>	<u>\$3,075,610</u>	<u>\$165,608</u>	<u>\$431,789</u>
6	Depreciable AIA	0 [3]	0 [3]	0 [3]	0 [3]
7	Amortization rate	2.73% [4]	2.78% [7]	2.28% [10]	2.61% [13]
8	AIA amortization expense (L6 x L7)	\$0	\$0	\$0	\$0
9	CIAC amortization expense	<u>(721,315) [2]</u>	<u>(582,263) [2]</u>	<u>(57,905) [2]</u>	<u>(130,118) [2]</u>
10	CIAC and AIAC amortization expense (L8 + L9)	<u>(721,315)</u>	<u>(582,263)</u>	<u>(57,905)</u>	<u>(130,118)</u>
11	Purchase acquisition adjustment	(\$4,221,508) [5]	(\$627,070) [8]	\$607,431 [11]	\$1,680,077 [14]
12	Amortization rate	2.73% [4]	2.78% [7]	2.28% [10]	2.61% [13]
13	PAA amortization expense (L11 x L12)	<u>(\$115,247)</u>	<u>(\$17,433)</u>	<u>\$13,849</u>	<u>\$43,850</u>

[1] Feasel Exhibit I, Schedule 3-17-1(a), Column (c), Line 52.
 [2] Calculated by the Public Staff based on information provided by the Company.
 [3] Per examination of Company's financial records.
 [4] Feasel Exhibit I, Schedule 3-17-1(a), Column (d), Line 52.
 [5] Feasel Exhibit I, Schedule 2-8, Column (a), Line 7.
 [6] Feasel Exhibit I, Schedule 3-17-1(b), Column (c), Line 65.
 [7] Feasel Exhibit I, Schedule 3-17-1(b), Column (d), Line 65.
 [8] Feasel Exhibit I, Schedule 2-8, Column (d), Line 7.
 [9] Feasel Exhibit I, Schedule 3-17-1(c), Column (c), Line 46.
 [10] Feasel Exhibit I, Schedule 3-17-1(c), Column (d), Line 46.
 [11] Feasel Exhibit I, Schedule 2-8, Column (g), Line 7.
 [12] Feasel Exhibit I, Schedule 3-17-1(d), Column (c), Line 58.
 [13] Feasel Exhibit I, Schedule 3-17-1(d), Column (d), Line 58.
 [14] Feasel Exhibit I, Schedule 2-8, Column (j), Line 7.

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2021

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

CWSNC WATER OPERATIONS

Line No.	New Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	141201	Organization	\$484,032	2.50%	\$12,101	
2	141202	Franchises	229,516	2.50%	5,738	
3	141102	Land & land rights pump	50,795	0.00%	0	
4	141103	Land and Rights Water	357,109	0.00%	0	
5	141104	Land and Rights Trans	18,896	0.00%	0	
6	141101	Land & land rights gen. plt.	717,808	0.00%	0	
7	141204	Struct & improv. src. supply	4,385,251	2.00%	87,705	
8	141205	Struct & improv. wtr. trt. plt.	1,481,387	2.00%	29,628	
9	141206	Struct & improv. trans. dist.	279,706	2.00%	5,594	
10	141203	Struct & improv. gen. plt.	358,173	2.00%	7,163	
11	141221	Collecting reservoirs	13,922	2.00%	278	
12	141223	Wells & springs	14,687,160	2.00%	293,743	
13	141224	Infiltration gallery	45,185	2.50%	1,130	
14	141225	Supply mains	712,933	1.00%	7,129	
15	141226	Power generation equip.	162,616	10.00%	16,262	
16	141227	Electric pump equip. src. plt.	2,848,847	14.29%	407,100	
17	141228	Electric pump equip. wtp.	8,950,125	3.33%	298,039	
18	141229	Electric pump equip. trans.	3,852,177	14.29%	550,476	
19	141230	Water treatment equip.	5,687,071	2.50%	142,177	
20	141231	Dist. resv. & standpipes	8,807,647	2.00%	176,153	
21	141232	Trans. & distr. mains	35,391,805	1.00%	353,918	
22	141233	Service lines	14,146,251	2.00%	282,925	
23	141234	Meters	6,474,281	3.33%	215,594	
24	141235	Meter installations	2,036,192	3.33%	67,805	
25	141236	Hydrants	1,336,146	2.50%	33,404	
26	141237	Backflow prevention devic.	36,678	10.00%	3,668	
27	141268	Other plt. & misc. equip. src. su.	260	2.50%	7	
28	141269	Other plt. & misc. equip. wtp.	15,564	2.50%	389	
29	141220	Office struct & improv.	128,722	10.00%	12,872	
30	141303	Office furn. & equip.	273,543	10.00%	27,354	
31	141305	Stores equipment	15,973	3.33%	532	
32	141308	Tool shop & misc. equip.	1,075,664	5.00%	53,783	
33	141306	Laboratory equipment	130,314	10.00%	13,031	
34	141309	Power operated equip.	352,068	10.00%	35,207	
35	141310	Communication equip.	262,248	10.00%	26,225	
36	141311	Misc. equipment	191,022	3.33%	6,361	
37	141278	Water plant allocated	207,809	6.67%	13,861	
38	141271	Other tangible plt. water	38,399	2.50%	960	
39	141248	Receiving Wells	176,603	2.00%	3,532	
40	141401	Transportation equip.	436,460	0.00%	0	
41	141503	Mainframe computer - wtr	0	2.50%	0	
42	141504	Mini computer - wtr	4,835	0.00%	0	
43	141602	Comp. system cost - wtr	59,744	0.00%	0	
44	141603	Micro system cost - wtr	(0)	0.00%	0	
45	141255	Plant Sewers Treatment Plt	-	2.50%	0	
46	141299	Utility Plant Clearing	(0)	0.00%	0	
47	141699	Computer Clearing	(0)	0.00%	0	
48	141601	Computer Software	-	0.00%	0	
49	141501	Computer Hardware	-	16.67%	0	
50	141502	Desktop/Laptop Computers	-	16.67%	0	
51		Pro forma plant additions	-	0.00%	0	
52		Total plant in service (Sum of L1 thru L51)	<u>\$116,920,940</u>		<u>\$3,191,844</u>	<u>2.73%</u> [4]

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 3-17-1(b)

Settlement

Revised

CWSNC SEWER OPERATIONS

Line No.	New Account No.	Item	Plant In Service (a)	Depreciation Rate (b)	Annual Depreciation (c)	Composite Rate (d)
1	141201	Organization	\$883,147	2.50%	\$22,079	
2	141202	Franchises intang. plt.	127,476	2.50%	3,187	
3	141107	Land and Rights Treatment	39,167	0.00%	0	
4	141108	Land and Rights Reclaim	1,150	0.00%	0	
5	141101	Land & land rights gen. plt.	-	0.00%	0	
6	141207	Struct/improv. coll. plt.	94,701	2.00%	1,894	
7	141208	Struct/improv. pump plt. ls.	10,697,197	2.00%	213,944	
8	141209	Struct/improv. treat. plt.	20,040,124	2.50%	501,003	
9	141210	Struct/improv. reclaim. wtp.	3,271	2.50%	82	
10	141211	Struct/improv. reclaim. wtr.	180,481	2.50%	4,512	
11	141203	Struct/improv. gen. plt.	1,750,110	2.00%	35,002	
12	141238	Power gen. equip. coll. plt.	107,623	10.00%	10,762	
13	141239	Power gen. equip. pump pit.	53,009	10.00%	5,301	
14	141240	Power gen. equip. treat. plt.	237,666	10.00%	23,767	
15	141241	Sewer force main/serv. lin.	3,747,092	1.33%	49,836	
16	141242	Sewer gravity main	18,236,043	1.00%	182,360	
17	141243	Manholes	1,415,051	1.00%	14,151	
18	141244	Special coll. structures	7,032	2.00%	141	
19	141245	Services to customers	2,055,429	1.33%	27,337	
20	141246	Flow measure devices	142,787	4.00%	5,711	
21	141247	Flow measure install	1,106	4.00%	44	
22	141248	Receiving wells	131,765	2.00%	2,635	
23	141249	Pumping equipment pump plt.	4,818,144	14.29%	688,513	
24	141250	Pumping equipment reclaim.	33,256	14.29%	4,752	
25	141251	Pumping equipment rcl. wtr.	67,513	14.29%	9,648	
26	141252	Treat./disp. equip. lagoon	592,103	2.50%	14,803	
27	141253	Treat./disp. equip. trt. wtp.	19,333,782	2.50%	483,345	
28	141254	Treat./disp. equip. rct. wtp.	13,870	2.50%	347	
29	141255	Plant sewers treat. plt.	17,880,447	2.50%	447,011	
30	141256	Plant sewers reclaim wtp.	5,802	2.50%	145	
31	141257	Outfall lines	553,783	1.00%	5,538	
32	141271	Other plt. tangible	8,416	2.50%	210	
33	141272	Other plt. collection	21,442	2.50%	536	
34	141273	Other plt. pump	52,750	2.50%	1,319	
35	141274	Other plt. treatment	286,391	2.50%	7,160	
36	141275	Other plt. reclaim wtr. trt.	650	2.50%	16	
37	141276	Other plt. reclaim wtr. dis.	460	2.50%	11	
38	141220	Office struct & improv.	67,766	10.00%	6,777	
39	141303	Office furn. & equip.	157,578	10.00%	15,758	
40	141305	Stores equipment	6,766	3.33%	225	
41	141308	Tool shop & misc. equip.	550,130	5.00%	27,506	
42	141306	Laboratory equipment	189,677	10.00%	18,968	
43	141309	Power operated equip.	437,635	10.00%	43,763	
44	141310	Communication equip.	253,164	10.00%	25,316	
45	141311	Misc equip. sewer	33,793	3.33%	1,125	
46	141278	Sewer plant allocated	526,952	6.67%	35,148	
47	0	Other tangible plt. sewer	-	2.50%	0	
48	141263	Reuse dist. reservoirs	3,507	2.00%	70	
49	141264	Reuse transmission & dist.	78,942	2.00%	1,579	
50	141401	Transportation equip.	259,210	0.00%	0	
51	141502	Desktop computer - wtr	-	16.67%	0	
52	141503	Mainframe computer - wtr	0	0.00%	0	
53	141504	Mini computer - wtr	2,785	0.00%	0	
54	141602	Comp. system cost - wtr	35,482	0.00%	0	
55	141603	Micro system cost - wtr	(0)	0.00%	0	
56	141299	Utility Plant Clearing	(0)	0.00%	0	
57	141399	Building and Equipment Clearing	-	0.00%	0	
58	141233	Service Lines	935	2.00%	19	
59	141699	Computer Clearing	(0)	0.00%	0	
60	141601	Computer Software	-	0.00%	0	
61	141231	Dist Resv and Standpipes	-	0.00%	0	
62	141232	Trans and Distr Mains	-	0.00%	0	
63	141293	Plt. held for future use	(227,340)	0.00%	0	
64		Pro forma plant additions	-	0.00%	0	
65		Total plant in service (Sum of L1 thru L64)	<u>\$105,997,220</u>		<u>\$2,943,356</u>	<u>2.78%</u> [4]

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2021

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

BF/FH/TC WATER OPERATIONS

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

**CALCULATION OF DIRECT PLANT
DEPRECIATION EXPENSE**

For The Test Year Ended March 31, 2021

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

BF/FH SEWER OPERATIONS

Line No.	New Account No.	Item	Plant In Service [1] (a)	Depreciation Rate [2] (b)	Annual Depreciation [3] (c)	Composite Rate (d)
1	141201	Organization	\$14,682	2.50%	\$367	
2	141202	Franchises intang. plt.	41,938	2.50%	1,048	
3	141501	Computer Hardware	-	16.67%	0	
4	141601	Computer Software	-	0.00%	0	
5	141699	Computer Clearing	-	0.00%	0	
6	141101	Land and Rights General	-	0.00%	0	
7	141208	Struct/improv. pump plt. ls.	2,086,706	2.00%	41,734	
8	141209	Struct/improv. treat. plt.	2,792,081	2.50%	69,802	
9	141210	Struct/improv. reclaim. wtp.	-	2.50%	0	
10	141211	Struct/improv. reclaim. wtr.	2,477	2.50%	62	
11	141203	Struct/improv. gen. plt.	266,612	2.00%	5,332	
12	141238	Power gen. equip. coll. plt.	-	10.00%	0	
13	141239	Power gen. equip. pump pit.	41,826	10.00%	4,183	
14	141240	Power gen. equip. treat. plt.	-	10.00%	0	
15	141241	Sewer force main/serv. lin.	220,416	1.33%	2,932	
16	141242	Sewer gravity main	5,329,351	1.00%	53,294	
17	141243	Manholes	47,225	1.00%	472	
18	141244	Special coll. structures	775	2.00%	16	
19	141245	Services to customers	143,427	1.33%	1,908	
20	141246	Flow measure devices	17,806	4.00%	712	
21	141247	Flow measure install	-	4.00%	0	
22	141248	Receiving wells	-	2.00%	0	
23	141249	Pumping equipment pump plt.	810,803	14.29%	115,864	
24	141250	Pumping equipment reclaim.	68,635	14.29%	9,808	
25	141251	Pumping equipment rcl. wtr.	-	14.29%	0	
26	141252	Treat./disp. equip. lagoon	56	2.50%	1	
27	141253	Treat./disp. equip. trt. plt.	2,825,507	2.50%	70,638	
28	141254	Treat./disp. equip. rct. wtp.	-	2.50%	0	
29	141255	Plant sewers treat. plt.	394,509	2.50%	9,863	
30	141256	Plant sewers reclaim wtp.	-	2.50%	0	
31	141257	Outfall lines	19,176	1.00%	192	
32	0	Other plt. tangible	-	2.50%	0	
33	141272	Other plt. collection	(224)	2.50%	(6)	
34	141273	Other plt. pump	2,873	2.50%	72	
35	141274	Other plt. treatment	-	2.50%	0	
36	141275	Other plt. reclaim wtr. trt.	8,372	2.50%	209	
37	141276	Other plt. reclaim wtr. dis.	-	2.50%	0	
38	141220	Office struct & improv.	20,592	10.00%	2,059	
39	141303	Office furn. & equip.	1,624	10.00%	162	
40	141305	Stores equipment	2,799	3.33%	93	
41	141308	Tool shop & misc. equip.	17,125	5.00%	856	
42	141306	Laboratory equipment	6,227	10.00%	623	
43	141309	Power operated equip.	50,343	10.00%	5,034	
44	141310	Communication equip.	11,567	10.00%	1,157	
45	141311	Misc equip. sewer	16,010	3.33%	533	
46	141231	Dist Resv and Standpipes	-	0.00%	0	
47	141232	Trans and Distr Mains	-	0.00%	0	
48	141263	Reuse dist. reservoirs	2,763	2.00%	55	
49	141264	Reuse transmission & dist.	2,491	2.00%	50	
50	141401	Transportation equip.	(0)	0.00%	0	
51	141502	Desktop computer - wtr	-	16.67%	0	
52	141503	Mainframe computer - wtr	0	0.00%	0	
53	141504	Mini computer - wtr	(0)	0.00%	0	
54	141602	Comp. system cost - wtr	-	0.00%	0	
55	141603	Micro system cost - wtr	(0)	0.00%	0	
56	141293	Plt. held for future use	-	0.00%	0	
57	141299	Utility Plant Clearing	-	0.00%	0	
58		Total plant in service (Sum of L1 thru L57)	<u>\$15,266,571</u>		<u>\$399,125</u>	<u>2.61%</u> [4]

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PAYROLL TAX

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-18
Settlement
Revised

<u>Line No.</u>	<u>Item</u>	<u>CWSNC Water</u> (a)	<u>CWSNC Sewer</u> (b)	<u>BF/FH/TC Water</u> (c)	<u>BF/FH Sewer</u> (d)
1	Payroll taxes per application	<u>\$ 247,543</u>	<u>\$149,387</u>	<u>\$30,531</u>	<u>\$31,218</u>
2	Adjustment to include company 10.08.2021 updates	30,604	15,803	3,238	3,311
3	Payroll taxes adjusted for company updates (L1 + L2)	278,147	165,189	33,769	34,529
4	Adjustments to update payroll taxes through September 30, 2021	<u>(4,862) [1]</u>	<u>(4,770) [1]</u>	<u>(838) [1]</u>	<u>(853) [1]</u>
5	Payroll taxes per Public Staff (L3 + L4)	<u>\$ 273,285</u>	<u>\$ 160,419</u>	<u>\$ 32,931</u>	<u>\$ 33,676</u>

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

ADJUSTMENT TO PROPERTY TAX

For The Test Year Ended March 31, 2021

Feasel Exhibit I
Schedule 3-19
Settlement
Revised

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES
For The Test Year Ended March 31, 2021Feasel Exhibit I
Schedule 3-20(a)
Settlement
Revised**CWSNC WATER OPERATIONS**

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	\$20,085,005	\$22,040,136	\$21,882,021
	Operating revenue deductions:			
2	Maintenance expenses	4,556,846	4,556,846	4,556,846
3	General expenses	8,324,085	8,324,085	8,324,085
4	Depreciation expense	3,432,026	3,432,026	3,432,026
5	Amortization of CIAC	(721,315)	(721,315)	(721,315)
6	Amortization of PAA	(115,247)	(115,247)	(115,247)
7	Amortization of ITC	(326)	(326)	(326)
8	Franchise and other taxes	71,356	71,356	71,356
9	Property taxes	214,840	214,840	214,840
10	Payroll taxes	273,285	273,285	273,285
11	Regulatory fee	26,111	28,652	28,447
12	Gross receipts tax	0	0	0
13	Interest expense	1,654,834 [2]	1,654,834 [4]	1,654,834 [6]
14	Total deductions (Sum of L2 thru L13)	17,716,496	17,719,037	17,718,832
15	Taxable income (L1 - L14)	2,368,509	4,321,099	4,163,189
16	State income tax (L15 x 2.5%)	59,213	108,027	104,080
17	Federal taxable income after state income tax (L15 - L16)	2,309,296	4,213,072	4,059,109
18	Federal income tax (L17 x 21%)	484,952	884,745	852,413
19	Excess deferred income tax amortization	(26,375)	(26,375)	(26,375)
20	Net amount (L15 - L16 - L18 - L19)	1,850,719	3,354,702	3,233,071
21	Add: Interest expense	1,654,834 [2]	1,654,834 [4]	1,654,834 [6]
22	Net income for a return (L20 + L21)	\$3,505,553	\$5,009,536	\$4,887,905

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 3-20(b)

Settlement

Revised

CWSNC SEWER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$16,060,334</u>	<u>\$17,827,312</u>	<u>\$17,387,406</u>
	Operating revenue deductions:			
2	Maintenance expenses	4,343,398	4,343,398	4,343,398
3	General expenses	5,013,516	5,013,516	5,013,516
4	Depreciation expense	3,075,610	3,075,610	3,075,610
5	Amortization of CIAC	(582,263)	(582,263)	(582,263)
6	Amortization of PAA	(17,433)	(17,433)	(17,433)
7	Amortization of ITC	(193)	(193)	(193)
8	Franchise and other taxes	39,306	39,306	39,306
9	Property taxes	23,278	23,278	23,278
10	Payroll taxes	160,419	160,419	160,419
11	Regulatory fee	20,878	23,176	22,604
12	Gross receipts tax	0	0	0
13	Interest expense	<u>1,513,880</u> [2]	<u>1,513,880</u> [4]	<u>1,513,880</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>13,590,397</u>	<u>13,592,695</u>	<u>13,592,123</u>
15	Taxable income (L1 - L14)	<u>2,469,937</u>	<u>4,234,617</u>	<u>3,795,283</u>
16	State income tax (L15 x 2.5%)	<u>61,748</u>	<u>105,865</u>	<u>94,882</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>2,408,189</u>	<u>4,128,752</u>	<u>3,700,401</u>
18	Federal income tax (L17 x 21%)	<u>505,720</u>	<u>867,038</u>	<u>777,084</u>
19	Excess deferred income tax amortization	<u>(34,370)</u>	<u>(34,370)</u>	<u>(34,370)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>1,936,839</u>	<u>3,296,084</u>	<u>2,957,687</u>
21	Add: Interest expense	<u>1,513,880</u> [2]	<u>1,513,880</u> [4]	<u>1,513,880</u> [6]
22	Net income for a return (L20 + L21)	<u>\$3,450,719</u>	<u>\$4,809,964</u>	<u>\$4,471,567</u>

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 3-20(c)

Settlement

Revised

BF/FH/TC WATER OPERATIONS

Line No.	Item	Present	Company	Public Staff
		Rates [1]	Proposed Rates [3]	Recommended Rates [5]
		(a)	(b)	(c)
1	Operating revenue	<u>\$1,424,816</u>	<u>\$1,841,646</u>	<u>\$1,827,548</u>
	Operating revenue deductions:			
2	Maintenance expenses	366,801	366,801	366,801
3	General expenses	998,174	998,174	998,174
4	Depreciation expense	165,608	165,608	165,608
5	Amortization of CIAC	(57,905)	(57,905)	(57,905)
6	Amortization of PAA	13,849	13,849	13,849
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	7,640	7,640	7,640
9	Property taxes	15,410	15,410	15,410
10	Payroll taxes	32,931	32,931	32,931
11	Regulatory fee	1,852	2,394	2,376
12	Gross receipts tax	0	0	0
13	Interest expense	80,226 [2]	80,226 [4]	80,226 [6]
14	Total deductions (Sum of L2 thru L13)	<u>1,624,586</u>	<u>1,625,128</u>	<u>1,625,110</u>
15	Taxable income (L1 - L14)	<u>(199,770)</u>	<u>216,518</u>	<u>202,438</u>
16	State income tax (L15 x 2.5%)	<u>(4,994)</u>	<u>5,413</u>	<u>5,061</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>(194,776)</u>	<u>211,105</u>	<u>197,377</u>
18	Federal income tax (L17 x 21%)	<u>(40,903)</u>	<u>44,332</u>	<u>41,449</u>
19	Excess deferred income tax amortization	<u>(809)</u>	<u>(809)</u>	<u>(809)</u>
20	Net amount (L15 - L16 - L18 - L19)	<u>(153,064)</u>	<u>167,582</u>	<u>156,737</u>
21	Add: Interest expense	<u>80,226 [2]</u>	<u>80,226 [4]</u>	<u>80,226 [6]</u>
22	Net income for a return (L20 + L21)	<u><u>(\$72,838)</u></u>	<u><u>\$247,808</u></u>	<u><u>\$236,963</u></u>

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 384

CALCULATION OF INCOME TAXES

For The Test Year Ended March 31, 2021

Feasel Exhibit I

Schedule 3-20(d)

Settlement

Revised

BF/FH SEWER OPERATIONS

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1	Operating revenue	<u>\$2,292,047</u>	<u>\$2,600,873</u>	<u>\$2,597,928</u>
	Operating revenue deductions:			
2	Maintenance expenses	400,016	400,016	400,016
3	General expenses	1,035,570	1,035,570	1,035,570
4	Depreciation expense	431,789	431,789	431,789
5	Amortization of CIAC	(130,118)	(130,118)	(130,118)
6	Amortization of PAA	43,850	43,850	43,850
7	Amortization of ITC	0	0	0
8	Franchise and other taxes	7,192	7,192	7,192
9	Property taxes	1,536	1,536	1,536
10	Payroll taxes	33,676	33,676	33,676
11	Regulatory fee	2,980	3,381	3,377
12	Gross receipts tax	0	0	0
13	Interest expense	<u>220,806</u> [2]	<u>220,806</u> [4]	<u>220,806</u> [6]
14	Total deductions (Sum of L2 thru L13)	<u>2,047,297</u>	<u>2,047,698</u>	<u>2,047,694</u>
15	Taxable income (L1 - L14)	<u>244,750</u>	<u>553,175</u>	<u>550,234</u>
16	State income tax (L15 x 2.5%)	<u>6,119</u>	<u>13,829</u>	<u>13,756</u>
17	Federal taxable income after state income tax (L15 - L16)	<u>238,631</u>	<u>539,346</u>	<u>536,478</u>
18	Federal income tax (L17 x 21%)	<u>50,112</u>	<u>113,263</u>	<u>112,660</u>
19	Excess deferred income tax amortization	<u>(7,574)</u>	<u>(7,574)</u>	<u>(7,574)</u>
20	Net amount (L15 - L16 - L18 - L19)	196,093	433,657	431,392
21	Add: Interest expense	<u>220,806</u> [2]	<u>220,806</u> [4]	<u>220,806</u> [6]
22	Net income for a return (L20 + L21)	<u>\$416,899</u>	<u>\$654,463</u>	<u>\$652,198</u>

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

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

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

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

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

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

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 384
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended March 31, 2021

Feasel Exhibit II
Settlement
Revised

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Jan 03 2022

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Total
1	Increase/(decrease) in total revenue per Company application	\$ 1,958,236	\$ 1,839,003	\$ 413,146	\$ 304,103	\$ 4,514,489
2	Company 10.08.21 updates	674,174	18,559	78,279	98,132	869,144
3	Increase/(decrease) in total revenue per Company updates	<u>2,632,410</u>	<u>1,857,562</u>	<u>491,425</u>	<u>402,235</u>	<u>5,383,632</u>
	Difference in calculation of revenue requirement					
4	based on Company amounts	0	0	(1)	0	(1)
5	Adjust capital structure to 49.8% debt and 50.2% equity	47,300	43,611	2,379	6,692	99,982
6	Adjust return on equity from 10.5% to 9.4%	(493,758)	(455,260)	(24,833)	(69,855)	(1,043,706)
7	Adjust debt cost rate from 4.76% to 4.85%	29,588	27,281	1,489	4,185	62,543
8	Adjustment to uncollectibles	(83,947)	(20,556)	(5,756)	8,892	(101,367)
9	Adjustment to forfeited discounts	(1,787)	(29)	(73)	(175)	(2,065)
10	Adjustment to miscellaneous revenues	(67,008)	(36,915)	(8,623)	(8,132)	(120,678)
11	Update revenues to 9/30/2021	3,728	(78,714)	(320)	(5,970)	(81,276)
12	Adjustment to reclassify utility accounts	(2,031)	2,031	0	0	0
13	Adjustment to remove pro forma estimates	(179,410)	(178,167)	(8,475)	(116,549)	(482,601)
14	Adjustment to over booked AFUDC	(276)	(261)	0	(7)	(544)
15	Adjustment to customer deposits	(3,073)	(2,150)	(294)	(265)	(5,782)
16	Adjustment to inventory	416	247	0	0	663
17	Adjustment to average tax accruals	(19,187)	(2,546)	(1,426)	(273)	(23,432)
18	Adjustment to remove Company proposed additions to add PS post 1	98,736	86,958	(2,222)	(18,206)	165,266
19	Adjustment to reclass UT 71 & 72 to direct cost	209,330	98,887	4,428	32	312,677
20	Adjustment to gain on sale	(16,844)	(7,927)	0	0	(24,771)
21	Adjustment to include actual post TY GL additions	77,931	80,762	(2,355)	93,995	250,333
22	Adjustment to reclassify wrongly booked gross up tax to CIAC	0	1,046	0	0	1,046
23	Adjustment to allocated cost GL adjustments	(209,641)	(96,777)	(5,351)	(944)	(312,713)
24	Adjustment to reflect annual level of depreciaiton	7,768	(20,563)	1,307	(5,836)	(17,324)
25	Adjustment to cash working capital	(726)	(1,124)	(261)	125	(1,986)
26	Adjustment to ADIT	(1,056)	(32,874)	902	(4,392)	(37,420)
27	Adjustment for excess deferred taxes	(34,287)	(44,680)	(1,052)	(9,846)	(89,865)
28	Adjustment to deferred charges	15,074	9,019	1,952	1,925	27,970
29	Adjustment to purchased power	(41,166)	(5,633)	0	0	(46,799)
30	Adjustment to maintenance and repair	81,537	37,619	13,141	29,298	161,595
31	Adjustment to maintenance testing	26,867	(23,817)	2,513	(5,563)	0

CAROLINA WATER SERVICE, INC. OF NC
Docket No. W-354, Sub 384
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended March 31, 2021

Feasel Exhibit II
Settlement
Revised

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Jan 03 2022

Line No.	Item	CWSNC Water (a)	CWSNC Sewer (b)	BF/FH/TC Water (c)	BF/FH/TC Sewer (d)	Total
32	Adjustment to chemicals	(3,508)	0	0	0	(3,508)
33	Adjustment to office utility	(239)	(195)	(251)	0	(685)
34	Adjustment to amortization expense - CIAC	(20,673)	40,685	(19,323)	(6,139)	(5,450)
35	Adjustment to regulatory commission expense	(22,155)	(13,986)	(2,656)	(2,923)	(41,720)
36	Adjustment to pension and benefits	7,835	30,920	(2,166)	(1,165)	35,424
37	Adjustment to amortization expense - PAA	(12,732)	16,636	2,180	13,639	19,723
38	Adjustment to meter reading	(631)	0	0	0	(631)
39	Adjustment to property tax	(68)	0	0	0	(68)
40	Adjustment to general salaries and wages	(79,744)	(71,688)	(12,880)	(13,128)	(177,440)
41	Adjustment to payroll tax	(4,868)	(4,777)	(839)	(854)	(11,338)
42	Adjustment to depreciation expense	(58,537)	150,901	2,296	9,899	104,559
43	Adjustment to office supplies and other office exp.	(17,668)	(10,375)	(2,196)	(2,169)	(32,408)
44	Adjustment to capitalized time	18,182	(21,498)	(12,243)	15,013	(546)
45	Adjustment to rent	(3,116)	(2,359)	(1,351)	(1,380)	(8,206)
46	Adjustment to insurance	(18,189)	(15,250)	(4,487)	(4,391)	(42,317)
47	Adjustment to miscellaneous	(16,006)	(8,974)	(1,835)	(1,876)	(28,691)
48	Adjustment to purchased water/sewer	(47,355)	0	(12)	(12)	(47,379)
49	Rounding					0
50	Revenue impact of Public Staff adjustments (Sum of L4 thru L49)	<u>(835,394)</u>	<u>(530,492)</u>	<u>(88,694)</u>	<u>(96,355)</u>	<u>(1,550,935)</u>
51	Increase/(decrease) per Public Staff (L3 + L50)	<u>\$ 1,797,016</u>	<u>\$ 1,327,070</u>	<u>\$ 402,731</u>	<u>\$ 305,880</u>	<u>\$ 3,832,697</u>