



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 5, 2021

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

Re: Docket No. G-5, Sub 632 – Application of Public Service Company of North Carolina, Inc., for a General Increase in Rates and Charges; and G-5, Sub 634 - Application for Approval to Modify Existing Conservation Programs and Implement New Conservation Programs

Dear Ms. Dunston:

On September 23, 2021, the Public Staff filed the testimony and exhibit of Sonja R. Johnson, Staff Accountant, Accounting Division. Since making that filing, the Public Staff has discovered errors in its exhibit and is, therefore, filing Revised Johnson Exhibit I. The Exhibit reflects corrections, which are highlighted, for the following items:

1. Depreciation Study recommendations of Public Staff witness McCullar;
2. DIMP amortization consistent with Public Staff witness Feasel Exhibit I, Schedule 2;
3. TAMP amortization consistent with Public Staff witness Feasel Exhibit I, Schedule 1; and
4. Fixed Gas Cost correction.

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Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

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

Sincerely,

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

Attachment

Public Service Company of North Carolina
Docket No. G-5, Sub 632
**RECONCILIATION OF GROSS REVENUE INCREASE REQUESTED BY THE COMPANY TO THE
PUBLIC STAFF AMOUNT**

For The Test Year Ended December 31, 2020

Line No.	Item	Amount
1	Increase in revenue requirement requested by the Company due to June Update	\$53,145,455
2	Company Filed June Update	<u>(3,480,735)</u>
3	Increase in revenue requirement requested by the Company due to June Update	<u>\$49,664,720</u>
	Public Staff Adjustments:	
4	Change in equity ratio from 54.86% to 50.90%	(6,010,797)
5	Change in cost of long-term debt from 4.48% to 4.45%	(244,634)
6	Change in cost of short-term debt from 0.25% to 0.25%	0
7	Change in return on equity from 10.25% to 9.48%	(8,696,866)
8	Change in retention factor - uncollectibles	(19,901)
9	Plant in Service Updates and Related Items at June 30, 2021 - Depreciation Study Adjustments	(4,356,654)
10	Working Capital Updates at June 30, 2021	(37,806)
11	Update gas in storage through June 2021	(209,466)
12	Update materials and supplies through June 2021	159,989
13	Adjust working capital for lead lag to reflect Public Staff adjustments	(37,234)
14	Adjustment to end of period revenue - weather and growth	(205,215)
15	Adjustment to other operating revenues - 3 year average	(2,292,218)
16	Special Contract - remove PIS associated with Asheville facilities	(494,298)
17	Payroll and Related Expenses updated to June 30, 2021	(545,110)
18	Bonus accruals updated to June 30, 2021 - removed earnings portion for executives	(2,410,461)
19	Employee Benefits Percentage - revised percentage and applied to payroll adjustment	(75,068)
20	Board Expenses - removed 50% for insurance	(94,671)
21	Executive Compensation Adjustment - removed 50% of test year	(437,871)
22	Removed Severance associated with retirements	(401,899)
23	Nonutility Adjustment - Included additional O&M expenses using PSNC factors	(390,687)
24	Adjustment to Pension and OPEB - per book levels as of June 30, 2021	(1,055,624)
25	Inflation Adjustment - removed PS adjusted expenses using Company's inflation factor	(82,919)
26	Rate Case Expenses - updated through June 30, 2021 w/ 5 yr amortization	(169,538)
27	Adjustment to Sponsorships and Dues	(58,035)
28	Uncollectibles - 5 year average	(171,926)
29	Regulatory Fee @ 0.13%	(3,531)
30	Adjustment to remove transmission O&M expense payroll costs	(240,345)
31	TIMP Costs - updated through June 30, 2021 w/ 5 yr amortization	(3,528,083)
32	DIMP Costs - updated through June 30, 2021 w/ 5 yr amortization	(2,022,831)
33	R&D O&M Expenses - removed by Energy Division	(285,943)
34	Advertising - remove promotional, image, & competitive	(478,245)
35	Update Interest on Customer Deposits through June 2021	30,657
36	Service Company Charges - 12 months ended June 30, 2021	(2,232,620)
37	Customer Accounts Expense - removed postage exp adj elsewhere applying Company's growth rate	(43,377)
38	Adjustment for Durham Incident - removed extraordinary, non-reoccurring expenses	(800,921)
39	Adjustment to remove lobbying expenses	(317,183)
40	Adjustment to remove CNG Tax Credit	(144,515)
41	Adjust cash working capital for revenue impact of Public Staff adjustments	(260,676)
42	Rounding	(6,726)
43	Public Staff Adjustments	<u>(38,673,249)</u>
44	Recommended Change in Margin	\$10,991,471
45	Fixed Gas Cost Adjustment	(468,360)
46	LAUF Rate Change	433,225
47	Total Gas Cost-Related Change in Revenue Requirement	<u>(35,135)</u>
48	Recommended Change in Revenue Requirement per Public Staff	<u>\$10,956,336</u>
	EDIT Rider impacts on Revenue Requirement:	
49	Annual Federal Unprotected EDIT Rider, 5 year flow back	(\$3,759,667)
50	Annual State EDIT Rider, 2 year flow back	(2,560,775)
51	Deferred Over-Collected Revenues, 1 year flow back	<u>(18,690,999)</u> [1]
52	Annual EDIT Rider Impact (Sum of Lines 49 - 51)	<u>(\$25,011,440)</u>
53	Change in Revenue Requirement for Year 1, including EDIT Rider Impact [2]	(\$14,055,104)
54	Change in Revenue Requirement for Year 2, including EDIT Rider Impact [2]	\$4,635,894
55	Change in Revenue Requirement for Years 3-5, including EDIT Rider Impact [2]	\$7,196,670
56	Change in Revenue Requirement for Year 6, including EDIT Rider Impact [2]	\$10,956,336

[1] Per Data Request Responses to DR 59 and Item 4a11B - EDIT - 2021 - June Excel file.

[2] Year 1 = Nov 1, 2021 thru Oct 31, 2022

Year 2 = Nov 1, 2022 thru Oct 31, 2023

Year 3 = Nov 1, 2023 thru Oct 31, 2024

Year 4 = Nov 1, 2024 thru Oct 31, 2025

Year 5 = Nov 1, 2025 thru Oct 31, 2026

Year 4 = Nov 1, 2026 thru Oct 31, 2027

Public Service Company of North Carolina
Docket No. G-5, Sub 632
SUPPORT FOR RECONCILIATION SCHEDULE
For The Test Year Ended December 31, 2020

Revised Johnson Exhibit I
Schedule 1-1

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
<u>Plant in Service Updates and Related Items at June 30, 2021 - Depreciation Study Adjustments</u>		
1	Rate base	\$120,438 [1]
2	Income statement	<u>(4,477,092) [2]</u>
3	Total (L1 + L2)	<u><u>(\$4,356,654)</u></u>
<u>Nonutility Adjustment</u>		
4	Rate base	\$0 [1]
5	Income statement	<u>(390,687) [2]</u>
6	Total (L4 + L5)	<u><u>(\$390,687)</u></u>
<u>Special Contract Adjustment</u>		
4	Rate base	(\$209,905) [1]
5	Income statement	<u>(284,393) [2]</u>
6	Total (L4 + L5)	<u><u>(\$494,298)</u></u>
[1]	Schedule 2.	
[2]	Schedule 3.	

Public Service Company of North Carolina
Docket No. G-5, Sub 632
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2020

Line No.	Item	Per Company (a)	Public Staff Adjustments (b)	After Public Staff Adjustments (c)	Rate Increase (Decrease) (e)	After Rate Increase (Decrease) (f)
NET OPERATING INCOME FOR RETURN						
<u>Operating Revenues:</u>						
1	Sales and transportation of gas	\$573,392,181	\$204,804	\$573,596,985	\$10,956,336	\$584,553,321
2	Other operating revenues	720,644	2,284,659	3,005,303		3,005,303
3	Operating revenues, excl special contracts	574,112,825	2,489,463	576,602,288	10,956,336	587,558,624
4	Special Contract Revenues	0	0	0		0
5	Total operating revenues	574,112,825	2,489,463	576,602,288	10,956,336	587,558,624
6	Cost of gas	218,682,115	(35,019)	218,647,096		218,647,096
7	Margin	355,430,710	2,524,482	357,955,192	10,956,336	368,911,529
<u>Operating Expenses:</u>						
8	Operating and maintenance	147,542,523	(15,597,727)	131,944,796	36,127	\$131,980,924
9	Depreciation	80,002,675	(4,493,761)	75,508,915		75,508,915
10	General taxes	19,178,161	(562,622)	18,615,540		18,615,540
11	State income tax (4%)	1,878,775	514,050	2,392,825	272,544	2,665,369
12	Federal income tax (35%)	15,387,164	4,210,091	19,597,255	2,232,139	21,829,394
13	Amortization of investment tax credits	0	0	0		0
14	Amortization of EDIT	0	0	0		0
15	Total operating expenses	263,989,299	(15,929,968)	248,059,331	2,540,811	250,600,141
16	Interest on customer deposits	0	0	0		0
17	Net operating income for return	\$91,441,411	\$18,454,450	\$109,895,862	\$8,415,525	\$118,311,387
18 RATE BASE						
19	Plant in service	\$2,985,748,940	(\$7,714,824)	\$2,978,034,116	\$0	\$2,978,034,116
20	Accumulated depreciation	(917,074,360)	5,447,427	(911,626,933)	0	(911,626,933)
21	Net plant in service	2,068,674,580	(2,267,397)	2,066,407,183	0	2,066,407,183
22	Working Capital - Other	(18,904,483)	(1,036,748)	(19,941,231)	0	(19,941,231)
23	Working Capital - Lead Lag	11,961,442	(442,261)	11,519,181	863,971	12,383,152
24	Deferred Income Taxes	(358,194,714)	1,204,713	(356,990,001)	0	(356,990,001)
25	Original cost rate base	\$1,703,536,825	(\$2,541,693)	\$1,700,995,132	\$863,971	\$1,701,859,103
26	Overall Rate of Return on Rate Base	5.37%		6.46%		6.95%

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2020

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase	
		Company Adjusted Per Company [1]	Public Staff Adjustments [2]	After Public Staff Adjustments [3]	Public Staff Adjustments [4]	After Public Staff Adjustments [5]
		(a)	(b)	(c)	(d)	(e)
1	Plant in service	\$2,985,748,940	(7,714,824)	\$2,978,034,116		\$2,978,034,116
2	Accumulated depreciation	(917,074,360)	5,447,427	(911,626,933)		(911,626,933)
3	Net plant in service (Sum of L1 thru L3)	2,068,674,580	(2,267,397)	2,066,407,183	0	2,066,407,183
4	Working Capital - Other	(18,904,483)	(1,036,748)	(19,941,231)		(19,941,231)
5	Working Capital - Lead Lag	11,961,442	(442,261)	11,519,181	\$863,971	\$12,383,152
6	Deferred Income Taxes	(358,194,714)	1,204,713	(356,990,001)		(356,990,001)
7	Original cost rate base (Sum of L4 thru L8)	\$1,703,536,826	(\$2,541,693)	\$1,700,995,132	\$863,971	\$1,701,859,103

[1] Spaulding Exhibit 6, Column (3).
[2] Schedule 2(a).
[3] Column (a) plus Column (b).
[4] Schedule 2-4, Column (k), Line 50.
[5] Column (c) plus Column (d).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENTS TO RATE BASE
For The Test Year Ended December 31, 2020

Revised Johnson Exhibit I
Schedule 2(a)

Line No.	Item	Update PIS & Acc Dep June 30, 2021 [1] (a)	Update Gas In Storage June 30, 2021 [2] (b)	Update Material & Supplies June 30, 2021 [3] (c)	Update Nonutility June 30, 2021 [4] (d)	Special Contracts [5] (e)	ADIT Update [7] (g)	Adjust Cash Working Capital [8] (h)	Adjust WC for Lead Lag [9] (i)	Total Rate Base Adjustments [10] (i)
1	Plant in service	\$0			\$0	(\$7,714,824)				(7,714,824)
2	Accumulated depreciation	1,430,560			-	4,016,867				5,447,427
3	Net plant in service (Sum of L1 thru L2)	1,430,560	-	-	-	(3,697,957)	-	-	-	(2,267,397)
4	Working Capital - Other		(\$2,488,035)	\$1,900,350				(\$449,063)		(1,036,748)
5	Working Capital - Lead Lag								(442,261)	(442,261)
6	Deferred Income Taxes					1,204,713				1,204,713
7	Original cost rate base (Sum of L3 thru L6)	1,430,560	(2,488,035)	1,900,350	-	(2,493,244)	-	(449,063)	(442,261)	(2,541,693)
8	Revenue requirement impact	\$120,438	(\$209,466)	\$159,989	\$0	(\$209,905)	\$0	(\$37,806)	(\$37,234)	(\$213,984)

[1] Schedule 2-1.

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

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

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

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

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

[7] Per Company Response to DR46-3, updated to June 2021.

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

[9] Schedule 2-3, Column (g), Line 22.

[10] Sum of Columns a through i.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
SUPPORT FOR UPDATED PLANT IN SERVICE
For The Test Year Ended December 31, 2020

Line No.	Item	Amount
Plant in Service:		
1	North Carolina plant in service at June 30, 2021	\$2,991,419,640 [1]
2	Less adjusted plant in service per Company	2,991,419,640 [2]
3	Public Staff's adjustment to plant in service (L1 - L2)	<u>\$0</u>
Accumulated Depreciation:		
4	North Carolina accumulated depreciation at June 30, 2021	(\$912,327,768) [3]
	End of period depreciation adjustment on June 30, 2021	
5	plant at Company proposed rates	<u>(3,316,032)</u>
6	Total accumulated depreciation at June 30, 2021 (L4 + L5)	(915,643,800)
7	Less accumulated depreciation per Company	(917,074,360) [2]
8	Public Staff's adjustment to accumulated depreciation (L6 - L7)	<u>1,430,560</u>
Depreciation Expense:		
<i>PSNC Direct Depreciation - Annualized as of June 30, 2021</i>		
9	Per Public Staff	\$74,354,864 [4]
10	Per Company	78,565,170 [5]
11	End of period depreciation adjustment - PSNC direct plant	<u>(\$4,210,307)</u>
<i>DES Services Allocated Depreciation - Annualized as of June 30, 2021</i>		
12	Per Public Staff	\$4,384,816 [6]
13	Per Company	<u>\$4,384,816</u> [7]
14	End of period depreciation adjustment - DES allocated plant	<u>\$0</u>
<i>Total Depreciation Expense - Annualized as of June 30, 2021</i>		
15	Per Public Staff	\$78,739,679
16	Per Company	<u>\$82,949,986</u> [8]
17	Public Staff's adjustment to depreciation expense (L12 - L13)	<u>(\$4,210,307)</u>
Property Taxes		
18	Plant in Service at June 30, 2021	\$2,991,419,640 [1]
19	North Carolina tax rate	<u>\$0.00399</u> [9]
20	Adjustment to property taxes for additions (L18 x L19 x L20)	\$11,940,251
21	Property Tax for additions per Company Application	<u>12,192,274</u> [10]
22	Public Staff's adjustment to property taxes (L21 - L22)	<u>(\$252,023)</u>

- [1] Exhibit I, Schedule 2-1(a), Column (c), Line 84.
 [2] Spaulding Exhibit 6, Page 1, "After Adjustments" column.
 [3] Exhibit I, Schedule 2-1(b), Line 83.
 [4] Exhibit I, Schedule 2-1(a), Column (e), Line 4.
 [5] Spaulding Exhibit 6, Page 1, "After Adjustments" column minus end of period depreciation for Scana Services, Workpaper 4D, p. 1.
 [6] Exhibit I, Schedule 2-1(e), Column (e), Line 16.
 [7] Item 4, Workpaper 4E, p.1.
 [8] Spaulding Exhibit 6, P.1, "After Adjustments" column.
 [9] MFR, Item 4, Workpaper 5-A - 2021 - June, Line 3.
 [10] MFR, Item 4, Workpaper 5-A - 2021 - June, Line 8.

Public Service Company of North Carolina
Docket No. G-6, Sub 632
PLANT IN SERVICE
For The Test Year Ended December 31, 2020

Line No.	Item	PSNC Direct Per Books (a)	Additions Retirements Transfers (b)	Total PSNC Plant 6/30/2021 (c)	PSNC Proposed Depreciation Rates (d)	PSNC Provision for Depreciation @ Proposed Rates (e)	PS Proposed Depreciation Rates (f)	PS Provision for Depreciation @ Proposed Rates (g)
INTANGIBLE PLANT								
1	4020 Gas franchises and consents	\$2,913		\$2,913	Various	82	Various	82
2	4021 Franchises FFC - Non-Depr	196,308		196,308	0	0	0	0
3	4030 Misc. Intangible plant	137,003		137,003	2.50%	3,425	2.50%	3,425
4	4032 Misc. Intangible Midland Stat	166,317		166,317	3.20%	5,322	3.20%	5,322
	4033 - Misc Int Cardinal-Chapel Hill	0		0	0.00%	0	0.00%	0
	4034 - Misc Intangible Software	11,267,647	(427,932)	10,839,716	20.00%	2,167,943	20.00%	2,167,943
5	Total intangible plant (Sum of L1 thru L4)	11,770,188	(427,932)	11,342,256		2,176,772		2,176,772
LOCAL STORAGE PLANT								
6	4600 Land and land rights - gas	819,329		819,329	0.00%	0	0.00%	0
7	4610 Structures & improvements	7,635,243		7,635,243	4.80%	366,492	4.80%	366,492
8	4620 Gas holders - gas	6,783,599		6,783,599	1.00%	67,836	1.00%	67,836
9	4630 Purification equipment - gas	3,154,850		3,154,850	3.84%	121,146	3.84%	121,146
10	4631 Liquefaction equipment - gas	2,401,000		2,401,000	2.75%	66,027	2.75%	66,027
11	4632 Vaporizing equipment - gas	4,430,948		4,430,948	2.06%	91,278	2.06%	91,278
12	4633 Compressor equipment - gas	3,480,276		3,480,276	6.03%	209,861	6.03%	209,861
13	4634 Meas. & reg. Equipment - gas	107,999		107,999	0.56%	605	0.56%	605
14	4635 Other equipment - gas	447,644		447,644	1.74%	7,789	1.74%	7,789
15	Total local storage plant (Sum of L6 thru L14)	29,260,887	0	29,260,887		931,033		931,033
TRANSMISSION PLANT								
16	4652 Gas transmission land rights	35,805,168	36,700,031	72,505,199	1.44%	1,044,075	1.44%	1,044,075
17	4653 Gas land - compressor stations	801,955		801,955	0.00%	0	0.00%	0
18	4654 Gas land - take-off station	623,633		623,633	0.00%	0	0.00%	0
19	4655 Gas land - M & R station	513,444	39,836	553,280	0.00%	0	0.00%	0
20	4656 Gas land - regulating station	897,539		897,539	0.00%	0	0.00%	0
21	4657 Gas land - main line station	0		0	0.00%	0	0.00%	0
22	4658 Gas land - farm tap	7,457		7,457	0.00%	0	0.00%	0
23	4659 Gas land - transmission main	457,898		457,898	0.00%	0	0.00%	0
24	4663 Stru & Imp gas - compress stat	6,628,219	11,109	6,639,327	3.29%	218,434	3.29%	218,434
25	4664 Stru & Imp gas - take-off st	1,679,792		1,679,792	3.24%	54,425	3.24%	54,425
26	4665 Stru & Imp gas - M & R stat	311,412	2	311,412	1.24%	3,862	1.24%	3,862
27	4666 Stru & Imp gas - reg station	129,346		129,346	3.89%	5,032	3.89%	5,032
28	4667 Stru & Imp gas - main line	0		0	0.00%	0	0.00%	0
29	4668 Stru & Imp gas - farm taps	0		0	0.00%	0	0.00%	0
30	4670 Transmission mains gas	546,381,944	116,048,147	662,430,090	1.69%	11,195,069	1.69%	11,195,069
31	4680 Compressor station equip gas	179,756,724		179,756,724	3.01%	5,410,677	3.01%	5,410,677
32	4694 Take-off station equip gas	25,175,365	507,381	25,682,746	4.32%	1,109,495	4.32%	1,109,495
33	4695 M & R station equip gas	17,134,634	634,830	17,769,464	2.95%	524,199	2.95%	524,199
34	4696 Regulating station equip gas	7,584,301	242,870	7,827,171	3.51%	274,734	3.51%	274,734
35	4697 Main line industrial equip gas	66,591		66,591	4.68%	3,116	4.68%	3,116
36	4698 Farm tap equipment gas	8,681,565	45,230	8,726,795	3.74%	326,382	3.74%	326,382
37	4700 Communication Equip trans	1,298,895		1,298,895	5.42%	69,858	5.42%	69,858
38	Total transmission plant (Sum of L16 thru L37)	833,925,878	154,229,436	988,155,313		20,239,357		20,239,357
DISTRIBUTION PLANT								
39	4741 Gas distribution land owned	9,030,292		9,030,292	0.00%	0	0.00%	0
40	4742 Gas distribution land rights	8,033,478	25,702	8,059,180	1.43%	115,246	1.43%	115,246
41	4750 Gas distributions structures & improvements	40,609,684	78,796	40,688,480	2.77%	1,127,071	2.77%	1,127,071
42	4751 Gas distributions structures & improvements -OTH	2,563,511		2,563,511	2.79%	71,522	2.79%	71,522
43	4761 Gas plastic distrib main	591,163,523	11,684,939	602,848,462	2.04%	12,298,109	1.85%	9,947,000
44	4762 Gas cast iron distrib main	0		0	0.00%	0	0.00%	0
45	4763 Gas steel distrib main	493,568,488	22,875,265	516,443,753	1.88%	9,709,143	1.92%	7,849,946
46	4781 District regulating equip gas	21,528,560	383,081	21,911,640	3.41%	747,187	3.41%	747,187
47	4801 Gas services - PlasticPSNC	440,682,980	13,114,343	453,797,324	4.74%	21,509,993	4.74%	21,509,993
48	4802 Gas services - SteelPSNC	25,165,135	(124,498)	25,040,636	6.91%	1,730,308	6.91%	1,730,308
49	4810 Gas meters distribution	82,067,607	1,889,614	83,957,221	2.16%	1,813,476	2.16%	1,813,476
50	4811 ERT for PSNC	38,590,351	555,588	39,145,939	4.38%	1,714,592	4.38%	1,714,592
51	4820 Gas meter installationsPSNC	41,990,129	521,018	42,511,148	1.81%	769,452	1.81%	769,452
52	4850 Industrial M&R equip - gasPSNC	19,942,798	281,635	20,224,433	3.65%	738,192	3.65%	738,192
53	4860 Other prop. on cust. Premises - gas	0	0	0	0.00%	0	0.00%	0
54	4870 Other equipment	7,189,573	(16,342)	7,173,230	6.68%	479,172	6.68%	479,172
55	Total distribution plant (Sum of L39 thru L54)	1,822,126,108	51,268,142	1,873,395,250		52,823,462		48,613,155
GENERAL PLANT								
56	4891 Gas general land owned	233,440		233,440	0.00%	0	0.00%	0
57	4900 Structures & improvements - gas	7,643,309		7,643,309	2.43%	185,732	2.43%	185,732
58	4903 Gas energy equipment	0		0	0.00%	0	0.00%	0
59	4911 Office furniture & equipment - gas	5,575,135	(1,262,791)	4,312,344	4.52%	194,918	4.52%	194,918
60	4912 Info sys (EDP) equip. gas	0		0	0.00%	0	0.00%	0
61	4914 PSNC software - 5 year	0		0	0.00%	0	0.00%	0
62	4915 Vintage computer equipment	1,985,522	(445,982)	1,539,540	20.00%	307,908	20.00%	307,908
63	4916 Vintage remote meter reading	5,586,781	150,649	5,737,430	10.00%	573,744	10.00%	573,744
64	4917 PSNC software - 7 year	0		0	0.00%	0	0.00%	0
65	4918 - PSNC software Eff Nov 1 06	0		0	0.00%	0	0.00%	0
66	4921 Automobiles, gas	32,029		32,029	0.00%	0	0.00%	0
67	4924 Trucks	36,128,328	1,582,254	37,710,583	5.93%	2,236,238	5.93%	2,236,238
68	4927 Trailers, gas	1,889,368	36,224	1,925,593	2.16%	41,593	2.16%	41,593
69	4930 Stores equipment, gas	153,223	(13,547)	139,676	4.41%	6,160	4.41%	6,160
70	4940 Tools, Shop & Garage eq - gas	0		0	0.00%	0	0.00%	0
71	4945 CNG refueling stations - gas	123,478		123,478	0.00%	0	0.00%	0
72	4946 Non-spec tools/shop/garage - gas	2,785,759	(59,433)	2,726,326	5.89%	136,316	5.89%	136,316
73	4947 CNG Refueling - New Additions	6,982,442		6,982,442	0.00%	0	0.00%	0
74	4950 Laboratory equipment - gas	0		0	0.00%	0	0.00%	0
75	4960 Power operated equipment - gas	9,264,376	1,946,269	11,210,646	4.13%	463,000	4.13%	463,000
76	4961 Non-specific vintage POE - gas	845,758	(27,472)	818,287	16.10%	131,744	16.10%	131,744
77	4970 Communication equipment - gas	7,133,111	757,453	7,890,564	6.87%	526,301	6.87%	526,301
78	4971 Radio towers - gas	148,057		148,057	10.00%	14,806	10.00%	14,806
79	4980 Miscellaneous equipment - gas	71,482	(5,804)	65,678	5.00%	3,284	5.00%	3,284
80	4981 Energy Audit Equipment	26,505		26,505	5.00%	1,325	5.00%	1,325
81	Total general plant (Sum of L56 thru L80)	86,608,111	2,657,822	89,265,933		5,234,334		5,234,334
82	Total plant in service per Public Staff	\$2,783,691,172	\$207,728,467	\$2,991,419,640		\$81,404,958		\$77,194,652
83	Less: Per books depreciation chrgd to clearing					(2,708,592)		(2,708,592)
84	Less: EOP depreciation adjust chrgd to clearing					(170,142)		(170,142)
85	Add: EOP depreciation adjust chrgd expense					132,751		132,751
86	Less: Amounts allocated to nonutility operations			(5,670,659)		(93,805)		(93,805)
87	Public Staff Amounts, net of nonutility allocation			\$2,985,748,981		\$78,565,170		\$74,354,864

[1] Per Company June 30, 2021 updates.
[2] Sum of Columns (a) and (b).
[3] Per Depreciation Study.
[4] Column (c) times Column (d).
[5] Per Public Staff Witness McCullar

Clearing Depreciation	Transportation	Stores	Power Op Eq	Total
Annual Depreciation on EOP	\$2,277,830	\$6,160	\$594,743.82	\$2,878,734
Depreciation As Booked	2,182,655	6,763	519,174	2,708,592
Additional Depreciation on EOP	\$95,175	(\$603)	\$75,570	\$170,142
% to Clearing and Charged to Expenses	77.7708%	6.4365%	77.7708%	
Portion to EOP Expense	\$74,019	(\$39)	\$58,771	\$132,751

Revised Johnson Exhibit I
Schedule 2-1(b)

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ACCUMULATED DEPRECIATION
For The Test Year Ended December 31, 2020

No.	Item	Amount	[1]
INTANGIBLE PLANT			
1	4020 Gas franchises and consents	\$2,568	
2	4021 Franchises FPC - Non-Depr	0	
3	4030 Misc. Intangible plant	103,778	
	4031 Acq Adj Non-Depr	26,710,077	
4	4032 Misc. Intangible Midland Stat (Future Use)	81,067	
5	4033 - Misc Int Cardinal-Chapl Hill	0	
6	4034 - Misc Intangible Software	6,939,729	
7	Total intangible plant (Sum of L1 thru L6)	<u>33,837,218</u>	
LOCAL STORAGE PLANT			
8	4600 Land and land rights - gas	0	
9	4610 Structures & improvements	2,744,682	
10	4620 Gas holders - gas	6,522,195	
11	4630 Purification equipment - gas	1,579,455	
12	4631 Liquefaction equipment - gas	1,593,660	
13	4632 Vaporizing equipment - gas	3,338,738	
14	4633 Compressor equipment - gas	570,378	
15	4634 Meas. & reg. Equipment - gas	105,752	
16	4635 Other equipment - gas	360,478	
17	Total local storage plant (Sum of L8 thru L16)	<u>16,815,337</u>	
TRANSMISSION PLANT			
16	4652 Gas transmission land rights	3,915,195	
17	4653 Gas land - compressor stations	0	
18	4654 Gas land - take-off station	0	
19	4655 Gas land - M & R station	0	
20	4656 Gas land - regulating station	0	
21	4657 Gas land - main line station	0	
22	4658 Gas land - farm tap	0	
23	4659 Gas land - transmission main	0	
24	4663 Stru & Impr gas - compress stat	1,080,971	
25	4664 Stru & Impr gas - take-off st	308,136	
26	4665 Stru & Impr gas - M & R stat	240,745	
27	4666 Stru & Impr gas - reg station	32,407	
28	4667 Stru & Impr gas - main line	0	
29	4668 Stru & Impr gas - farm taps	0	
30	4670 Transmission mains gas	61,850,488	
31	4680 Compressor station equip gas	24,115,509	
32	4694 Take-off station equip gas	5,501,464	
33	4695 M & R station equip gas	2,977,269	
34	4696 Regulating station equip gas	1,963,053	
35	4697 Main line industrial equip gas	234,232	
36	4698 Farm tap equipment gas	2,720,429	
37	4700 Communication Eq gas trans	777,223	
38	Total transmission plant (Sum of L16 thru L37)	<u>105,717,120</u>	
DISTRIBUTION PLANT			
39	4741 Gas distribution land owned	0	
40	4742 Gas distribution land rights	344,318	
41	4750 Gas distributions structures & improvements	14,275,421	
42	4751 Structures & Equip OTHER	433,518	
43	4761 Gas plastic distrib main	207,681,573	
44	4762 Gas cast iron distrib main	0	
45	4763 Gas steel distribution main	180,985,963	
46	4781 District regulating equip gas	12,201,799	
47	4801 Gas services - PlasticPSNC	216,769,680	
48	4802 Gas services - SteelPSNC	19,338,104	
49	4810 Gas meters distribution	28,291,659	
50	4811 ERTtoPSNC	29,656,532	
51	4820 Gas meter installationsPSNC	16,931,449	
52	4850 Industrial M&R equip - gasPSNC	8,916,192	
53	4860 Other prop. on cust. Premises - gas	0	
54	4870 Other equipment	3,088,044	
55	Total distribution plant (Sum of L39 thru L54)	<u>738,914,251</u>	
GENERAL PLANT			
56	4891 Gas general land owned	0	
57	4900 Structures & improvements - gas	2,470,688	
58	4903 Gas energy equipment	0	
59	4911 Office furniture & equipment - gas	1,465,246	
60	4912 Info sys (EDP) equip, gas	0	
61	4914 PSNC software - 5 year	0	
62	4915 Vintage computer equipment	3,302,968	
63	4916 Vintage remote meter reading	5,112,521	
64	4917 PSNC software - 7 year	0	
65	4918 PSNC - software Efr. Nov. 1 06	0	
66	4921 Automobiles, gas	44,879	
67	4924 Trucks	18,053,492	
68	4927 Trailers, gas	956,576	
69	4930 Stores equipment, gas	132,171	
70	4940 Tools, Shop & Garage eq - gas	46	
71	4945 CNG refueling stations - gas	123,479	
72	4946 Nonspec tools/shop/garage - gas	957,417	
73	4947 CNG Refueling - New Additions	4,065,406	
74	4950 Laboratory equipment - gas	0	
75	4960 Power operated equipment - gas	5,265,912	
76	4961 Nonspecific vintage POE - gas	131,669	
77	4970 Communication equipment - gas	4,005,429	
78	4971 Radio towers - gas	73,033	
79	4980 Miscellaneous equipment - gas	29,486	
80	4981 Energy Audit Equipment	8,802	
81	Total general plant (Sum of L56 thru L80)	<u>46,199,219</u>	
81	Accumulated depreciation at June 30, 2006 (L5 + L15 + L38 + L55 + L80)	\$941,483,146	
	Less: amount allocated to acquisition adjustment	(26,710,077)	
82	Less: amount allocated to nonutility operations	(2,445,301)	[2]
83	Public Staff Amount, net of nonutility allocation (L81 - L82)	<u>\$912,327,768</u>	

[1] Per Company June 30, 2021 Updates, DR 6-8, excluding RWIP.
[2] Exhibit I, Schedule 2-1c, Column F, Line 28.

Revised Johnson Exhibit I
Schedule 2-1(c)

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT OF PLANT RELATED ITEMS TO NONUTILITY OPERATIONS-
EFFECT OF PIS UPDATE, NOT NONUTILITY FACTOR CHANGE
For The Test Year Ended December 31, 2020

Line No.	Acct. No.	Item	Balances at June 30, 2021				Allocable To Non Utility				
			Utility Plant In Service	Accumulated Depreciation	Deferred Taxes	Non Utility %	Utility Plant In Service	Accumulated Depreciation	Deferred Taxes	Depreciation Expense %	Amount
			(1)	(2)	(3)	(4)	(5)	(7)	(10)	(8)	(9)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	4741	Land - Dist	9,030,292	0	0	2.5573%	230,932	0	0	0.00%	0
2	4742	Land Rights - Dist	8,059,180	344,318	1,234,368	2.5573%	206,097	8,805	31,566	1.43%	2,947
3	4750	Structures & Improvements - Dist	40,688,480	14,275,421	4,226,055	2.5573%	1,040,527	365,065	108,073	2.77%	28,823
4	4751	PSNC Other Structures and Impr. Nov. 1 06	2,563,511	433,518	340,796	2.5573%	65,557	11,086	8,715	2.79%	1,829
5	4891	Land - General	233,440	0	0	2.5573%	5,970	0	0	0.00%	0
6	4900	Structures & Improvements - Building	7,643,309	2,470,688	827,613	2.5573%	195,462	63,183	21,165	2.43%	4,750
7	4903	Structures & Improvements - Energy Equip	0	0	0	2.5573%	0	0	0	0.00%	0
8	4911	Office Furniture & Equipment	4,312,344	1,465,246	455,532	2.5573%	110,280	37,471	11,649	4.52%	4,985
9	4912	Computer Equipment	0	0	0	2.5573%	0	0	0	0.00%	0
10	4914	Computer Software - 5 year life	0	0	0	2.5573%	0	0	0	0.00%	0
11	4915	Other Computer Equipment	1,539,540	3,302,968	(282,146)	2.5573%	39,371	84,467	(7,215)	20.00%	7,874
12	4916	Vintage Remote Meter Reading	5,737,437	5,112,521	99,986	2.5573%	146,723	130,743	2,557	10.00%	14,672
13	4917	Computer Software - 7 year life	0	0	0	2.5573%	0	0	0	0.00%	0
14	4918	PSNC Software Eff Nov 1 2006	0	0	0	2.5573%	0	0	0	0.00%	0
15	4921	Automobiles	32,029	44,879	(2,056)	6.1015%	1,954	2,738	(125)	0.00%	0
16	4924	Trucks	37,710,583	18,053,492	3,145,109	6.1015%	2,300,911	1,101,534	191,899	0.00%	0
17	4927	Trailers	1,925,593	956,576	155,041	6.1015%	117,490	58,366	9,460	0.00%	0
18	4930	Stores Equipment	139,676	132,171	1,201	11.9903%	16,748	15,848	144	0.00%	0
19	4940	Spec Tools Shop & Garage Equipment	0	46	(7)	2.5573%	0	1	(0)	0.00%	0
20	4945	CNG Refueling Stations	123,478	123,479	0	2.5573%	3,158	3,158	0	0.00%	0
21	4946	Other Tools Shop & Garage Equipment	2,726,326	957,417	283,023	2.5573%	69,720	24,484	7,238	5.00%	3,486
22	4947	CNG Refueling - New Additions	6,982,442	4,065,406	466,722	2.5573%	178,562	103,965	11,935	5.89%	10,517
23	4950	Laboratory Equipment	0	0	0	2.5573%	0	0	0	0.00%	0
24	4960	Spec Power Operated Equipment	11,210,646	5,265,912	951,150	6.1015%	684,018	321,300	58,034	0.00%	0
25	4961	Other Power Operated Equipment	818,287	131,669	109,858	6.1015%	49,928	8,034	6,703	0.00%	0
26	4970	Communication Equipment	7,890,564	4,005,429	621,616	2.5573%	201,785	102,431	15,897	6.67%	13,459
27	4971	Radio Towers	148,057	73,033	12,004	2.5573%	3,786	1,868	307	10.00%	379
28	4980	Miscellaneous Equipment	65,678	29,486	5,791	2.5573%	1,680	754	148	5.00%	84
29		Total nonutility plant per Public Staff (Sum of L1 thru L28)	\$149,580,891	\$61,243,674	\$12,651,656		\$5,670,659	\$2,445,301	\$478,149		\$93,805
30		Total nonutility plant per Company (Item 4a, Workpaper 4B)					<u>5,670,659</u>	<u>2,445,317</u>	<u>478,153</u>		<u>93,805</u>
31		Public Staff adjustment to nonutility plant					(\$40)	(\$16)	(\$4)		\$0
32		North Carolina tax rate					\$0.00399	[6]			
33		Adjustment for non utility proerty taxes (L31 x L32)					<u>(\$0)</u>				

[1] Exhibit I, Schedule 2-1(a), Column (c).
[2] Exhibit I, Schedule 2-1(b).
[3] MFR, Item 4, Workpaper 4B, p. 1.
[4] Per Company application.
[5] Column (a) x Column (d).

[6] MFR, Item 4, Workpaper 5-A.
[7] Column (b) x Column (d).
[8] Exhibit I, Schedule 2-1(a), Column (d).
[9] Column (e) x Column (h).
[10] Column (c) times Column (d).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
DOMINION ENERGY SERVICES PLANT BALANCES
For The Test Year Ended December 31, 2020

Actual amounts @ June 30, 2021

Line No.	Item	DES Property Per Books [1] (a)	Depreciation Rates [2] (b)	DES Amort/Depr Expense [3] (c)	2020 PSNC Energy Allocation [2] (d)	Proposed NC Depreciation Expense [4] (e)	2021 PSNC Energy Allocation from DES (f)
DOMINION ENERGY SERVICES PLANT BALANCES							
1	SC 303 Corp Gov Software, Amort	\$3,731,297	Amort	\$126,507 [1]	16.40%	\$20,747	0
2	SC 303 Software, Nonregulated	54,412,092	Amort	2,907,327 [1]	16.65%	484,070	0
3	SC 8891 Land and Land Rights	6,353,873	0.00%	0	0.00%	0	0
4	SC 8901 Structure and Impr.	157,559,154	2.02%	3,182,695	13.09%	416,615	0
5	SC 8901 Structure and Impr. - 1401 Main	2,463,687	1.29%	31,782	16.65%	5,292	0
6	SC 8903 Structure and Impr. -	379,261	4.46%	16,915	16.65%	2,816	0
7	SC 8908 Structures - Leaseholds	17,372	5.06%	879	16.65%	146	0
8	SC 8911 Office Furniture and Equipment	1,383,920	5.00%	69,196	16.65%	11,521	0
9	SC 8911 Office Furniture and Equipment - Campus	13,038,639	5.00%	651,932	13.09%	85,338	0
10	SC 8912 EDP Equipment	29,586,687	20.00%	5,917,337	16.65%	985,237	0
11	SC 8913 Office Data Handling Equipment	8,641,138	5.00%	432,057	16.65%	71,937	0
12	SC 894 Tools, Shop, and Garage Equipment	8,075	4.99%	403	16.65%	67	0
13	SC 897 Communication Equipment	11,264,759	12.50%	1,408,095	16.65%	234,448	0
14	SC 898 Miscellaneous Equipment	11,806,893	5.00%	590,345	16.65%	98,292	0
15	DES 2021 Estimate of Service Company Depreciation [2]	0	0.00%	0	0.00%	0	4,384,816
16	Total SCANA Services Plant (Sum of L1 thru 15)	<u>\$300,646,848</u>		<u>\$15,335,469</u>		<u>\$2,416,527</u>	<u>\$4,384,816</u>

[1] Per Company updates.
[2] MRF, Item 4, Workpaper 4E, p. 1.
[3] Column (a) X Column (b).
[4] Column (c) X Column (d).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2020

Line No.	Item	Amount Per Company [1] (a)	Company Ratemaking Adjustments [1] (b)	After Company Adjustments [2] (c)	Public Staff Working Capital Adjustments [3] (d)	Amount Per Public Staff [4] (e)
Lead Lag Study						
1	Lead Lag Study	\$12,353,701	(392,259)	\$11,961,442	(\$442,261)	\$11,519,181
Average materials and supplies:						
2	Operating and construction supplies	18,238,438		18,238,438	\$1,900,350	\$20,138,788
3	Natural gas stored	26,917,208		26,917,208	(2,488,035)	\$24,429,173
4	Totals (L2 + L3)	45,155,646	0	45,155,646	(587,685)	44,567,961
Cash working capital:						
5	Average Customer deposits	(7,727,828)		(7,727,828)	372,604	(7,355,224)
6	Average Accrued Interest on Customer Deposits	(185,328)		(185,328)	(51,852)	(237,180)
7	Average Accrued Vacation Liability - PTO	(584,211)		(584,211)	(333,462)	(917,673)
8	Average State Sales Tax	(375,437)		(375,437)	(131,740)	(507,177)
9	Average of Deferred Credit Treasury A Account	(397,495)		(397,495)	(221,848)	(619,343)
10	Average prepayments	1,878,137	120,995	1,999,132	421,330	2,420,462
11	Cost-Free Capital - Transco refunds	(258,000)		(258,000)		(258,000)
12	Cost-Free Capital - Postretirement Benefits	(26,801,249)	186,098	(26,615,151)	(826,381)	(27,441,532)
13	Cost-Free Capital - Pension Accrual	(29,770,866)		(29,770,866)	322,286	(29,448,580)
14	Cost-Free Capital - LT Disability	(144,945)		(144,945)		(144,945)
15	Totals cash working capital (Sum of L5 thru L15)	(64,367,222)	307,093	(64,060,129)	(449,063)	(64,509,192)
16	Total working capital (L1 + L4 + L16)	(\$6,857,875)	(\$85,166)	(\$6,943,041)	(\$1,479,009)	(\$8,422,050)

[1] Per Spaulding Exhibit 4.

[2] Column (a) + Column (b).

[3] Per Company provided June 30, 2021 updated balances.

[4] Column (c) + Column (d).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2020

Line No.	Item	Per Books Amounts (a)	Company Ratemaking Adjustments (b)	After Company Adjustments (c)	Public Staff Adjustments (d)	After Public Staff Adjustments (e)	(Lead) / Lag Days (f)	Working Capital From Lead/Lag Study (g)
		[1]	[2]	[3]	[4]	[5]	[6]	[7]
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)								
1.	Operating Revenues							
2.	Gas Sales and Transportation	\$509,453,649	\$63,938,532	\$573,392,181	\$204,804	\$573,596,985		\$55,002,451
3.	Other Operating Revenues	720,644	0	720,644	2,284,659	3,005,303		288,180
3.	Total Operating Revenues	\$510,174,293	\$63,938,532	\$574,112,825	\$2,489,463	\$576,602,288	35.00	\$55,290,631
Operating Expenses:								
4.	Purchased gas	\$165,753,822	52,928,293	\$218,682,115	(35,019)	\$218,647,096	(33.62)	(\$20,139,494)
5.	Operating and maintenance	111,748,813	35,793,710	147,542,523	(15,597,727)	131,944,796	(16.33)	(\$6,785,417)
6.	Depreciation	74,836,851	5,165,824	80,002,675	(4,493,761)	75,508,915	0.00	0
7.	General Taxes	17,634,935	1,543,226	19,178,161	(391,890)	18,786,271	(121.47)	(6,251,759)
8.	Income taxes - current	10,454,320	(788,126)	9,666,194	5,420,722	15,086,916	(37.50)	(1,550,026)
9.	State income taxes - deferred - net	2,035,676	(1,470,331)	565,345	0	565,345	0.00	0
10.	Federal income taxes - deferred - net	9,239,504	(2,205,105)	7,034,399	0	7,034,399	0.00	0
11.	Amortization of ITC	0	0	0	0	0	0.00	0
12.	Total Operating Expenses	\$391,703,921	\$90,967,492	\$482,671,413	(\$15,097,675)	\$467,573,738		(\$34,726,696)
Net Operating Income for Return:								
13.	Interest on long-term debt	\$36,694,622	(\$850,345)	\$35,844,277	\$320,478	\$36,164,755	(91.25)	(\$9,041,189)
14.	Interest on short-term debt	1,779,144	(1,078,409)	700,735	(641,542)	59,193	(21.98)	(3,565)
15.	Income available for common equity	79,996,606	(25,100,207)	54,896,399	17,908,201	72,804,600	0.00	0
16.	Total Operating Income for Return	\$118,470,372	(\$27,028,960)	\$91,441,412	\$17,587,138	\$109,028,550		(\$9,044,754)
17.	Total Cost of Service	\$510,174,293	\$63,938,532	\$574,112,825	\$2,489,463	\$576,602,288		(\$43,771,450)
18.	Investor Supplied Funds							\$11,519,181
19.	Working capital from lead / lag study per Public Staff							\$11,519,181
20.	Amount per Company application							\$11,961,442
21.	Adjustment to working capital from lead / lag study							(\$442,261)
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)								
22.	Payroll (PSC)	\$29,887,542	\$1,191,264	\$31,078,806	(\$804,018)	\$30,274,788	(11.36)	(\$942,251)
23.	Payroll (Services Co.)	9,395,362	266,196	9,661,558	(2,225,257)	7,436,301	(8.74)	(178,064)
24.	Other O&M (A/P Invoices)	45,667,918	30,847,486	76,515,404	(10,739,610)	65,775,794	(6.36)	(1,146,121)
25.	Transportation Clearing (O&M)	3,182,349	295,579	3,477,928	0	3,477,928	(21.98)	(209,438)
26.	Uncollectible Accounts	805,430	(138,978)	666,452	(171,360)	495,092	(243.58)	(330,396)
27.	Insurance	8,373,776	(34,140)	8,339,636	0	8,339,636	0.17	3,884
28.	Pension	1,775,436	66,830	1,842,266	(602,627)	1,239,639	0.00	0
29.	Post Retirement	1,470,354	(186,099)	1,284,255	(449,517)	834,738	0.00	0
30.	401K Plan	2,490,135	150,183	2,640,318	(74,820)	2,565,498	(14.52)	(102,058)
31.	Regulatory Fees	737,496	30,361	767,857	0	767,857	(67.71)	(142,443)
32.	Rents	1,781,215	0	1,781,215	0	1,781,215	(3.94)	(19,227)
33.	Materials & Supplies	1,455,148	0	1,455,148	0	1,455,148	(21.94)	(87,468)
34.	Postage	1,726,381	49,735	1,776,116	0	1,776,116	14.29	69,536
35.	Incentive Pay	3,000,071	3,255,293	6,255,364	(530,786)	5,724,578	(236.00)	(3,701,371)
36.	Totals	\$111,748,813	\$35,793,710	\$147,542,523	(\$15,597,993)	\$131,944,530		(\$6,785,417)
INSURANCE (ITEM 26 SCHEDULE D-5)								
37.	Life, AD&D & Cobra	\$321,430		\$321,430	\$0	\$321,430	(9.59)	(\$8,445)
Self Insured Items:								
38.	Health/Dental Insurance*	6,119,124		6,119,124	0	6,119,124	(5.50)	(92,206)
39.	Long-Term Disability Insurance	664,765	(34,140)	630,625	0	630,625	13.92	24,050
Short-Term Disability Insurance:								
40.	Salary	143,478		143,478	0	143,478	(6.50)	(2,555)
41.	Hourly	194,881		194,881	0	194,881	(13.46)	(7,187)
42.	Property & Liability Insurance	740,020		740,020	0	740,020	137.09	277,943
43.	Small Claims	268,940		268,940	0	268,940	(336.13)	(247,668)
44.	Worker's Compensation	(78,862)		(78,862)	0	(78,862)	(278.64)	60,203
45.	Totals	\$8,373,776	(\$34,140)	\$8,339,636	\$0	\$8,339,636		\$4,135
OTHER TAXES (ITEM 26 SCHEDULE E)								
46.	City Occupation	\$0		\$0	\$0	\$0		\$0
47.	AD Valorem (City & County taxes)	11,716,935	1,504,784	13,221,719	(252,023)	12,969,696	(185.00)	(6,573,682)
48.	Utility Sales Tax	35,626		35,626	0	35,626	(4.79)	(468)
49.	Employer FICA & Medicare	6,941,072	162,253	7,103,325	(139,868)	6,963,457	(14.82)	(282,735)
50.	Unemployment Tax	0		0	0	0		0
51.	Subtotal	\$18,693,633	\$1,667,037	\$20,360,670	(391,890)	\$19,968,780		(\$6,856,885)
52.	Franchise Tax	0	2,835,889	2,835,889	0	2,835,889	0.00	0
53.	Total Cost of Service Other Taxes	\$18,693,633	\$4,502,926	\$23,196,559	(\$391,890)	\$22,804,669		(\$6,856,885)

[1] G-1, Item 26, Schedule A, page 3 and Schedule A, page 4, 12-months ended 12/31/20 column.
 [2] G-1, Item 26, Schedule A, page 4, Adjustments column.
 [3] G-1, Item 26, Schedule A, page 2 and Schedule A, page 4, After Adjustments column.
 [4] Schedule 2-3(a), Column aa.
 [5] Column c plus Column d.
 [6] G-1, Item 26, Schedule A, page 2.
 [7] Column e divided by 365 times column f.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2020

Line No.	Item	Update Plant in Service (a)	Gas Costs (b) [1]	End of period Revenue Adjustment (c)	Commodity Costs- LUSE (d)	Adjust Uncollectibles (e) [1]	Adjust Transmission (f) [1]	Adjust Executive Comp. (g) [1]	Adjust Regulatory Fee (h) [1]
Operating Revenues									
1.	Gas Sales and Transportation		\$0	\$204,804					
2.	Other Operating Revenues								
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>204,804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses:									
4.	Purchased gas		(466,815)	0	431,796				
5.	Operating and maintenance			266		(171,360)	(239,552)	(436,427)	(3,520)
6.	Depreciation	(4,210,307)			0				
7.	General Taxes (252,023)	1,025,220	107,251	46,992	(99,205)	39,370	55,037	121,948	809
8.	Income taxes - current								
9.	State income taxes - deferred - net								
10.	Federal income taxes - deferred - net								
11.	Amortization of ITC								
12.	Total Operating Expenses	<u>(3,437,109)</u>	<u>(359,564)</u>	<u>47,258</u>	<u>332,591</u>	<u>(131,990)</u>	<u>(184,515)</u>	<u>(314,479)</u>	<u>(2,711)</u>
Net Operating Income for Return:									
13.	Interest on long-term debt								
14.	Interest on short-term debt								
15.	Income available for common equity	3,437,109	359,564	157,546	(332,591)	131,990	184,515	314,479	2,711
16.	Total Operating Income for Return	<u>3,437,109</u>	<u>359,564</u>	<u>157,546</u>	<u>(332,591)</u>	<u>131,990</u>	<u>184,515</u>	<u>314,479</u>	<u>\$2,711</u>
18.	Total Cost of Service	<u>0</u>	<u>0</u>	<u>204,804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)									
19.	Payroll (PSNC)							0	
20.	Payroll (Services Co.)								
21.	Other O&M (A/P Invoices)						(239,552)		(3,520)
22.	Transportation Clearing (O&M)								
23.	Uncollectible Accounts					(171,360)			
24.	Insurance								
25.	Pension								
26.	Post Retirement								
27.	401K Plan								
28.	Regulatory Fees							(436,427)	
29.	Rents								
30.	Materials & Supplies								
31.	Postage								
32.	Incentive Pay								
33.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171,360)</u>	<u>(239,552)</u>	<u>(436,427)</u>	<u>(3,520)</u>
INSURANCE (ITEM 26 SCHEDULE D-5)									
34.	Life, AD&D & Cobra								
Self Insured Items:									
35.	Health/Dental Insurance*								
36.	Long-Term Disability Insurance								
37.	Short-Term Disability Insurance:								
38.	Salary								
39.	Property & Liability Insurance								
40.	Small Claims								
41.	Worker's Compensation								
42.	Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER TAXES (ITEM 26 SCHEDULE E)									
43.	City Occupation								
44.	AD Valorem (City & County taxes)	(252,023)							
45.	Utility Sales Tax								
46.	Employer FICA & Medicare								
47.	Unemployment Tax								
48.	Subtotal	<u>(252,023)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49.	Franchise Tax								
50.	Total Cost of Service Other Taxes	<u>(252,023)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[1] Corresponding column on Schedule 3.

R&D Expenses (i)	Sponsorships & Dues (j)	Adjust P&M (k)	Adjust Payroll (l)	Customer Deposits & Interest (m)	Adjust Rate Case Expense (n)	Adjust Inflation (o)	Adjust Advertising (p)	Adjust Service Co. Charges (q)	Adjust Other Benefit Percentage (r)	Adjust Special Contracts (s)	Customer Accts Expense (t)
0	0	0	0	0	0	0	0	0	0	0	0
(285,000)	(57,844)	(3,516,449)	(403,445)	30,555	(168,979)	(82,646)	(476,668)	(2,225,257)	(74,820)	(283,454)	(43,234)
65,479	13,290	807,904	124,826	(7,020)	38,823	18,988	109,515	511,252	17,189	65,123	9,933
<u>(219,521)</u>	<u>(44,554)</u>	<u>(2,708,545)</u>	<u>(418,487)</u>	<u>23,535</u>	<u>(130,156)</u>	<u>(63,658)</u>	<u>(367,153)</u>	<u>(1,714,005)</u>	<u>(57,631)</u>	<u>(218,331)</u>	<u>(33,301)</u>
219,521	44,554	2,708,545	418,487	(23,535)	130,156	63,658	367,153	1,714,005	57,631	218,331	33,301
<u>219,521</u>	<u>44,554</u>	<u>2,708,545</u>	<u>418,487</u>	<u>(23,535)</u>	<u>130,156</u>	<u>63,658</u>	<u>367,153</u>	<u>1,714,005</u>	<u>57,631</u>	<u>218,331</u>	<u>33,301</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(285,000)	(57,844)	(3,516,449)	(403,445)	30,555	(168,979)	(82,646)	(476,668)	(2,225,257)	(74,820)	0	(43,234)
<u>(285,000)</u>	<u>(57,844)</u>	<u>(3,516,449)</u>	<u>(403,445)</u>	<u>30,555</u>	<u>(168,979)</u>	<u>(82,646)</u>	<u>(476,668)</u>	<u>(2,225,257)</u>	<u>(74,820)</u>	<u>0</u>	<u>(43,234)</u>
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	(139,868)	0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(139,868)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(139,868)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Revised Johnson Exhibit I
Schedule 2-4

Public Service Company of North Carolina
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2020
After Rate Increase

Line No.	Item	Under Present Rates After Adjustments (a)	(Lead) Lag Days (b)	Iteration 1				Iteration 2				Iteration 3				After Increase	
				Increase (c)	With Increase (d)	CWC Change (e)	Increase (f)	With Increase (g)	CWC Change (h)	Increase (i)	With Increase (j)	CWC Change (k)	Increase (l)	With Increase (m)	CWC Change (n)	Cumulative Increase (o)	After Increase (p)
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)																	
	Operating Revenues																
1.	Gas Sales and Transportation (L3 - L2)	\$573,596,985		\$12,079,895													
2.	Other Operating Revenues	3,005,303															
3.	Total Operating Revenues	\$576,602,288	0.00	\$12,079,895	\$588,682,183 [13]	\$1,158,346	\$21,967	\$588,704,150 [13]	\$2,106	(\$327)	\$588,703,823	(\$31)	\$12,101,536	\$588,703,823			
Operating Expenses:																	
4.	Purchased gas	\$218,647,096	(33.62)		\$218,647,096	0		\$218,647,096			\$218,647,096		0	\$218,647,096			
5.	Operating and maintenance (Line 33)	131,944,796	(16.33)	39,832	131,964,629	(19,030)	241	131,984,869	(115)	(1)	131,984,868	0	40,072	131,984,868			
6.	Depreciation	75,508,915	0.00		75,508,915	0		75,508,915			75,508,915		0	75,508,915			
7.	General Taxes	18,786,271	(121.47)		18,786,271	0		18,786,271			18,786,271		0	18,786,271			
8.	Income taxes - current	15,086,916	(37.50)	2,766,204	17,853,121	(284,199)	12,491	17,865,612	(1,283)	(56)	17,865,556	6	2,778,639	17,865,556			
9.	State income taxes - deferred - net	565,345	0.00		565,345	0		565,345			565,345		0	565,345			
10.	Federal income taxes - deferred - net	7,034,399	0.00		7,034,399	0		7,034,399			7,034,399		0	7,034,399			
11.	Amortization of ITC	0	0.00		0	0		0			0		0	0			
12.	Total Operating Expenses (sum lines 4 through 12)	\$467,678,738		\$2,808,036	\$470,379,775	(\$303,229)	\$12,732	\$470,392,508	(\$1,998)	(\$57)	\$470,392,449	\$6	\$2,818,711	\$470,392,449			
Net Operating Income for Return:																	
13.	Interest on long-term debt	\$38,164,755	(91.25)	(\$51,012)	\$38,113,743	12,753	\$18,425	\$38,132,168	(11)	(\$4,600)	\$38,127,568	21	\$389,263	\$38,127,568			
14.	Interest on short-term debt	59,193	(21.98)	0	59,110	5	30	59,140	(11)	(2)	59,140	0	\$9,140	59,140			
15.	Income available for common equity	77,821,600	0.00	9,273,858	\$87,095,458 [10]	0	41,878	\$87,137,336 [11]	0	(188)	\$87,137,148	0	\$9,156,476	\$87,137,148			
16.	Total Operating Income for Return (Sum Line 14 through 16)	109,028,550		\$8,222,762	\$118,251,311	\$12,758	\$60,333	\$118,311,644	(\$4,608)	(\$270)	\$118,311,374	\$21	\$9,282,826	\$118,311,374			
17.	Total Cost of Service (L13 + L17)	\$576,602,288		\$12,028,799	\$588,631,086	(\$290,471)	\$73,065	\$588,704,150	(\$6,000)	(\$327)	\$588,703,823	\$27	\$12,101,536	\$588,703,823			
OPERATING & MAINTENANCE EXPENSES (ITEM 26 SCHEDULE D)																	
18.	Payroll (PSNC)	\$30,274,788	(11.36)		\$30,274,788	0		\$30,274,788	0		\$30,274,788	0	\$30,274,788				
19.	Payroll (Services Co.)	7,436,301	(8.74)		7,436,301	0		7,436,301	0		7,436,301	0	7,436,301				
20.	Other O&M (AP Invoices)	65,775,794	(6.30)		65,775,794	0		65,775,794	0		65,775,794	0	65,775,794				
21.	Transportation Clearing (O&M)	3,477,528	(21.98)		3,477,528	0		3,477,528	0		3,477,528	0	3,477,528				
22.	Uncollectible Accounts (Line 1 times uncollectibles factor)	495,952	(243.58)	24,160	519,252	(16,123)	148	519,398	(97)	(1)	519,398	0	24,305,077	519,398			
23.	Insurance	8,339,636	0.17		8,339,636	0		8,339,636	0		8,339,636	0	8,339,636				
24.	Pension	1,239,639	0.00		1,239,639	0		1,239,639	0		1,239,639	0	1,239,639				
25.	Post Retirement	934,938	0.00		934,938	0		934,938	0		934,938	0	934,938				
26.	401K Plan	2,565,498	(14.52)		2,565,498	0		2,565,498	0		2,565,498	0	2,565,498				
27.	Regulatory Fees (Line 3 times regulatory fee)	787,857	(87.71)	15,672	783,229	(2,907)	95	783,624	(18)	(0)	783,624	0	15,766,676	783,624			
28.	Rent	1,781,215	(9.84)		1,781,215	0		1,781,215	0		1,781,215	0	1,781,215				
29.	Materials & Supplies	1,455,148	(21.94)		1,455,148	0		1,455,148	0		1,455,148	0	1,455,148				
30.	Postage	1,776,116	14.29		1,776,116	0		1,776,116	0		1,776,116	0	1,776,116				
31.	Incentive Pay	5,724,578	(236.00)		5,724,578	0		5,724,578	0		5,724,578	0	5,724,578				
32.	Totals (sum of Line 19 through 32)	\$131,944,530		\$39,832	\$131,984,362	(\$19,030)	\$241	\$131,984,603	(\$115)	(\$1)	\$131,984,602	\$0	\$40,072	\$131,984,602			
INSURANCE (ITEM 26 SCHEDULE D-3)																	
33.	Life, AD&D & Cobra	\$321,430	(9.59)		\$321,430	0		\$321,430	0		\$321,430	0	\$321,430				
Self Insured Items:																	
34.	Health/Dental Insurance*	6,119,124	(5.50)		6,119,124	0		6,119,124	0		6,119,124	0	6,119,124				
35.	Long-Term Disability Insurance	630,625	13.92		630,625	0		630,625	0		630,625	0	630,625				
Short-Term Disability Insurance:																	
36.	Salary	143,478	(6.50)		143,478	0		143,478	0		143,478	0	143,478				
37.	Hourly	194,881	(13.46)		194,881	0		194,881	0		194,881	0	194,881				
38.	Property & Liability Insurance	740,020	137.08		740,020	0		740,020	0		740,020	0	740,020				
39.	Small Claims	268,940	(336.13)		268,940	0		268,940	0		268,940	0	268,940				
40.	Worker's Compensation	(78,862)	(278.64)		(78,862)	0		(78,862)	0		(78,862)	0	(78,862)				
41.	Totals	\$8,339,636		\$8,339,636	\$0	\$0	\$8,339,636	\$0	\$0	\$8,339,636	\$0	\$0	\$8,339,636				
OTHER TAXES (ITEM 26 SCHEDULE E)																	
42.	City Occupation	\$0	0.00		\$0	0		\$0	0		\$0	0	\$0				
43.	AD Valorem (City & County taxes)	12,969,696	(185.00)		12,969,696	0		12,969,696	0		12,969,696	0	12,969,696				
44.	Utility Sales Tax	36,608	(4.79)		36,608	0		36,608	0		36,608	0	36,608				
45.	Employer FICA & Medicare	6,963,457	(14.82)		6,963,457	0		6,963,457	0		6,963,457	0	6,963,457				
46.	Unemployment Tax	0	0.00		0	0		0	0		0	0	0				
47.	Subtotal	\$19,968,780		\$19,968,780	\$0	\$0	\$19,968,780	\$0	\$0	\$19,968,780	\$0	\$0	\$19,968,780				
48.	Fraction Tax	2,836,880	0.00		2,836,880	0		2,836,880	0		2,836,880	0	2,836,880				
49.	Total Cost of Service Other Taxes	\$22,804,660		\$22,804,660	\$0	\$0	\$22,804,660	\$0	\$0	\$22,804,660	\$0	\$0	\$22,804,660				
50.	Cumulative change in working capital (Line 3 plus Line 18)						\$867,875		\$863,975		\$863,971		\$863,971	PS CWC effect of rate increase			
51.	Rate base under present rates						4,700,865,149	[6]	4,700,865,149		4,700,865,149		4,700,865,149				
52.	Rate base after adjustments (Line 51 + Line 52)	\$1,700,865,152	[6]		\$1,700,865,152		\$1,700,865,152		\$1,700,865,152		\$1,700,865,152		\$1,700,865,152				
53.	Overall rate of return	6.41%			6.95%		6.95%		6.95%		6.95%		6.95%				
54.	Target Rate of Return	6.95%			6.95%		6.95%		6.95%		6.95%		6.95%				

[1] Schedule 2-3, Column e.
 [2] Schedule 2-3, Column f.
 [3] Per Public Staff.
 [4] (Line 15) - composite tax rate - Line 15.
 [5] Column d minus Column a.
 [6] Schedule 2, Column c, Line 7.
 [7] Column a plus Column c.
 [8] Column c divided by 365 times Column b.
 [9] Column g minus Column d.
 [10] Column d, Line 52 times appropriate percentage and cost factor.
 [11] Column g, Line 52 times appropriate percentage and cost factor.
 [12] Column d plus Column f.
 [13] Line 12 plus Line 15.
 [14] Column f divided by 365 times Column b.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO COMPANY FILED COST OF SERVICE
For The Test Year Ended December 31, 2020

Line No.	Description	Company Before Increase [1]	Interest Synch on CWC Increase	Company Without Rate Increase [3]
Operating Revenues:				
1	Sale and transportation of gas	\$573,392,181		\$573,392,181
2	Special Contract Revenues	0		\$0
3	Other operating revenues	720,644		720,644
4	Total operating revenues (Sum of L1 thru L3)	574,112,825	0	574,112,825
5	Cost of gas	218,682,115	0 [2]	218,682,115
6	Margin	355,430,710	0	355,430,710
7	Operation and maintenance	147,542,523	0 [2]	147,542,523
8	Depreciation	80,002,675		80,002,675
9	General taxes	19,178,161		19,178,161
10	State income taxes	1,878,775	[2]	1,878,775
11	Federal income taxes	15,387,164	[2]	15,387,164
12	Amortization of investment tax credits			0
13	Amortization of EDIT			0
14	Total operating expenses (Sum of L5 thru L11)	263,989,299	0	263,989,299
15	Net operating income	91,441,411	0	91,441,411
16	Other Adjustments			0
17	Net operating income for return (L4 less L12)	\$91,441,411	\$0	\$91,441,411

To schedule 3

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

Public Service Company of North Carolina
Docket No. G-5, Sub 632
**SUMMARY OF REVENUE AND
COST OF GAS ADJUSTMENTS**
For The Test Year Ended December 31, 2020

Line No.	Item	Sales and Transportation Revenues (a)	Special Contract Revenues (b)	Other Operating Revenues (c)	Cost of Gas (d)	Regulatory Fee (e) [3]
1	Company amount per application	\$573,392,181 [1]	\$0 [1]	\$720,644 [1]	\$218,682,115 [1]	
2	Customer growth	204,804 [2]			0	266
3	On-going level of cost of gas - Deferred FGC/ 2nd mkt credits				(466,815) [2]	
4	Change due to CU & LUAF				431,796 [2]	
5	Adjustment to other operating revenues			2,284,659		
6	Public Staff Amount (Sum of L1 thru L5)	<u>\$573,596,985</u>	<u>\$0</u>	<u>\$3,005,303</u>	<u>\$218,647,096</u>	

- [1] Per Item G-1, Item 4, Workpaper 1, page 1 of 5.
- [2] Per Public Staff Patel
- [3] Column (a) + Column (b) multiplied by regulatory fee rate.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2020

Revised Johnson Exhibit I
Schedule 3
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Line No.	Item	Per Company (a)	Plant Updates @ June 30, 2021 (b)	Other Operating Revenue Adjustment (c)	End of period Revenue Adjustment (d)	Commodity Costs- LUAUF (e)	Fixed Gas Cost (f)	Special Contract - CP&L Asheville (e)	Payroll and Related Costs (h)	Bonus (i)
Operating Revenues:										
1	Sales and transportation of gas	\$573,392,181			\$204,804					
2	Special Contract Revenues	0								
3	Other operating revenues	720,644		2,284,659					0	
4	Total operating revenues (L1 - L3)	574,112,825	0	2,284,659	204,804	0	0	0	0	0
5	Cost of gas	218,682,115			0	431,796	(466,815)	0		
6	Margin	355,430,710	0	2,284,659	204,804	(431,796)	466,815	0	0	0
Operating Expenses:										
7	Operating and maintenance	147,542,523			266				(403,445)	(2,231,782)
8	Depreciation	80,002,675	(4,210,307)					(283,454)		
9	General taxes	19,178,161	(252,023)						(139,868)	(170,731)
10	State income tax (4%)	1,878,775	111,558	57,116	5,113	(10,795)	11,670	7,086	13,583	60,063
11	Federal income tax (35%)	15,387,164	913,662	467,784	41,879	(88,410)	95,581	58,037	111,243	491,915
12	Amortization of investment tax credits	0								
13	Amortization of EDIT	0								
14	Total operating expenses (Sum of L4 thru L10)	263,989,299	(3,437,109)	524,900	47,258	(99,205)	107,251	(218,331)	(418,487)	(1,850,535)
15	Interest on customer deposits	-								
16	Net operating income for return (L3 - L12+L11+L12)	\$91,441,411	\$3,437,109	\$1,759,759	\$157,546	(\$332,591)	\$359,564	\$218,331	\$418,487	\$1,850,535
	Revenue Requirement Effect		\$4,477,092	\$2,292,218	\$205,215	(\$433,225)	\$468,360	\$284,393	\$545,110	\$2,410,461

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

Public Service Company of North Carolina
Docket No. G-5, Sub 632
NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2020

Revised Johnson Exhibit I
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Line No.	Item	Other Benefits [7] (j)	Board Expenses [8] (k)	Executive Compensation [9] (l)	Severance [10] (m)	Rate Case Expenses [11] (n)	Sponsorships & Dues [12] (o)	Uncollectibles [13] (p)	Inflation [14] (q)	Nonutility Expenses [15] (r)
Operating Revenues:										
1	Sales and transportation of gas									
2	Special Contract Revenues									
3	Other operating revenues									
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0	0
5	Cost of gas									
6	Margin	0	0	0	0	0	0	0	0	0
Operating Expenses:										
7	Operating and maintenance	(74,820)	(94,359)	(436,427)	(400,573)	(168,979)	(57,844)	(171,360)	(82,646)	(389,398)
8	Depreciation									0
9	General taxes		0							0
10	State income tax (4%)	1,870	2,359	10,911	10,014	4,224	1,446	4,284	2,066	9,735
11	Federal income tax (35%)	15,319	19,320	89,358	82,017	34,599	11,844	35,086	16,922	79,729
12	Amortization of investment tax credits									
13	Amortization of EDIT									
14	Total operating expenses (Sum of L4 thru L10)	(57,631)	(72,680)	(336,158)	(308,542)	(130,156)	(44,554)	(131,990)	(63,658)	(299,934)
15	Interest on customer deposits									
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$57,631</u>	<u>\$72,680</u>	<u>\$336,158</u>	<u>\$308,542</u>	<u>\$130,156</u>	<u>\$44,554</u>	<u>\$131,990</u>	<u>\$63,658</u>	<u>\$299,934</u>
	Revenue Requirement Effect	\$75,068	\$94,671	\$437,871	\$401,899	\$169,538	\$58,035	\$171,926	\$82,919	\$390,687

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

Public Service Company of North Carolina
Docket No. G-5, Sub 632
NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2020

Revised Johnson Exhibit I
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Page 3 of 4

Line No.	Item	TIMP Costs [16] (s)	Transmission O&M Expense [17] (t)	DIMP Costs [18] (u)	Regulatory Fee [19] (v)	Advertising [20] (w)	R&D Expenses [21] (x)	Interest on Customer Deposits [22] (y)	Service Company Charges [23] (z)	Customer Accts Expense [24] (aa)
Operating Revenues:										
1	Sales and transportation of gas									
2	Special Contract Revenues									
3	Other operating revenues									
4	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0	0
5	Cost of gas									
6	Margin	0	0	0	0	0	0	0		
Operating Expenses:										
7	Operating and maintenance	(3,516,449)	(\$239,552)	(\$2,016,161)	(3,520)	(476,668)	(285,000)	30,555	(2,225,257)	(43,234)
8	Depreciation									
9	General taxes									
10	State income tax (4%)	87,911	5,989	50,404	88	11,917	7,125	(764)	55,631	1,081
11	Federal income tax (35%)	719,993	49,048	412,809	721	97,598	58,354	(6,256)	455,621	8,852
12	Amortization of investment tax credits									
13	Amortization of EDIT									
14	Total operating expenses (Sum of L4 thru L10)	(2,708,545)	(184,515)	(1,552,948)	(2,711)	(367,153)	(219,521)	23,535	(1,714,005)	(33,301)
15	Interest on customer deposits									
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$2,708,545</u>	<u>\$184,515</u>	<u>\$1,552,948</u>	<u>\$2,711</u>	<u>\$367,153</u>	<u>\$219,521</u>	<u>(\$23,535)</u>	<u>\$1,714,005</u>	<u>\$33,301</u>
	Revenue Requirement Effect	\$3,528,083	\$240,345	\$2,022,831	\$3,531	\$478,245	\$285,943	(\$30,657)	\$2,232,620	\$43,377

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

Public Service Company of North Carolina
Docket No. G-5, Sub 632
NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2020

Line No.	Item	Durham Incident [25] (bb)	Lobbying Expense [26] (cc)	CNG Tax Credit [27] (dd)	Pensions & OPEB [28] (ee)	Interest Synchronization [29] (gg)	After Public Staff Adjustments [30] (hh)
Operating Revenues:							
1	Sales and transportation of gas						\$573,596,985
2	Special Contract Revenues						0
3	Other operating revenues						3,005,303
4	Total operating revenues (L1 - L3)	0	0	0	0	0	576,602,288
5	Cost of gas						218,647,096
6	Margin					0	357,955,192
Operating Expenses:							
7	Operating and maintenance	(798,280)	(316,137)	(144,515)	(1,052,143)		131,944,796
8	Depreciation						75,508,915
9	General taxes						18,615,540
10	State income tax (4%)	19,957	7,903	3,613	26,304	(65,412)	2,392,825
11	Federal income tax (35%)	163,448	64,729	29,589	215,426	(535,726)	19,597,255
12	Amortization of investment tax credits						-
13	Amortization of EDIT						-
14	Total operating expenses (Sum of L4 thru L10)	(614,875)	(243,505)	(111,313)	(810,413)	(601,138)	248,059,331
15	Interest on customer deposits						-
16	Net operating income for return (L3 - L12+L11+L12)	<u>\$614,875</u>	<u>\$243,505</u>	<u>\$111,313</u>	<u>\$810,413</u>	<u>\$601,138</u>	<u>\$109,895,862</u>
	Revenue Requirement Effect	\$800,921	\$317,183	\$144,994	\$1,055,624	\$783,027	

[23] Schedule 3-19.
[24] Schedule 3-20.
[25] Schedule 3-21 - **CONFIDENTIAL**; per response to DR 121-04.
[26] Schedule 3-22.
[27] Schedule 3-23.
[28] Per Witness Perry
[29] Sum of columns (a) through (cc).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
CALCULATION OF PUBLIC STAFF PAYROLL ADJUSTMENTS
For The Test Year Ended December 31, 2020

Line No.	Item	Company [1] (a)	Public Staff (b)	Public Staff Change [6] (c)
1	Union Employee Salaries as of 6/30/21 Update	\$15,676,476	\$15,676,476	\$0
2	2021 Union Progression Increases	-	-	-
3	Union Merit Increase	-	-	-
4	Non-Union Salaries as of 6/30/21 Update	23,434,888	23,434,888	-
5	Non-Union Merit Increase effective 6/30/21 Update	-	-	-
6	PSNC Overtime Pay	4,550,145	4,550,145	-
7	Overtime Increase	-	-	-
8	Total Regular PSNC Payroll	43,661,509	43,661,509	-
9	Percent of Payroll to O&M	72.30% [2]	72.30% [2]	-
10	Total O&M Portion of PSNC Payroll	31,567,271	31,567,271	-
11	SCANA Services Payroll Allocated to PSNC	266,193	266,193	-
12	Additional Headcount (O&M only) + Expected Headcount	443,789 [2]	40,344 [5]	(403,445)
13	Total Payroll Expense, Excluding Bonus & Incentive Pay	\$32,277,253	\$31,833,464	(403,445)
14	Payroll Tax Percent			7.65% [1]
15	Public Staff Adjustment to Payroll Taxes			(\$30,864)

[1] MFR Item 4, Workpaper 3-A, p. 2.

[2] MFR Item 4, Workpaper 3-A, p. 1.

[3] MFR Item 4, Workpaper 3-A, p. 2, updated to June 2021.

[4] Exhibit I, Schedule 3-1(a), Line 10.

[5] Recommended by Public Staff based on review of documentation.

[6] Column b minus Column a.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC
Docket No. G-5, Sub 632
ADJUSTMENT TO OTHER BENEFITS
For the Test Year Ended December 31, 2020

Line No.	Item (a)	PSNC June Amount (b)	[1]	Per Public Staff (c)	[1]	Adjustment
	YTD Clearing Acct. Balances - Total Service Company:					
1.	401K (Acct. 1840603)	\$21,492,743		21,492,743		
2.	Long-Term Disability (Acct. 1840604 and 1840626)	3,091,575		3,091,575		
3.	Short-Term Disability (Acct. 1840616 and 1840635)	<u>2,794,308</u>		-	[2]	
4.	Total Other Benefits (Sum of L1 - L3)	27,378,626		24,584,318		
5.	Divided by Total Payroll (Test Year)	<u>343,830,341</u>		<u>343,830,341</u>		
6.	Equals Benefits to Total Payroll Percentage (L4/L5)	7.96%		7.15%		
7.	Multiplied by Total PSNC Payroll Expense Adjustment	<u>1,886,052</u>		<u>1,054,015</u>	[3]	
8.	Adjustment to Increase (Decrease) Other Benefits Expense (L6*L7)	<u>\$150,183</u>		<u>\$75,363</u>		<u>(\$74,820)</u>

[1] Unless otherwise noted, Company filing Item 4a.3F - Adjustment for Other Benefits - 2021 - June.

[2] Per Data Request response 106-01_Attachment Excel file.

[3] Company Employee Compensation Adjustment per Item 41a.3A - Public Staff Payroll Adjustment, Johnson Exhibit I, Schedule 3-1.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
**ADJUSTMENT TO ANNUAL INCENTIVE PLAN AND
LONG TERM INCENTIVE PLAN EXPENSE**
For The Test Year Ended December 31, 2020

Line No.	Item	Amount
Annual Incentive Plan (AIP)		
1	DENC Executive AIP expense associated with earnings	\$957,094 1/
2	Percentage associated with earnings	<u>100.00% 2/</u>
3	Adjustment to remove AIP related to EPS outcomes - NC (-L1 x L2)	(957,094)
4	Executive AIP already removed in executive compensation adjustment	<u>53,028 3/</u>
5	Adjustment to AIP (L3 + L4)	<u>(\$904,066)</u>
 Long Term Incentive Plan (LTI)		
6	LTI associated with earnings at target	\$1,454,378 4/
7	Percentage associated with earnings	<u>100.00%</u>
8	Adjustment to remove LTI associated with earnings - NC jurisdictional (-L6)	(1,454,378)
9	Executive LTI already removed in executive compensation adjustment	<u>126,662 3/</u>
10	Adjustment to LTI (L7 + L8)	<u>(\$1,327,716)</u>
11	Adjustment to incentive plan expense (L5 + L9)	<u>(\$2,231,782)</u>

- 1/ From Company Response to Public Staff Data Request No. 163, Item 4.
- 2/ NC S&W Allocation factor.
- 3/ Based on executive compensation adjustment.
- 4/ From Company Response to Public Staff Data Request No. 163, Item 5.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO PENSION AND OPEB
For The Test Year Ended December 31, 2020

Line No.	Item	Pension [1]	OPEB [1]	Total
1	Actual per book amounts annualized through June 30, 2021	(\$309,604)	\$922,582	
2	2021 Annualized PSNC OPEB expense to O&M per Company	<u>293,023</u>	<u>1,372,099</u>	
3	Public Staff Adjustment for Pension and OPEB to O&M Expense	<u>(\$602,627)</u>	<u>(\$449,517)</u>	<u>(\$1,052,143)</u>

[1] Per Company response to DR108 and Item 4a.3E.

Revised Johnson Exhibit I
Schedule 3-5

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO RATE CASE EXPENSE
For The Test Year Ended December 31, 2020

Line No.	Item	Per Company [1]	Actual Payments as of June 30, 2021 [2]	Difference	50% of Difference	Public Staff Amount [3]
		(a)	(b)	(c)	(d)	(e)
	Rate case expenses per Company					
	Cost of witnesses (list out)					
1	John Taylor	\$170,000	\$95,201	\$74,799	\$37,400	\$132,601
2	John Spanos	60,000	35,963	24,037	12,019	47,981
3	Jim Herdon	90,000	36,825	53,175	26,588	63,413
4	Jennifer Nelson	125,000	52,484	72,516	36,258	88,742
5	Anticipated PS Witness	100,000	900	99,100	49,550	50,450
6	Total Cost of Witnesses	545,000	221,373	323,627	161,814	383,186
7	Outside legal counsel	451,200	451,200	\$0	0	451,200
8	Misc. expenses (meals, mileage, printing)	13,396	13,396	0	0	13,396
9	Newspaper announcements	15,028	15,028	0	0	15,028
10	Rate case charges to amortize (Acct 1823484)	\$1,024,624	\$700,996	\$323,627	\$161,814	\$862,810
11	Amortization period in years					5
12	Annual amortization per Public Staff (L1 / L2)					172,562
13	Less: Annual amortization per Company					341,541
14	Public Staff adjustment to O&M expenses (L3 - L4)					(\$168,979)

[1] Per Company responses to DR12-2.

[2] Recommended by Public Staff.

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

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO SPONSORSHIPS AND DUES
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	HBA Dues	(\$1,055) [1]
2	Industry Association Dues	<u>(56,789) [2]</u>
3	Public Staff adjustment to sponsorships and dues (L1 + L2)	<u><u>(\$57,844)</u></u>

[1] Per review of G-1 Filing, Item 11.

[2] Per review of G-1 Filing, Item 13a.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO UNCOLLECTIBLES
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>NC Net Write-Offs</u>	<u>Gas Cost Deferrals</u>	<u>Total, net gas costs</u>	<u>Sales & Transportation Revenues</u>
1	Year Ended December 31, 2016	\$462,212	(\$106,190)	\$356,022	\$423,011,193
2	Year Ended December 31, 2017	901,383	(242,331)	659,052	470,248,194
3	Year Ended December 31, 2018	1,432,425	(424,879)	1,007,546	523,483,826
4	Year Ended December 31, 2019	1,185,819	(406,188)	779,632	539,254,916
5	Year Ended December 31, 2020	<u>706,990</u>	<u>(45,662)</u>	<u>661,328</u>	<u>510,174,293</u>
6	Total for the 5 year period (Sum of L1 - L5)	\$4,688,829	(\$1,225,250)	\$3,463,580	\$2,466,172,422
7	Number of years presented			<u>5</u>	<u>5</u>
8	Five-year average (L4 / L5)			<u>\$692,716</u>	<u>\$493,234,484</u>
9	Uncollectibles percentage per Public Staff (L6, Column (c) / L6, Column (d))				0.1404%
10	Pro Forma Revenues from sales and transportation of gas, net of gas costs				<u>355,430,710</u>
11	Uncollectibles per Public Staff (L9 x L10)				499,179
12	Uncollectibles per Company Update				670,539
13	Adjustment to uncollectibles (L11 - L12)				<u>(\$171,360)</u>

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO INFLATION EXPENSE
For The Test Year Ended December 31, 2020

Line No.	Item	Amount
1	Non-adjusted O&M expenses per the Company	\$111,748,813 [1]
2	Less adjusted expenses per Company filing	<u>96,657,626 [1]</u>
3	Total expenses subject to inflation per Company	15,091,187
Less: Additional Expenses adjusted elsewhere		
4	Transmission O&M Expense	(\$239,552) [2]
5	Legal Fees associated with Durham Incident	(798,280) [3]
6	BOD Expenses	(188,718) [4]
7	Remove lobbying/political expenses	(316,137) [6]
8	Remove Sponsorships and Dues	(57,844) [7]
9	Remove Executive Compensation	(872,854) [7]
10	Test Year Advertising Expenses	<u>(657,150) [5]</u>
11	Adjusted expenses not subject to inflation adjustment	<u>(3,130,535)</u>
12	Non-adjusted O&M expenses per the Public Staff (L3 + L10)	11,960,652
13	Inflation index	<u>2.64% [5]</u>
14	Inflation adjustment per Public Staff (L11 x L12)	315,761
15	Inflation adjustment per Company	<u>398,407 [1]</u>
16	Adjustment to non-adjusted O&M expenses increased for inflation (L13 - L14)	<u><u>(\$82,646)</u></u>

[1] G-1, Item 4a, Workpaper 3L
 [2] Exhibit I, Schedule 3-11, Column c, Line 27.
 [3] Per Company response to DR 14-1.
 [4] Per Company response to DR15-1.
 [5] Recommended by Public Staff.
 [6] Exhibit I, Schedule 3-22.
 [7] Per query of response to DR49-1.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
NONUTILITY EXPENSE ADJUSTMENT
For The Test Year Ended December 31, 2020

Line No.	Account No.	Resource Code	Dept Code	Description	Merchandising, Jobbing, and CNG [1] (a)	Nonutility Equity Investments [1] (b)	Total [4] (c)	
Expenses subject to allocation:								
1	9200000			A&G Salaries & Incentives	\$872,854	\$1,274,293		
2	9210000	211		Office Supplies	9,062,560			
3	9210000	212		Copier Paper & Supplies	1,098			
4	8860000			Other Outside Services	377,944			
5	Various	439		Building Services	480,318			
6	9210000	501		A And G Rents	347,826			
7	9230000	501		Ico A & G Rent Eg	739,166			
8	9230000	528		Ico A And G Rents - Psnc	415,966			
9	9230000	526		Outside Services - Legal	2,711	2,711		
10	9240000			A And G Outside Svcs	4,547,280			
11	90370			Des Bill A And G Outside Svcs	497,845			
12	93020	misc		Property Insurance	353,626	250,421		
13	Various		810	Miscellaneous General Expenses	283,605	283,605		
14	Various		811	A And G Maint General Plant	939,850	939,850		
15	Various		813	Des Bill A&g Maintenance	177,917	177,917		
16				Subtotal (Sum of L1 thru L 20)	\$19,100,565	\$2,928,797		
17				Amounts previously allocated BTL	0	0		
18				Total expenses subject to allocation	\$19,100,565	\$2,928,797		
19				Allocation factors	2.083%	0.474%		
20				Adjustment per Public Staff (L18 x L19)	397,833	13,897	\$411,730	
21				Adjustment per Company	19,221	3,111	22,332	
22				Adjustment to increase the nonutility expense adjustment (L20 - L21)	\$378,612	\$10,786	\$389,398	
Allocation Ratios:					Revenues [3]	Payroll [3]	Property [3]	Average
				Utility	98.13%	98.97%	95.23%	97.443%
				Merchandise and Jobbing	1.44%	0.04%	4.77%	2.083%
				Other Non-Utility	0.43%	0.99%	0.00%	0.474%
				Total	100.00%	100.00%	100.00%	100.00%
				Combined Merchandise and Jobbing and Other Non-Utility				2.56%

[1] MFR Filing, Item 4a.3N - Non Utility Expense Adjustment - 2021 - Confidential Excel file
 [2] MFR Item 2, Item 02 - Trial Balance - 2021 Excel file.
 [3] Item 4a.4B - Allocation to Nonutility - 2021 Excel file.
 [4] Column (a) + Column (b) + Column(c).

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Docket No. G-5, Sub 632
ADJUSTMENT TO NEW TRANSMISSION PIPELINE COSTS
Test Year Ended December 31, 2020 - June 2021 Update

<u>Line No.</u>	<u>Item</u> (a)	<u>Company Amount</u> (b)	<u>Public Staff Amount</u>	<u>Adjustment</u>
1.	Transmission Pipeline Miles	38 [1]	38 [1]	
2.	Average Cost per Mile	\$21,052	\$14,748 [2]	
3.	Total Transmission Pipeline Cost to O&M	<u>\$799,976</u>	<u>\$560,424</u>	<u>(\$239,552)</u>

[1] Per Companys adjustment - Item 4a.3Z - New Transmission Pipeline Costs - 2021 - June
[2] Company Data Request Response 62-08_Supplemental

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO CHANGES FOR REGULATORY FEE
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Adjusted Test Year Sales and Transportation Revenues	\$576,602,288 [1]
	Less:	
2	CIAC Tax Gross-up	183,127 [1]
3	Uncollectibles	499,179 [2]
4	Amount Subject to Regulatory Fee	575,919,982
5	Regulatory Fee Percentage	0.130% [3]
6	Regulatory Fee per Public Staff (L4 x L5)	748,696
7	Regulatory Fee per Company	745,176 [1]
8	Public Staff Adjustment to Regulatory Fee (L6 - L7)	(\$3,520)

[1] MFR, Item 4a, Workpaper 3-C.

[2] Exhibit 1, Schedule 3-9, Line 9.

[3] Per Commission Order on June 18, 2019, Docket No. M-100, Sub 142.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
RESEARCH & DEVELOPMENT COSTS
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Proposed Annual R&D O&M Expense	\$285,000 [1]
2	Public Staff ongoing level of R&D O&M Expense	<u>0 [2]</u>
3	Public Staff Adjustment to O&M Expenses (L2 - L1)	<u>(\$285,000)</u>

[1] Company filing. MFR Item 4a 3Y.
[2] Per Public Staff witness Patel.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
Customer Deposits and Interest
For The Test Year Ended December 31, 2020

Line No.	Item	Customer Deposits [1]	Interest [1]
1	June 2020	(7,738,531)	50,566
2	July 2020	(7,661,593)	48,853
3	August 2020	(7,632,306)	32,354
4	September 2020	(7,596,662)	62,697
5	October 2020	(7,579,952)	25,511
6	November 2020	(7,468,637)	12,740
7	December 2020	(7,408,806)	96,397
8	January 2021	(7,249,873)	45,147
9	February 2021	(6,843,371)	40,417
10	March 2021	(7,229,877)	45,814
11	April 2021	(7,148,847)	42,783
12	May 2021	(7,067,351)	41,393
13	June 2021	(6,992,112)	42,508
14	Total sum of Line 1 through 13	<u>(95,617,918)</u>	<u>587,180</u>
15	Number of Months	13	13
16	13 Month Average (Line 14/ Line 15)	(7,355,224)	45,168
17	Average calculated per Company	<u>(7,727,828)</u>	<u>42,817</u>
18	Public Staff Adjustment to O&M Expenses (L16 - L17)	<u>\$372,604</u>	<u>\$2,351</u>
19	Adjustment required in Customer Deposits per PS		587,180 [2]
20	Adjustment required in Customer Deposits per Company		<u>556,625</u>
21	Difference (Line 19 - Line 20)		<u>30,555</u>

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

[2] Per Line 14.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO SERVICE COMPANY CHARGES
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> [1]
	(a)	(b)
1.	Service Company Charges 12- months ended June 30, 2021 (less bonuses)	\$44,062,193 [2]
2.	Company Amount Service Company Charges (less bonuses)	<u>46,553,646</u>
3.	Increase (Decrease) over Test Year	(2,491,453)
4.	Less: Proforma adjustment for Service Company Payroll	(266,196)
5.	Adjustment to Increase (Decrease) Service Company Charges	<u>(\$2,225,257)</u>

[1] Unless otherwise noted, per Company June Update Item 4a.3M - Service Company Charges - 2021 June Excel file.
[2] Per Data Request Response PS 116-01_Attachment - Updated Service Company

Public Service Company of North Carolina
Docket No. G-5, Sub 632
CUSTOMER ACCOUNTS EXPENSE
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Customer Accounts Expenses - Test Year	<u>\$12,065,885</u>
	Less: Amounts Considered Elsewhere:	
2	Service Company charges (excluding Acct 904)	9,536,248
3	Uncollectibles accounts (Acct 904)	775,812
4	Amount of Payroll Charged to Customer Accounts	524,451
5	Amount of Postage Charged to Customer Accounts	<u>1,665,182</u> [1]
6	Total	<u>12,501,693</u>
7	Total Subject to Growth Adjustment	(435,807)
8	Growth Factor	2.60%
9	Public Staff Adjustment	(11,315)
10	Company Adjustment	<u>31,919</u>
11	Adjustment required to Customer Accounts Expense	<u>(\$43,234)</u>

[1] Per Company response to DR 112-1.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO LOBBYING EXPENSE
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> (a)
1	Internal Lobbying Costs to be removed per Public Staff	\$316,137 [1]
2	Lobbying percentage	100% [2]
3	Adjustment to remove lobbying expenses from department (L5 x L6)	316,137
4	Total adjustment to remove lobbying expenses (L7 + L10)	<u>(\$316,137)</u>

- [1] Per review of Company response to DR12.
[2] Recommended by Public Staff

Public Service Company of North Carolina
Docket No. G-5, Sub 632
ADJUSTMENT TO CNG TAX CREDIT
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount [1] (b)</u>
1	2020 CNG Tax Credit	(\$185,824)
2	Percentage allocated O&M	<u>77.77%</u>
3	Public Staff Adjustment to CNG Tax Credit	<u>(\$144,515)</u>

[1] MFR Item 4a, Workpaper 3-O, per Company.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
INTEREST SYNCHRONIZATION ADJUSTMENT
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Interest expense assigned to rate base per Company	\$33,556,364 [1]
2	Interest expense assigned to rate base per Public Staff	<u>36,172,853 [2]</u>
3	Difference in interest expense tax deduction (L2 - L1)	<u>\$2,616,489</u>
4	Adjustment to state income taxes (L3 x 4%)	<u>(\$65,412)</u>
5	Adjustment to federal income taxes (L3 - L4 x 35%)	<u>(\$535,726)</u>
6	Total adjustment to income taxes	<u>(\$601,138)</u>

[1] Spaulding Exhibit 6, Page 2.

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

Public Service Company of North Carolina
Docket No. G-5, Sub 632
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2020

Line No.	Item	Capitalization Ratios [1] (a)	Original Cost Rate Base [2] (b)	Before Recommended Increase			Rate Base	After Recommended Increase		
				Embedded Cost/Return % [3] (c)	Weighted Cost/Return % [4] (d)	Net Operating Income [5] (e)		Embedded Cost/Return % [6] (f)	Weighted Cost/Return % [7] (g)	Net Operating Income [8] (h)
1	Long term debt	47.71%	\$811,544,778 [2]	4.45% [1]	2.12% [5]	\$36,113,743 [7]	\$811,956,978	4.45%	2.12% [10]	\$36,132,086 [12]
2	Short term debt	1.39%	23,643,832 [2]	0.25% [1]	0.00% [5]	59,110 [7]	23,655,842	0.25%	0.00% [10]	\$59,140 [12]
3	Common equity	<u>50.90%</u>	<u>865,806,522 [2]</u>	8.51% [4]	<u>4.33% [5]</u>	<u>73,723,009 [8]</u>	<u>866,246,283</u>	9.48%	<u>4.83% [10]</u>	<u>\$82,120,148 [12]</u>
4	Totals	<u>100.00%</u>	<u>\$1,700,995,132 [3]</u>		<u>6.45% [6]</u>	<u>\$109,895,862 [9]</u>	<u>\$1,701,859,103</u>		<u>6.95% [11]</u>	<u>\$118,311,374 [13]</u>

[1] Per Public Staff Witness.
[2] Column (a) x Column (b), Line 4.
[3] Schedule 2.
[4] Column (e) / Column (b).
[5] Column (a) x Column (c).
[6] Column (e), Line 4 / Column (b), Line 4.
[7] Column (b) x Column (c).

[8] Column (e), Line 4 - Line 1 - Line 2.
[9] Schedule 3.
[10] Column (a) x Column (f).
[11] Column (h), Line 4 / Column (b), Line 4.
[12] Column (b) x Column (f).
[13] Sum of Line 1 thru L3.

Public Service Company of North Carolina
Docket No. G-5, Sub 632
**CALCULATION OF INCREASE (DECREASE) IN
REVENUE REQUIREMENT**
For The Test Year Ended December 31, 2020

Line No.	Item	Debt		Equity (c)	Total (d)
		Long Term (a)	Short Term (b)		
1	Required net operating income	\$36,132,086 [1]	\$59,140 [1]	\$82,120,148 [1]	\$118,311,374
2	Net operating income before proposed increase	<u>36,113,743 [2]</u>	<u>59,110 [2]</u>	<u>73,723,009 [2]</u>	<u>109,895,862</u>
3	Additional net operating income requirement (L1 - L2)	18,343	30	8,397,139	8,415,512
4	Retention factor	<u>0.996703 [3]</u>	<u>0.996703 [3]</u>	<u>0.7677101 [3]</u>	
5	Additional gross revenue requirement (L3 / L4)	<u>\$18,404</u>	<u>\$30</u>	<u>\$10,937,904</u>	<u>\$10,956,338</u>

[1] Schedule 4, Column (h).

[2] Schedule 4, Column (e).

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

Revised Johnson Exhibit I
Schedule 5(a)

Public Service Company of North Carolina
Docket No. G-5, Sub 632
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended December 31, 2020

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factors (c)	Gross Revenue Effect (d)	Composite Tax Rate (e)	Net of Tax Overall Rate of Return (f)
Rate Base Factor:							
1	Long-term debt	47.71%	4.45%	0.9967026	0.02130119	0.77025	1.64%
2	Short-term debt	1.39%	0.25%	0.9967026	0.00003486	0.77025	0.00%
3	Common equity	50.90%	9.48%	0.7677101	0.06285341	1.00000	4.83%
4	Total (Sum of L1 thru L3)	<u>100.00%</u>			<u>0.08418946</u>		<u>6.47%</u>
Net Income Factor:							
5	Total revenue				1.0000000		
6	Uncollectibles				0.0020000		
7	Balance (L5 - L6)				<u>0.9980000</u>		
8	Regulatory fee (L7 x current regulatory fee rate)				0.0012974		
9	Balance (L7 - L8)				<u>0.9967026</u>		
10	Less: State income tax (L9 x 2.5%)				0.0249176		
11	Balance (L9 - L10)				<u>0.9717850</u>		
12	Less: Federal income tax (L11 x 21%)				0.2040749		
13	Gross up factor (L11 - L12)				<u>0.7677101</u>		