

CAROLINA WATER SERVICE, INC. OF NORTH
CAROLINA
NCUC FORM W-1
RATE CASE INFORMATION REPORT
DOCKET NO. W-354, SUB 400

Part – II

Support to Items W1-10

CAROLINA WATER SERVICE, INC. OF NORTH
CAROLINA
NCUC FORM W-1
RATE CASE INFORMATION REPORT
DOCKET NO. W-354, SUB 400
ITEM 10

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10

Table of Contents - Summary of Book and Pro-Forma Adjustments - Base Case

Adjustment #	Description	Adjustment Type	Filing Exhibit Schedule	Support Schedule	Adjustment Amount				Total Adjustment
					Uniform Water	Uniform Sewer	BE/FH/TC Water	BE/FH/TC Sewer	
1	Allocation Adjustment - re-allocate Plant In-Service, A/D, ADIT based on 25% ratio for Availability ERC's:								
	Plant In-Service	Book	A-1a, A-1b	Schedule 1	(218,683.26)	(130,467.71)	(26,274.20)	(26,894.29)	(402,319.47)
	Accumulated Depreciation	Book	A-2a, A-2b	Schedule 1	175,230.43	104,543.50	21,053.46	21,550.34	322,377.72
	Accumulated Deferred Income Taxes	Book	A-6a, A-6b	Schedule 1	(1,269.44)	(757.36)	(152.52)	(156.12)	(2,335.44)
2	Plant Additions and Retirements / Accumulated Depreciation Retirements and Depreciation								
	PlS - Pro-Forma Additions through 09/30/22	Pro-Forma	A-1a, A-1b	Schedule 2	4,325,136.50	3,725,662.06	304,337.03	809,925.90	9,165,061.48
	PlS - Pro-Forma Retirements through 09/30/22	Pro-Forma	A-1a, A-1b	Schedule 2	(697,386.80)	(489,941.19)	(50,699.65)	(73,515.42)	(1,311,543.07)
	A/D - Pro-Forma Retirements through 09/30/22	Pro-Forma	A-2a, A-2b	Schedule 2	697,386.80	489,941.19	50,699.65	73,515.42	1,311,543.07
	A/D - Pro-Forma Accumulated Depreciation through 09/30/22	Pro-Forma	A-2a, A-2b	Schedule 2	(1,892,550.10)	(1,668,920.39)	(100,617.69)	(238,864.62)	(3,900,952.79)
	Annualize Depreciation Expense through 09/30/22	Pro-Forma	B-21a, B-21b	B-21a, B-21b	331,173.14	355,818.52	50,638.83	66,250.65	803,881.14
3	Adjust cash working capital for changes in maintenance and general expenses:								
	Book Adjustment	Book	A-3a, A-3b	A-3a, A-3b	1,455,210.38	1,065,935.55	172,414.58	177,483.49	2,871,044.00
	Pro-Forma Adjustment	Pro-Forma	A-3a, A-3b	A-3a, A-3b	116,030.39	41,581.54	17,742.00	20,511.88	195,865.81
4	Contributions in Aid of Construction - Additions and Amortization								
	Pro-Forma Additions and Amortization through 09/30/22	Pro-Forma	A-4a, A-4b	A-4a, A-4b	366,410.14	313,085.91	28,391.55	75,317.57	783,205.17
	Annualize Amortization Expense through 09/30/22	Pro-Forma	B-23a, B-23b	B-23a, B-23b	(28,254.91)	2,101.52	(16,322.54)	(5,638.83)	(48,114.76)
5	Adjust Accumulated Deferred Income Taxes - Prior Commission Orders and Unamortized Balances:								
	State	Book & Pro-Forma	A-6a, A-6b	Schedule 5	(276,061.71)	(178,240.84)	(36,571.52)	(46,070.94)	(536,945.01)
	Federal	Book & Pro-Forma	A-6a, A-6b	Schedule 5	227,901.12	(498,443.08)	203,014.78	121,502.66	53,975.48
6	Include Gain on Sale as approved in W-354, Sub 364	Book	A-9a	Schedule 6	(196,947.00)	(92,681.00)	-	-	(289,628.00)
7	Purchase Acquisition Adjustment - Amortization								
	Pro-Forma Amortization through 09/30/22	Pro-Forma	A-10a, A-10b	A-10a, A-10b	58,678.98	8,716.27	(7,926.99)	(21,925.00)	37,543.26
	Annualize Amortization Expense through 09/30/22	Pro-Forma	B-22a, B-22b	B-22a, B-22b	(14,528.95)	18,437.97	4,174.68	13,629.22	21,712.92
8	Include Cost Free Capital as approved in W-354, Sub 266	Book	A-12a	Schedule 8	(121,791.00)	(139,708.00)	-	-	(261,499.00)
9	Avg. Tax Accruals								
	Adjust Property Taxes for 1/2 of property tax expense	Pro-Forma	A-13a, A-13b	A-13a, A-13b	67,984.51	52,814.62	3,873.02	4,876.76	129,548.91
	Adjust Regulatory fee for current Service Revenues * 0.13% at 1/5 accrual.	Pro-Forma	A-13a, A-13b	A-13a, A-13b	5,935.79	4,561.74	489.09	684.75	11,671.37
10	Include unamortized balance of Federal Protected EDIT:								
	Unamortized Federal Protected EDIT reserve	Pro-Forma	A-14a, A-14b	Schedule 10	(1,949,905.00)	(1,163,325.00)	(276,179.00)	(282,697.00)	(3,672,106.00)
	Amortization of Federal Protected EDIT	Pro-Forma	B-20a, B-20b	Schedule 10	(36,704.00)	(21,898.00)	(5,199.00)	(5,321.00)	(69,122.00)
	Unamortized NC State Tax reserve	Pro-Forma	A-14a, A-14b	Schedule 10	(717,341.00)	(427,970.00)	(86,187.00)	(88,221.00)	(1,319,719.00)
	Amortization of NC State Tax EDIT (3% to 2.5%) - 3 Year Amortization	Pro-Forma	B-20a, B-20b	Schedule 10	(28,178.00)	(16,811.00)	(3,386.00)	(3,465.00)	(51,840.00)
	Adjust Deferred Charges and Amortization of Rate Case Expenses:								
11	Remove all Test Year cost in Deferred Charges & Rate Case Expense balances	Book	A-15a, A-15b	A-15a, A-15b	(1,335,683.77)	(2,212,377.83)	(143,157.15)	(101,824.55)	(3,793,043.30)
12	To adjust annual rate case amortization expense	Pro-Forma	B-15a, B-15b	Schedule 12	198,781.36	118,594.39	21,925.20	22,442.56	361,743.51
13	To adjust non-rate case expense deferred charges to reflect unamortized balances as of 4/1/2023	Pro-Forma	A-15a, A-15b	Schedule 13	358,704.88	523,044.11	40,469.16	-	922,218.15
13	To adjust non-rate case expense deferred charges to reflect annual amortization expense	Pro-Forma	B-6a, B-6b	Schedule 13	(49,182.44)	(164,849.75)	(1,702.75)	17,065.88	(198,669.06)
14	Adjust Service Revenues to pro-forma present rate levels	Book	B-1a, B-1b	Schedule E	2,867,248.55	1,255,781.53	448,710.54	353,560.35	4,925,300.96
	Adjust Miscellaneous Revenues for pro-forma present rate levels:								
15	Adjust Uncollectible Accounts	Book	B-1a, B-1b	B-2a, B-2b	114,837.22	(155,115.81)	19,605.01	(32,203.39)	(52,876.98)
16	Adjust Late Payment Charges	Book	B-1a, B-1b	B-3a, B-3b	242.95	197.68	30.18	47.87	518.68
17	Adjust Power Expense for vendor price changes since start of Test Year	Pro-Forma	B-4a, B-4b	Schedule 17	-	-	-	-	-

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
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Table of Contents - Summary of Book and Pro-Forma Adjustments - Base Case

Adjustment #	Description	Adjustment Type	Filing Exhibit Schedule	Support Schedule	Adjustment Amount				Total Adjustment
					Uniform Water	Uniform Sewer	BE/FH/TC Water	BE/FH/TC Sewer	
18	<u>Adjust Purchased Water/Purchased Sewer Expense for vendor price changes since start of Test Year</u>	Pro-Forma	B-6a	Schedule 18	25,316.90	5,104.42	-	-	30,421.32
19	<u>Adjust Chemicals Expense for vendor price changes since start of Test Year</u>	Pro-Forma	B-9a, B-9b	Schedule 19	64,925.85	174,029.56	23,274.50	14,213.95	276,443.86
20	<u>Remove Unrecoverable Expenses:</u>								
	Outside Services & Internal Time	Pro-Forma	B-20a, B-20b	Schedule 20	(45,933.98)	(27,404.48)	(5,518.84)	(5,649.09)	(84,506.39)
	Advertising	Pro-Forma	B-20a, B-20b	Schedule 20	(486.58)	(290.30)	(6.64)	(6.80)	(790.32)
	Charitable Donations	Pro-Forma	B-20a, B-20b	Schedule 20	(5,337.53)	(3,184.40)	(737.85)	(755.26)	(10,015.04)
	Penalties/Fines	Pro-Forma	B-20a, B-20b	Schedule 20	(472.84)	(5,629.85)	-	-	(6,102.69)
	Memberships and Dues (NAWC)	Pro-Forma	B-20a, B-20b	Schedule 20	(1,450.30)	(865.26)	(174.25)	(178.36)	(2,668.17)
21	<u>Update Salaries & Wages to reflect new going level rates and head count:</u>								
	Adjustment to reflect going level pay rates and headcount	Pro-Forma	B-13a, B-13b	Schedule 21	393,880.81	234,991.59	160,227.64	164,009.11	953,109.15
	Adjustment to reflect updated payroll taxes based on going level salary and wages update	Pro-Forma	B-25a, B-25b	Schedule 21	41,400.32	23,699.68	13,717.10	14,040.84	92,857.94
22	<u>Adjust Captime for Salaries Adjustment</u>	Pro-Forma	B-11a, B-11b	Schedule 22	89,856.77	53,608.59	10,796.51	11,051.05	165,312.92
23	<u>To Include Payment Processing Fees and Water Efficiency Program Noticing Cost</u>	Pro-Forma	B-14a, B-14b	Schedule 23	150,503.05	89,791.00	18,082.53	18,509.29	276,885.87
24	<u>Adjust rent expense for going level rates</u>	Pro-Forma	B-17a, B-17b	Schedule 24	100,148.09	59,749.40	13,166.23	13,477.42	186,541.14
25	<u>Adjust Insurance Expense to annualize current policy premiums</u>								
	General Liability Insurance	Pro-Forma	B-18a, B-18b	Schedule 25	100,869.13	60,179.11	9,848.60	10,081.03	180,977.88
	Property Insurance	Pro-Forma	B-18a, B-18b	Schedule 25	40,017.09	23,874.43	722.22	739.26	65,353.00
	Vehicle Insurance	Pro-Forma	B-18a, B-18b	Schedule 25	1,863.95	1,112.05	(943.92)	(966.20)	1,065.87
	Uninsured Losses	Pro-Forma	B-18a, B-18b	Schedule 25	(40,036.73)	(23,886.14)	(275.86)	(282.37)	(64,481.09)
	Other Insurance	Pro-Forma	B-18a, B-18b	Schedule 25	(40,300.97)	(24,043.80)	(6,185.17)	(6,331.14)	(76,861.07)
26	<u>Adjust for expenses associated with the Echota and Seven Devils acquisition</u>	Pro-Forma	B-20a	Schedule 26	243,811.00	65,171.00	-	-	308,982.00
	<u>To reflect pro-forma Corix Shared Service Cost to North Carolina</u>								
27a	Fusion ERP Rate Base	Pro-Forma	A-15a, A-15b	Schedule 27	700,139.71	417,707.44	84,119.89	86,105.18	1,288,072.21
27b	Corporate Cost	Pro-Forma	B-20a, B-20b	Schedule 27	(64,326.35)	(38,377.48)	(53,428.33)	(54,689.27)	(210,821.43)
27b	Regional Cost	Pro-Forma	B-20a, B-20b	Schedule 27	(7,166.75)	(4,275.72)	(6,399.67)	(6,550.70)	(24,392.84)
27b	Regulatory Expense Amortization	Pro-Forma	B-15a, B-15b	Schedule 27	13,981.11	8,341.21	1,679.79	1,719.44	25,721.55
28	<u>Adjust Regulatory Fee (Utility/Commission Tax) for proposed revenues</u>								
	Remove test year amount	Pro-Forma	B-25a, B-25b	B-25a, B-25b	(28,483.23)	(23,174.84)	-	-	(51,658.07)
	Include annualized amount to reflect going level based on proposed revenues	Pro-Forma	B-25a, B-25b	B-25a, B-25b	31,846.71	25,102.62	2,753.22	3,939.77	63,642.32

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

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WSIP Periods

Summary of WSIP Period Adjustments

Description	Adjustment Type	Filing Exhibit Schedule	Support Schedule	Adjustment Amount				Total Adjustment
				Uniform Water	Uniform Sewer	BE/FH/TC Water	BE/FH/TC Sewer	
Plant Additions and Retirements								
PIS - Additions/Retirements (13 Mo Average - 04/01/23-03/31/24)	WSIP Rate Year 1	A-1a, A-1b	Schedule 2	8,984,935.61	11,465,466.70	2,229,135.71	975,466.40	23,655,004.42
PIS - Additions/Retirements (13 Mo Average - 04/01/24-03/31/25)	WSIP Rate Year 2	A-1a, A-1b	Schedule 2	6,845,197.55	10,264,077.79	695,080.55	1,587,265.43	19,391,621.33
PIS - Additions/Retirements (13 Mo Average - 04/01/25-03/31/26)	WSIP Rate Year 3	A-1a, A-1b	Schedule 2	7,036,950.68	9,749,574.18	499,307.65	860,172.31	18,146,004.82

Description: This is the resulting adjustment through each of the rate years in the WSIP period. The totals are derived through inclusion of additions and retirements from Schedule 2 through each month of the rate year. Monthly balances are provided in the excel filing exhibits. This portion of the revenue requirement is set by using a 13 month average of the accumulated depreciation balances. Monthly ending balances are provided in columns AY through CU in the rate filing template excel on the Plant in Service tab.

Accumulated Depreciation

A/D - Retirements/Depreciation (13 Mo Average - 04/01/23-03/31/24)	WSIP Rate Year 1	A-2a, A-2b	Schedule 2	(2,154,592.18)	(697,595.57)	(144,999.72)	(292,719.66)	(3,289,907.13)
A/D - Retirements/Depreciation (13 Mo Average - 04/01/24-03/31/25)	WSIP Rate Year 2	A-2a, A-2b	Schedule 2	(2,851,763.91)	(1,418,752.56)	6,669.29	(172,753.40)	(4,436,600.59)
A/D - Retirements/Depreciation (13 Mo Average - 04/01/25-03/31/26)	WSIP Rate Year 3	A-2a, A-2b	Schedule 2	(3,134,429.33)	(1,818,445.81)	(123,982.80)	(405,081.99)	(5,481,939.93)

Description: This is the resulting adjustment through each of the rate years in the WSIP period. The totals are derived through inclusion of retirements from Schedule 2 through each month of the rate year, and adding on monthly amortization. Monthly balances are provided in the excel filing exhibits. This portion of the revenue requirement is set by using a 13 month average of the accumulated depreciation balances. Monthly ending balances are provided in columns AX through CT in the rate filing template excel on the Accum Depr tab.

Cash Working Capital

CWC (Annual Expenses - 04/01/23-03/31/24)	WSIP Rate Year 1	A-3a, A-3b	A-3a, A-3b	169,229.32	80,618.85	6,553.31	14,674.16	271,075.64
CWC (Annual Expenses - 04/01/24-03/31/25)	WSIP Rate Year 2	A-3a, A-3b	A-3a, A-3b	47,287.23	32,085.43	5,830.50	7,820.17	93,023.33
CWC (Annual Expenses - 04/01/25-03/31/26)	WSIP Rate Year 3	A-3a, A-3b	A-3a, A-3b	48,521.78	7,597.95	6,030.80	7,873.53	70,024.05

Description: This is the resulting adjustment through each of the rate years in the WSIP period. The totals are derived by calculating all of the expenses for the revenue requirement in the WSIP period, removing Purchased Water and Sewer treatment expenses and multiplying the remaining expenses by 1/8th for working capital.

Contributions in Aid of Construction

CIAC - Amortization (13 Mo Average - 04/01/23-03/31/24)	WSIP Rate Year 1	A-4a, A-4b	A-4a, A-4b	732,820.28	626,171.81	56,783.10	150,635.14	1,566,410.33
CIAC - Amortization (13 Mo Average - 04/01/24-03/31/25)	WSIP Rate Year 2	A-4a, A-4b	A-4a, A-4b	732,820.28	626,171.81	56,783.10	150,635.14	1,566,410.33
CIAC - Amortization (13 Mo Average - 04/01/25-03/31/26)	WSIP Rate Year 3	A-4a, A-4b	A-4a, A-4b	732,820.28	626,171.81	56,783.10	150,635.14	1,566,410.33

Description: This is the resulting adjustment through each of the rate years in the WSIP period. The totals are derived through calculating amortization each month of the rate year. Monthly balances are provided in the excel filing exhibits. This portion of the revenue requirement is set by using a 13 month average of the CIAC and Accumulated CIAC balances. Monthly ending balances are provided in columns AQ through CM in the rate filing template excel on the CIAC tab.

Purchase Acquisition Adjustment

PAA - Amortization (13 Mo Average - 04/01/23-03/31/24)	WSIP Rate Year 1	A-10a, A-10b	A-10a, A-10b	117,357.96	17,432.54	(15,853.98)	(43,850.00)	75,086.52
PAA - Amortization (13 Mo Average - 04/01/24-03/31/25)	WSIP Rate Year 2	A-10a, A-10b	A-10a, A-10b	117,357.96	17,432.54	(15,853.98)	(43,850.00)	75,086.52
PAA - Amortization (13 Mo Average - 04/01/25-03/31/26)	WSIP Rate Year 3	A-10a, A-10b	A-10a, A-10b	117,357.96	17,432.54	(15,853.98)	(43,850.00)	75,086.52

Description: This is the resulting adjustment through each of the rate years in the WSIP period. The totals are derived through calculating amortization each month of the rate year. Monthly balances are provided in the excel filing exhibits. This portion of the revenue requirement is set by using a 13 month average of the PAA and Accumulated PAA balances. Monthly ending balances are provided in columns AK through CG in the rate filing template excel on the PAA tab.

Carolina Water Service, Inc. of North Carolina
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WSIP Periods

Summary of WSIP Period Adjustments

Description	Adjustment Type	Filing Exhibit Schedule	Support Schedule	Adjustment Amount				Total Adjustment
				Uniform Water	Uniform Sewer	BE/FH/TC Water	BE/FH/TC Sewer	
Average Tax Accruals								
Average Tax Accrual (Annual Expense - 04/01/23-03/31/24)	WSIP Rate Year 1	A-13a, A-13b	A-13a, A-13b	5,672.90	6,240.84	1,328.71	439.60	13,682.05
Average Tax Accrual (Annual Expense - 04/01/24-03/31/25)	WSIP Rate Year 2	A-13a, A-13b	A-13a, A-13b	3,869.05	5,043.08	401.62	510.25	9,824.01
Average Tax Accrual (Annual Expense - 04/01/25-03/31/26)	WSIP Rate Year 3	A-13a, A-13b	A-13a, A-13b	3,968.98	4,737.26	288.74	276.10	9,271.08

Description: This is the resulting adjustment through each of the rate years in the WSIP period. The totals are derived by calculating all of the expenses for the revenue requirement in the WSIP period. Property taxes are accrued to rate base at 1/2 of the expense, regulatory fees are accrued to rate base at 1/5 of the expense.

Excess Deferred Income Taxes								
EDIT (Manual Build - 04/01/23-03/31/24)	WSIP Rate Year 1	A-14a, A-14b	Schedule 10	23,828.00	14,216.00	3,375.00	3,454.00	44,873.00
EDIT (Manual Build - 04/01/24-03/31/25)	WSIP Rate Year 2	A-14a, A-14b	Schedule 10	47,655.00	28,432.00	6,749.00	6,909.00	89,745.00
EDIT (Manual Build - 04/01/25-03/31/26)	WSIP Rate Year 3	A-14a, A-14b	Schedule 10	47,656.00	28,431.00	6,750.00	6,909.00	89,746.00

Description: A full build for excess deferred income taxes through each of the WSIP rate years is provided in Schedule 10.

Deferred Charges								
Deferred Charges (Manual Build - 04/01/23-03/31/24)	WSIP Rate Year 1	A-15a, A-15b	Schedule 13	93,998.09	(38,122.81)	8,370.51	40,958.40	105,204.19
Deferred Charges (Manual Build - 04/01/24-03/31/25)	WSIP Rate Year 2	A-15a, A-15b	Schedule 13	127,113.53	(73,111.27)	(529.21)	30,718.80	84,191.85
Deferred Charges (Manual Build - 04/01/25-03/31/26)	WSIP Rate Year 3	A-15a, A-15b	Schedule 13	11,709.91	(61,229.03)	(16,317.50)	(20,479.20)	(86,315.82)

Description: A full build for deferred charges through each of the WSIP rate years is provided in Schedule 13.

Expense Adjustments								
Expense Adjustments (04/01/23-03/31/24)	WSIP Rate Year 1	B	Schedule 29	1,700,593.68	1,603,236.74	262,835.17	269,785.03	3,836,450.61
Expense Adjustments (04/01/23-03/31/24)	WSIP Rate Year 2	B	Schedule 29	656,108.17	676,399.96	82,286.83	128,658.29	1,543,453.26
Expense Adjustments (04/01/23-03/31/24)	WSIP Rate Year 3	B	Schedule 29	668,871.38	475,185.82	69,926.20	90,633.75	1,304,617.16

Description: See attached schedule 29 for specific expense inflators used through each of the WSIP periods. Areas that do not get a generic inflationary adjustment either get no inflationary adjustment or have a manual build of expenses. Examples of accounts with specific expense builds in the WSIP periods include deferred charges, and rent.

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Narrative of Book and Pro-Forma Adjustments - Base Case

Adjustment #	
1	<p>Purpose: Public Staff has historically adjusted the ERC count used for allocation of corporate costs by treating availability customers as 0.25 of 1 customer. This calculation sheet adjusts the Test Year amounts based on Test Year ended 3/31/2021 ERC counts, with all Utilities, Inc. availability customers treated as 0.25 customers.</p> <p>Method: CWSNC took Test Year ended customer counts per the Company's ERP system and recalculated total ERCs by subsidiary of Utilities, Inc. by treating availability customers as 0.25 customers. CWSNC recalculated the allocated costs at the updated ERC allocation percentage and allocated to the Rate Divisions based on their Test Year end ERC counts. This is a one time manual adjustment that flows through all WSIP periods and does not need additional adjustments.</p>
2	<p>Purpose: To include estimated capital investment spend, retirements, accumulated depreciation, and annualized depreciation expense through the base case cutoff period and Water Sewer Investment Plan period.</p> <p>Method: Add plant in service and retirements on a monthly basis through the base case cutoff and Water Sewer Investment Plan period. Annualize expected depreciation expense and calculate accumulated depreciation through the periods based on a thirteen month average rate base.</p>
3	<p>Purpose: To recalculate book and pro-forma Cash Working Capital based on accumulated adjustments to O&M expenses.</p> <p>Method: Total Per Books Adjustment, Column A, captures the matching Column A on the Income Statement Schedule B for the applicable Rate Division. Total Pro-Forma Adjustment, Column B, captures the matching Column B on the Income Statement Schedule B for the applicable Rate Division. The amount is the sum on Income Statement B for the total General or Maintenance Expenses. Purchased Water and Sewer Expenses are excluded from the Cash Working Capital rate base amount. Cash Working Capital is calculated as 1/8th of the total Pro-Forma Proposed General and Maintenance Expenses.</p>
4	<p>Purpose: Adjust for accumulated amortization of CIAC through 09/30/22, the expected roll-forward and cutoff date.</p> <p>Method: Adjust for accumulated amortization of CIAC through 09/30/22, the expected roll-forward and cutoff date. Annualize CIAC amortization expense based on end of period totals.</p>

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
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W1-10

Narrative of Book and Pro-Forma Adjustments - Base Case

<u>Adjustment #</u>	
5	<p>Purpose: To adjust book balances of ADIT for each Rate Division per approved adjustments in prior orders, as well as for pro-forma balances in deferred rate case expense and unamortized deferred maintenance (Schedule A-14a and b).</p> <p>Method: Utilized book balances for Uniform and BF/FH/TC consolidated (Water/Sewer) rate divisions. Combined with adjustments in prior cases Sub 344 and Sub 354. Then took pro-forma deferred rate case expense multiplied by effective tax rate for federal and state to determine ADIT for rate case costs, resulting in adjustment for Column C. Did the same for Deferred Maintenance (Schedule A-14a), resulting in adjustment for Column D.</p> <p>Column F identifies the allocation method for the Rate Divisions. Pro-forma values for these allocation factors were used to allocate between Water and Sewer, and rate groups. Please see Excel Workpaper for identification of allocation factor inputs and prior case values.</p>
6	<p>Purpose: To incorporate gain on sale and flow back of taxes per order issued in W-354, Sub 384.</p> <p>Method: Identified Gain on Sale and Flowback of Taxes balance as utilized by Public Staff in Sub 384 , consistent with workpapers included in Sub 384 filing and resulting Final Order.</p>
7	<p>Purpose: Adjust for accumulated amortization of PAA through 09/30/22, the expected roll-forward and cutoff date.</p> <p>Method: Adjust for accumulated amortization of PAA through 09/30/22, the expected roll-forward and cutoff date. Annualize PAA amortization expense based on end of period totals.</p>
8	<p>Purpose: To incorporate cost free capital as identified in W-354, Sub 266 for gross-up on CIAC received but not refunded to developers for sold systems. No amortization to be included with this rate base deduction.</p> <p>Method: Identified Cost Free Capital balance as utilized by Public Staff in Sub 360 (Henry Schedule 2-10), consistent with workpapers included in Sub 266 filing and resulting Final Order.</p>
9	<p>Purpose: To adjust Regulatory Fee book amounts in Average Tax Accruals for pro-forma present rate service revenues.</p> <p>Method: The Company removed the book balances as a Per Books Adjustment. The Pro-Forma Adjustment multiplies the Regulatory Fee rate of 0.13% by the pro-forma present rate service revenues in Column F, Schedules B-1a and b. 1/5th of the resulting value is used as a rate base deduction.</p>

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Narrative of Book and Pro-Forma Adjustments - Base Case

<u>Adjustment #</u>	
10	<p>Purpose: To provide updated balances and resulting amortization levels for the federal protected excess deferred income tax regulatory liability. To provide for adjustments related to the eventual decline of the NC state corporate income tax to 0%. Once the corporate tax rate is set to 0% in 2030, the remaining protected balance will be amortized over the life of the transactions that generated the deferred taxes.</p> <p>Method: This adjustment summaries the federal protected EDIT balances as set in Sub 384 and updated through 03/31/23 for rate base and amortization updates. Include the reallocation of NC state income taxes from ADIT to a regulatory liability due to the eventual reduction of NC State Corporate tax rate to 0% by 2030. Additionally, unamortized EDIT associated with the NC state corporate income tax rate change from 3% to 2.5% was identified, those amounts are proposed to amortize back to customers over the three year WSIP Period.</p>
11	<p>Purpose: To remove maintenance testing deferrals from Deferred Charges, and therefore rate base, as these deferrals are historically not recoverable in rate base.</p> <p>Method: Identified direct ledger balances and reversed Test Year activity to present pro-forma amounts as \$0.</p>
12	<p>Purpose: To amortize previously approved and estimated rate case expenses over the three year WSIP period.</p> <p>Method: Identified authorized deferred rate case expense from Sub 384. The 5 year amortization from Sub 384 was carried from 04/08/22 to 3/31/2023. This anticipates rates effective in the current case of 4/1/2023. When combined with the estimated rate case expenses in this case (see Column [B]), the totals on lines 6 and 12 for the Rate Divisions are divided by a new 5 year term to produce an updated annual amortization expense. This amortization expense replaces the book amortization expense of Schedules B-15a and b.</p>
13	<p>Purpose: To determine the rate base component associated with deferred maintenance activity for the base case and through the WSIP To adjust Deferred Maintenance Expense for pro-forma adjustments to deferred maintenance rate base and calculate annual expense through the WSIP periods.</p> <p>Method: Removed book balances as of Test Year end for Deferred Charges and Accumulated Amortization deferred charges accounts. Updated the amortization schedules used in setting of rates in Sub 384 calculating unamortized balances for open deferrals through 3/31/2023. This anticipates rates effective from the current proceeding of 4/1/2023. Further calculated out deferred maintenance through the WSIP period based on operational expectations, using beginning + ending balance for average rate base in the WSIP periods. Using approved amortization schedules from Sub 384, carried amortization activity through 3/31/2023, anticipating new rates effective 4/1/2023. Pro-forma deferred maintenance additions were included per estimated costs from operations. Deferred maintenance items from Sub 384 were annualized based on their respective March 2023 amortization expense. Estimate deferred maintenance activity and annual amortization through the WSIP periods.</p>

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W1-10

Narrative of Book and Pro-Forma Adjustments - Base Case

<u>Adjustment #</u>	
14	<p>Purpose: To reflect, as an direct Per Books Adjustment, the difference between direct ledger service revenues and End of Period Revenues at Present Rates, as shown in Schedule E.</p> <p>Method: Identified End of Period Pro-Forma Present Rate Revenues for each applicable Rate Division from Schedule E, and used that value in Column C for Service Revenues, Schedules B-1a and b. The resulting difference between direct ledger Service Revenues and this value is reflected in Column B of Schedules B-1a and b.</p>
15	<p>Purpose: Adjust uncollectibles expense for the test year and WSIP periods.</p> <p>Method: Calculate a uncollectibles/bad debt expense during the test year and apply that rate to all pro-forma periods. Allocate uncollectibles in total between water and sewer rate groups.</p>
16	<p>Purpose: Adjust late fees revenue for the test year and WSIP periods.</p> <p>Method: Calculate late fees revenue during the test year and apply that rate to all pro-forma periods.</p>
17	<p>Purpose: To adjust Test Year actual power expenses for rate changes from vendors occurring after the start of the Test Year (4/1/2021). This allows for pro-forma adjustments to reflect the annualized costs for Power Expense for CWSNC in this rate case.</p> <p>Method: The Company has not identified any increases but is using this spot as a placeholder for expense updates through the update period.</p>
18	<p>Purpose: To adjust Test Year actual purchased services expenses for rate changes from vendors occurring after the start of the Test Year (4/1/2021). This allows for pro-forma adjustments to reflect the annualized costs for Purchased Water/Sewer Treatment Expense for CWSNC in this rate case.</p> <p>Method: The Company reviewed bills from and corresponded with its vendors to identify where rates changed since 4/1/2021, or who had issued notice that their rates will change in the near future. CWSNC identified invoices paid during the Test Year before the effective date of the rate change and increased those bill amounts by the effective rate increase for the vendor. The Company compared invoices to the vendor website rate schedule or a copy of prior rates effective to identify the percent of rate change. Johnston County issued a notice that their rates would change as of 09/01/2021. All other rate increases noted are identified from vendor invoices or the provider's rate schedules per its website.</p>

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Narrative of Book and Pro-Forma Adjustments - Base Case

<u>Adjustment #</u>	
19	<p>Purpose: To adjust Test Year actual chemicals expenses for rate changes from primary vendor, WaterGuard, Based on the prices effective 7/1/2022. This allows for pro-forma adjustments to reflect the annualized costs for Chemicals Expense for CWSNC in this rate case.</p> <p>Method: The Company received correspondence from WaterGuard that identified certain chemical price changes to be effective 7/1/2022. The Company identified WaterGuard invoices in the Test Year. CWSNC analyzed the detailed Test Year chemical purchasing report provided by the vendor, and used the actual quantities purchased, multiplied by the current effective prices to restate test year purchases to reflect the various price increases. The Company used the purchase locations provided in the detailed report to assign purchases to the Company's rate groups. The Company then calculated the difference between test year actuals, and test year quantities at current prices, to calculate the pro forma adjustments.</p>
20	<p>Purpose: To remove activity during the test year for which the Company is not seeking recovery, including advertising, lobbying, penalties and fines, and contribution costs from the Test Year.</p> <p>Method: All costs related to lobbying and legislative efforts are removed from the Test Year data. These costs are already partially allocated to non-reg departments, the remainder is removed from this filing. An estimate for internal time spent on these activities is also removed for rate making purposes. This includes costs related to Public Sector Group and Sanford Law Office (Account 549000), costs related to contributions (Account 623100), advertising (621100), penalties and fines (625100), and dues apportioned for lobbying activities (629100).</p>
21	<p>Purpose: To calculate pro-forma salaries and wages, as well as related payroll taxes, and deferred compensation.</p> <p>Method: This adjustment annualizes current pay rates as of May 15 2022 pay period. Adjustment also includes vacancies expected to be filled during the rate case at estimated pay levels. Please see the Direct Testimony of Phil Drennan for a detailed explanation of the method used to calculate these adjustments.</p>
22	<p>Purpose: Adjust capitalized time in order to align with requested salaries expense. Contracted project managers are not included in salaries expense during the test year and the captime reduction associated with them needs to be removed. Due to the nature of the requested WSIP, captime associated with developing a rate case will not be recurring at the same frequency as prior and should be aligned with the expected project and rate case expense recovery period.</p> <p>Method: Identified booked capitalized time in the Sub 400 rate case - test year ending 03/31/22. Remove capitalized time associated with contract project managers. Reduce FP&A captime to better align with expected rate case amortization and work. Increment capitalized time to align with salary increases in WSIP periods.</p>

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Narrative of Book and Pro-Forma Adjustments - Base Case

<u>Adjustment #</u>	
23	<p>Purpose: This adjustment reflects the charges to be incurred by the Company for payment processing fees from its outside vendor, First Billing Services, when customers use a fee-based payment method to pay their water/sewer bills. These costs are current incurred by customers at the point of transaction and not included in Company costs.</p> <p>Further this adjustment reflects the approximate cost of annual supplemental noticing for the water efficiency program. The transition for residential payments was approved in the Sub 384 order. Due to the timing of the order and implementation of the transactions the test year does not include the costs the company will incur for payment processing fees.</p> <p>Method: The Company generated a report for the number of customers using fee-based electronic payment methods in the first quarter of 2022. CWSNC annualized those transactions and the aggregated fees to generate a pro-forma adjustment to account for payment processing fees the Company will be incurring in the cost to serve customers going forward. The Company used the first quarter of 2022 as representative of normal operations, CWSNC only included costs incurred for residential customers.</p>
24	<p>Purpose: To annualize most current rent expense levels for lease locations in North Carolina</p> <p>Method: The Company reviewed its rental property list to identify changes in lease payments. The Company identified in its lease agreements those leases which utilize step increase rates (Charlotte Office and Charlotte Warehouse). For the Charlotte Office, the annualized lease cost at 4/1/2023 for the new office location was utilized for pro-forma purposes. For the Charlotte Warehouse, the annualized lease cost at 4/1/2023 was utilized for pro-forma purposes. All other CWSNC rent is computed as the annualization of the most recent invoice paid, as supported by the current lease agreement.</p>
25	<p>Purpose: To annualize most current insurance premiums</p> <p>Method: The Company reviewed its insurance policies for the most recent renewal period and annualized those costs. These are the same costs used in the Sub 384 rate case, new premiums have not been issued yet. The premiums were then allocated to the North Carolina regulated companies using the various allocation methodologies outlined.</p>
26	<p>Purpose: The purpose of this adjustment is to account for additional operating expenses associated with the acquisition of Echota and Seven Devils. These expenses are offset by the revenue assumptions made in this case as part of the acquisition.</p> <p>Method: Expense assumptions are made based on the expense per ERC incurred in the Sub 384 docket utilizing the final commission ordered expenses. The addendum was provided as part of the Sub 396 acquisition docket.</p>

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<u>Adjustment #</u>	
27	<p>Purpose: To include annualized pro-forma costs allocated to CWSNC from the Corix Infrastructure, Inc. Shared Services Group</p> <p>Method: Pro-forma adjustments were then made to each North Carolina regulated rate group to reflect the 2021 first quarter annualized cost. Include rate base costs associated with the Fusion - Oracle Accounting ERP system. Include amortization of the Oracle ERP Regulatory Asset starting 03/31/22.</p>
28	<p>Purpose: To recalculate Regulatory Fee Expense based on Pro-Forma Proposed Revenues, inclusive of Service Revenues, Miscellaneous Revenues, and Uncollectible Account</p> <p>Method: Multiplies the 0.13% Regulatory Fee rate by the Total Operating Revenues as shown on the Income Statement Schedule B, Column I.</p>

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Schedule 1

Supplement to Schedule A-1a and b, A-2a and b, A-6 a and b

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Calculation of Rate Base Allocation Adjustments - Allocation Factor

Line No	Fusion Account	Description	Gross WSC Balance @ 3/31/2022	WSC Allocation @ 3/31/2022 ERC Unadjusted	WSC Allocation @ 3/31/2022 ERC	WSC Allocations Adjustment	CWSNC Uniform - Water	CWSNC Uniform - Sewer	BE/FH/TC - Water	BE/FH/TC - Sewer
			[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Plant in Service										
1	141220	Struct and Improv Office	3,460,667	640,499	613,606	(26,893)	(14,618)	(8,721)	(1,756)	(1,798)
2	141303	Office Furniture	2,458,314	454,984	435,880	(19,104)	(10,384)	(6,195)	(1,248)	(1,277)
3	141305	Stores Equipment	2,000	370	355	(16)	(8)	(5)	(1)	(1)
4	141308	Tool Shop Equipment	20,986	3,884	3,721	(163)	(89)	(53)	(11)	(11)
5	141310	Communications Equipment	358,144	66,285	63,502	(2,783)	(1,513)	(903)	(182)	(186)
6	141401	Vehicles	50,625	9,370	8,976	(393)	(214)	(128)	(26)	(26)
7	141501	Computer Hardware	7,113	1,317	1,261	(55)	(30)	(18)	(4)	(4)
8	141502	Desktop/Laptop Computers	160,655	29,734	28,486	(1,248)	(679)	(405)	(82)	(83)
9	141503	Mainframe Computers	1,086,953	201,173	192,726	(8,447)	(4,591)	(2,739)	(552)	(565)
10	141504	Mini Comp Wtr	10,169,733	1,882,210	1,803,180	(79,030)	(42,957)	(25,628)	(5,161)	(5,283)
11	141601	Computer Software	1,058,262	195,863	187,639	(8,224)	(4,470)	(2,667)	(537)	(550)
12	141602	Comp Systems	32,375,633	5,992,069	5,740,476	(251,593)	(136,755)	(81,589)	(16,431)	(16,819)
13	141603	Micro Systems	562,326	104,075	99,705	(4,370)	(2,375)	(1,417)	(285)	(292)
14	141699	Computer Clearing	-	-	-	-	-	-	-	-
15		Total Plant in Service	51,771,414	9,581,833	9,179,513	(402,319)	(218,683)	(130,468)	(26,274)	(26,894)
Accumulated Depreciation										
16	142220	Acc Dep - Struct and Imp	(583,609)	(108,014)	(103,479)	4,535	2,465	1,471	296	303
17	142303	Acc Dep - Office Furnitu	(1,532,557)	(283,645)	(271,735)	11,910	6,474	3,862	778	796
18	142305	Acc Dep - Stores Equipme	(93)	(17)	(16)	1	0	0	0	0
19	142308	Acc Dep - Tool Shop Equi	(21,985)	(4,069)	(3,898)	171	93	55	11	11
20	142310	Acc Dep - Communications	(430,520)	(79,680)	(76,335)	3,346	1,819	1,085	218	224
21	142401	Acc Dep - Vehicles	(50,625)	(9,370)	(8,976)	393	214	128	26	26
22	142501	Acc Dep - Computer Hardw	(1,785)	(330)	(316)	14	8	4	1	1
23	142502	Acc Dep - Desktop/Laptop	(16,385)	(3,032)	(2,905)	127	69	41	8	9
24	142503	Acc Dep - Mainframe Comp	(1,086,953)	(201,173)	(192,726)	8,447	4,591	2,739	552	565
25	142504	Acc Dep - Mini Comp Wtr	(8,536,042)	(1,579,847)	(1,513,513)	66,334	36,056	21,511	4,332	4,434
26	142601	Acc Dep - Computer Softw	(244,827)	(45,313)	(43,410)	1,903	1,034	617	124	127
27	142602	Acc Dep - Comp Systems	(28,416,617)	(5,259,336)	(5,038,508)	220,828	120,032	71,612	14,422	14,762
28	142603	Acc Dep - Micro Systems	(562,326)	(104,075)	(99,705)	4,370	2,375	1,417	285	292
29		Total Accumulated Depreciation	(41,484,322)	(7,677,902)	(7,355,524)	322,378	175,230	104,543	21,053	21,550
Accum. Deferred Income Taxes										
30	255001	Deferred Federal Tax Liab	15,995	2,960	2,836	(124)	(68)	(40)	(8)	(8)
31	255002	Deferred State Tax Liabil	284,535	52,662	50,451	(2,211)	(1,202)	(717)	(144)	(148)
32		Total Deferred Income Taxes	300,530	55,622	53,287	(2,335)	(1,269)	(757)	(153)	(156)
33		Total rate base (L15 + L29 + L32)	10,587,621	1,959,553	1,877,276	(82,277)	(44,722)	(26,682)	(5,373)	(5,500)

Notes:
Column [A] - Per Company Financials at March 31, 2022.
Column [B] - (Column [A]) * 18.508%
Column [C] - (Column [A]) * 17.731%
Column [D] - Column [C] - Column [B]
Column [E] - Column [D] * 54.36%
Column [F] - Column [D] * 32.43%
Column [G] - Column [D] * 6.53%
Column [H] - Column [D] * 6.68%

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Schedule 1

Supplement to Schedule A-1a and b, A-2a and b, A-6 a and b

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Calculation of Rate Base Allocation Adjustments - Allocation Factor

Purpose:

Public Staff has historically adjusted the ERC count used for allocation of corporate costs by treating availability customers as 0.25 of 1 customer. This calculation sheet adjusts the Test Year amounts based on Test Year ended 3/31/2022 ERC counts, with all Utilities, Inc. availability customers treated as 0.25 customers.

Method:

CWSNC took Test Year ended customer counts per the Company's ERP system and recalculated total ERCs by subsidiary of Utilities, Inc. by treating availability customers as 0.25 customers. CWSNC recalculated the allocated costs at the updated ERC allocation percentage and allocated to the Rate Divisions based on their Test Year end ERC counts. This is a one time manual adjustment that flows through all WSIP periods and does not need additional adjustments.

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 Supplement to Schedule A-1a, A-1b, A-2a, A-2b
 Capital Investment Plan

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 Schedule 2
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Project ID	System	Project	Rate Group	Utility Type	WSIP Period	NARUC Account	Obj. Acct.	In-Service Date	Forecast EAC	Retirement Amount	Depreciation Rate	Annualized Depreciation
2024013	Hemby Acres WWTP	NC - 2024 - Hemby Acres WWTP - Replace valves and piping	CWS-NC Uniform	Sewer	WSIP Year 2	380.40	141253	9/30/2024	97,134	(29,027)	2.50%	1,703
2024014	Hemby Acres	NC - 2024 - Hemby Acres WWTP - Rehab digester tanks	CWS-NC Uniform	Sewer	WSIP Year 2	380.40	141253	9/30/2024	95,524	(26,546)	2.50%	1,674
2023029	Whispering Pines	NC - 2023 - Whispering Pines - Water Main Replacement 10 6000 F (Pine Lake and Country Club)	CWS-NC Uniform	Water	WSIP Year 2	331.40	141232	12/31/2024	980,957	(29,698)	1.00%	9,513
2022023	Pinnacle Shores	NC - 2022 - Pinnacle Shores - Water Main Relocation- DOT road widening	CWS-NC Uniform	Water	WSIP Year 2	331.40	141232	3/31/2025	1,352,635	-	1.00%	13,526
2025003	Beechbrook	NC - 2025 - Beechbrook - Water Main Replacement on Beechbrook - (3500 LF) 2" - 4"	CWS-NC Uniform	Water	WSIP Year 3	331.40	141232	6/30/2025	292,452	(8,827)	1.00%	2,836
2025006	Brandywine Bay	NC - 2025 - Brandywine Bay - Morehead City Interconnect	CWS-NC Uniform	Water	WSIP Year 3	331.40	141232	6/30/2025	167,780	-	1.00%	1,673
2025011	Fairfield Harbour	NC - 2025 - Fairfield Harbour - Distribution Leak Detection / Repairs	BF-FH-TC	Water	WSIP Year 3	331.40	141232	6/30/2025	189,552	(5,721)	1.00%	1,838
2025013	Grandview	NC - 2025 - Grandview - Replace main and valves or eliminate sections of system as we don't have that many customers	CWS-NC Uniform	Water	WSIP Year 3	331.40	141232	6/30/2025	222,047	(6,702)	1.00%	2,153
2025018	Oakdale	NC - 2025 - Oakdale - Water Main Replacement on Donlee Dr and Leigh Cir - (3500 LF) 2" - 4"	CWS-NC Uniform	Water	WSIP Year 3	331.40	141232	6/30/2025	292,452	(8,827)	1.00%	2,836
2025019	Riverbend	NC - 2025 - Riverbend - Leak detection/Main Replacement	CWS-NC Uniform	Water	WSIP Year 3	331.40	141232	6/30/2025	109,254	(3,248)	1.00%	1,050
2025004	Bent Creek	NC - 2025 - Bent Creek - WWCS Improvements (Rehab - Clean, CCTV, CIPP, Replacement)	CWS-NC Uniform	Sewer	WSIP Year 3	361.20	141242	6/30/2025	133,993	(2,760)	1.00%	1,312
2025007	Carolina Trace	NC - 2025 - Carolina Trace - WWCS Improvements (Rehab - Clean, CCTV, CIPP, Replacement)	CWS-NC Uniform	Sewer	WSIP Year 3	361.20	141242	6/30/2025	379,104	(7,809)	1.00%	3,713
2025009	Conestoga Falls	NC - 2025 - Conestoga Falls - WWCS Improvements (Rehab - Clean, CCTV, CIPP, Replacement)	CWS-NC Uniform	Sewer	WSIP Year 3	361.20	141242	6/30/2025	303,283	(6,247)	1.00%	2,970
2025012	Fairfield Harbour	NC - 2025 - Fairfield Harbour - WWCS Improvements (Rehab - Clean, CCTV, CIPP, Replacement)	BF-FH-TC	Sewer	WSIP Year 3	361.20	141242	6/30/2025	379,104	(7,809)	1.00%	3,713
2025021	Sapphire Valley	NC - 2025 - Sapphire Valley - WWCS Improvements (Rehab - Clean, CCTV, CIPP, Replacement)	CWS-NC Uniform	Sewer	WSIP Year 3	361.20	141242	6/30/2025	215,326	(4,436)	1.00%	2,109
2025016	Hound Lars	NC - 2025 - Hound Lars - Bath House lift station replacement	CWS-NC Uniform	Sewer	WSIP Year 3	354.30	141208	6/30/2025	324,947	(21,486)	2.00%	6,069
2024006	Dunby	NC - 2024 - Dunby - WWTP Replacement - (1630 M&D)	CWS-NC Uniform	Sewer	WSIP Year 3	354.40	141209	9/30/2025	14,053,312	(2,317,652)	2.50%	293,366
2025015	High Meadows	NC - 2025 - High Meadows - Purchase and install permanent generator at Camp Cheerio.	CWS-NC Uniform	Water	WSIP Year 3	310.20	141226	9/30/2025	74,666	-	10.00%	7,467
2025017	Nags Head	NC - 2025 - Nags Head - Lift Station Generators	CWS-NC Uniform	Sewer	WSIP Year 3	359.40	141240	9/30/2025	106,665	-	10.00%	10,667
2025015	Beafield Farms	NC - 2025 - Beafield Farms - improvement to cabarrus county for emergency's to take plants down for maintenance on wetp's	BF-FH-TC	Sewer	WSIP Year 3	361.20	141242	9/30/2025	56,709	-	1.00%	567
2025014	Hemby Acres	NC - 2025 - Hemby Acres - Replace old or broken clay pipe and rehab manholes.	CWS-NC Uniform	Sewer	WSIP Year 3	361.20	141242	9/30/2025	80,498	(1,658)	1.00%	788
2025001	Abington	NC - 2025 - Abington - Rehab manholes because of lift issues and lift Stations	CWS-NC Uniform	Sewer	WSIP Year 3	354.30	141208	9/30/2025	162,759	(10,762)	2.00%	3,040
2025010	Dunby	NC - 2025 - Dunby - Glen Fimmers L-5 replace old control cabinets	CWS-NC Uniform	Sewer	WSIP Year 3	354.30	141208	9/30/2025	58,849	(3,891)	2.00%	1,099
2025023	Various	NC - 2025 - Various - SCADA and Remote Monitoring, Caustic Feed System Upgrades	CWS-NC Uniform	Water	WSIP Year 3	346.50	141310	9/30/2025	109,313	-	10.00%	10,931
2025024	Waterphyn	NC - 2025 - Waterphyn - SCADA System Installation	CWS-NC Uniform	Water	WSIP Year 3	346.50	141310	9/30/2025	80,181	-	10.00%	8,018
2025026	Woodhaven	NC - 2025 - Woodhaven - SCADA System Installation	CWS-NC Uniform	Water	WSIP Year 3	346.50	141310	9/30/2025	80,181	-	10.00%	8,018
2025025	Whispering Pines	NC - 2025 - Whispering Pines - Water Main Replacement (Thagards Lake)	CWS-NC Uniform	Water	WSIP Year 3	331.40	141232	12/31/2025	1,092,229	(32,968)	1.00%	10,920

Supplement to Schedule A-1a, A-1b, A-2a, A-2b

Capital Investment Plan - Recurring Spend

Spnd Category	Rate Group	Utility Type	NARUC Acct	Obj. Acct.	In-Service Date	Annualized Spend	Annualized Retirement	Depreciation Rate	Annualized Depreciation
Struct and Improv General Plant	BF-FH-TC	Sewer	354.70	141203	Rolling In Service	19,106	(2,328)	2.00%	382
Struct and Improv Collect Plant	BF-FH-TC	Sewer	354.20	141207	Rolling In Service	45	(7)	2.00%	1
Struct and Improv Pump Plant	BF-FH-TC	Sewer	354.30	141208	Rolling In Service	2,441	(175)	2.00%	53
Struct and Improv Treatment Plant	BF-FH-TC	Sewer	354.40	141209	Rolling In Service	12,580	(2,075)	2.50%	315
Power Gen Equip Pump Plt	BF-FH-TC	Sewer	355.30	141239	Rolling In Service	20,845	(10,906)	10.00%	2,084
Sewer Force Main	BF-FH-TC	Sewer	360.20	141241	Rolling In Service	11,311	(339)	1.33%	150
Sewer Gravity Main	BF-FH-TC	Sewer	361.20	141242	Rolling In Service	49,048	(1,010)	1.00%	490
Manholes	BF-FH-TC	Sewer	361.20	141243	Rolling In Service	7,274	(174)	1.00%	73
Service to Customers	BF-FH-TC	Sewer	363.20	141245	Rolling In Service	107,042	(3,207)	1.33%	1,424
Flow Measure Devices	BF-FH-TC	Sewer	364.20	141246	Rolling In Service	238	(89)	4.00%	10
Pumping Equip Pump Plt	BF-FH-TC	Sewer	371.30	141249	Rolling In Service	36,538	(24,322)	14.29%	5,221
Pumping Equip Reclaim WTP	BF-FH-TC	Sewer	371.50	141250	Rolling In Service	33,504	(22,303)	14.29%	4,788
Treat/Disp Equip Trt Plt	BF-FH-TC	Sewer	380.40	141253	Rolling In Service	34,572	(10,331)	2.50%	864
Plant Sewers Treatment Plt	BF-FH-TC	Sewer	381.40	141255	Rolling In Service	10,211	(3,051)	2.50%	255
Outfall Lines	BF-FH-TC	Sewer	382.40	141257	Rolling In Service	15,305	(485)	1.00%	153
Reuse Transmission and Dist	BF-FH-TC	Sewer	375.60	141264	Rolling In Service	350	(32)	2.00%	7
Other Plant Pump	BF-FH-TC	Sewer	389.20	141273	Rolling In Service	171	(28)	2.50%	4
Other Plant Reclaim Water Trt	BF-FH-TC	Sewer	389.50	141275	Rolling In Service	1,239	(265)	2.50%	31
Stores Equipment	BF-FH-TC	Sewer	392.70	141305	Rolling In Service	14	(5)	3.33%	0
Lab Equipment	BF-FH-TC	Sewer	394.70	141306	Rolling In Service	56	(37)	10.00%	6
Tool Shop Equipment	BF-FH-TC	Sewer	395.70	141308	Rolling In Service	2,030	(1,001)	5.00%	101
Power Operated Equipment	BF-FH-TC	Sewer	395.70	141309	Rolling In Service	2,045	(1,070)	10.00%	205
Communications Equipment	BF-FH-TC	Sewer	396.70	141310	Rolling In Service	18,330	(9,591)	10.00%	1,833
Misc Equipment	BF-FH-TC	Sewer	397.70	141311	Rolling In Service	10,823	(2,804)	3.33%	360
Vehicles	BF-FH-TC	Sewer	391.70	141401	Rolling In Service	26,720	(26,720)	20.00%	5,344
Struct and Improv General Plant	BF-FH-TC	Water	304.50	141203	Rolling In Service	377	(46)	2.00%	8
Struct and Improv Service Supplies	BF-FH-TC	Water	304.20	141204	Rolling In Service	11,921	(1,453)	2.00%	238
Struct and Improv Water Treat Plt	BF-FH-TC	Water	304.30	141205	Rolling In Service	1,373	(167)	2.00%	27
Wells and Springs	BF-FH-TC	Water	307.20	141223	Rolling In Service	8,840	(1,382)	2.00%	177
Supply Mains	BF-FH-TC	Water	309.20	141225	Rolling In Service	1,130	(34)	1.00%	11
Electric Pump Equip Sec Pump	BF-FH-TC	Water	311.20	141227	Rolling In Service	10,924	(7,272)	14.29%	1,561
Electric Pump Equip WTP	BF-FH-TC	Water	311.30	141228	Rolling In Service	15,734	(4,077)	3.33%	524
Electric Pump Equip Trans Dist	BF-FH-TC	Water	311.40	141229	Rolling In Service	10,579	(7,042)	14.29%	1,512
Water Treatment Equipment	BF-FH-TC	Water	320.30	141230	Rolling In Service	6,082	(1,601)	2.50%	152
Dist Resv and Standpipes	BF-FH-TC	Water	330.40	141231	Rolling In Service	50,794	(5,666)	2.00%	1,016
Trans and Distr Mains	BF-FH-TC	Water	331.40	141232	Rolling In Service	33,866	(1,022)	1.00%	339
Service Lines	BF-FH-TC	Water	333.40	141233	Rolling In Service	89,813	(12,782)	2.00%	1,796
Meters	BF-FH-TC	Water	334.40	141234	Rolling In Service	20,092	(7,189)	3.33%	669
Meter Installations	BF-FH-TC	Water	334.40	141235	Rolling In Service	11,753	(4,205)	3.33%	391
Hydrants	BF-FH-TC	Water	335.40	141236	Rolling In Service	7,824	(1,676)	2.50%	196
Backflow Prevention Devices	BF-FH-TC	Water	336.40	141237	Rolling In Service	135	(98)	10.00%	13
Stores Equipment	BF-FH-TC	Water	342.50	141305	Rolling In Service	34	(12)	3.33%	1
Lab Equipment	BF-FH-TC	Water	344.50	141306	Rolling In Service	915	(606)	10.00%	92
Tool Shop Equipment	BF-FH-TC	Water	343.50	141308	Rolling In Service	2,989	(1,474)	5.00%	149
Power Operated Equipment	BF-FH-TC	Water	345.50	141309	Rolling In Service	2,243	(1,173)	10.00%	224
Communications Equipment	BF-FH-TC	Water	346.50	141310	Rolling In Service	14,937	(7,815)	10.00%	1,494
Misc Equipment	BF-FH-TC	Water	347.50	141311	Rolling In Service	126	(33)	3.33%	4
Vehicles	BF-FH-TC	Water	341.50	141401	Rolling In Service	26,120	(26,120)	20.00%	5,224
Struct and Improv General Plant	CWS - NC Uniform	Sewer	354.70	141203	Rolling In Service	29,713	(3,621)	2.00%	594
Struct and Improv Collect Plant	CWS - NC Uniform	Sewer	354.20	141207	Rolling In Service	5,040	(788)	2.00%	101
Struct and Improv Pump Plant	CWS - NC Uniform	Sewer	354.30	141208	Rolling In Service	48,298	(3,194)	2.00%	966
Struct and Improv Treatment Plant	CWS - NC Uniform	Sewer	354.40	141209	Rolling In Service	59,857	(9,872)	2.50%	1,496
Struct and Improv Reclaim Wtr Dist	CWS - NC Uniform	Sewer	354.60	141211	Rolling In Service	280	(84)	2.50%	7
Power Gen Equip Pump Plt	CWS - NC Uniform	Sewer	355.30	141239	Rolling In Service	355	(185)	10.00%	35
Power Gen Equip Treat Plt	CWS - NC Uniform	Sewer	355.40	141240	Rolling In Service	29,883	(15,635)	10.00%	2,988
Sewer Force Main	CWS - NC Uniform	Sewer	360.20	141241	Rolling In Service	89,538	(2,683)	1.33%	1,191
Sewer Gravity Main	CWS - NC Uniform	Sewer	361.20	141242	Rolling In Service	160,449	(3,305)	1.00%	1,604
Manholes	CWS - NC Uniform	Sewer	361.20	141243	Rolling In Service	95,337	(2,282)	1.00%	953
Special Collection Structures	CWS - NC Uniform	Sewer	362.20	141244	Rolling In Service	300	(47)	2.00%	6
Service to Customers	CWS - NC Uniform	Sewer	363.20	141245	Rolling In Service	207,499	(6,217)	1.33%	2,760
Flow Measure Devices	CWS - NC Uniform	Sewer	364.20	141246	Rolling In Service	9,860	(3,678)	4.00%	394
Flow Measure Install	CWS - NC Uniform	Sewer	365.20	141247	Rolling In Service	29	(11)	4.00%	1
Receiving Wells	CWS - NC Uniform	Sewer	370.30	141248	Rolling In Service	44,156	(4,697)	2.00%	883
Pumping Equip Pump Plt	CWS - NC Uniform	Sewer	371.30	141249	Rolling In Service	560,414	(373,054)	14.29%	80,083
Pumping Equip Reclaim WTP	CWS - NC Uniform	Sewer	371.50	141250	Rolling In Service	3,131	(2,084)	14.29%	447
Pumping Equip Recl Wtr Dist	CWS - NC Uniform	Sewer	371.60	141251	Rolling In Service	11,566	(7,699)	14.29%	1,653
Treat/Disp Equip Lagoon	CWS - NC Uniform	Sewer	380.40	141252	Rolling In Service	8,155	(1,747)	2.50%	204
Treat/Disp Equip Trt Plt	CWS - NC Uniform	Sewer	380.40	141253	Rolling In Service	356,423	(106,510)	2.50%	8,911
Treat/Disp Equip Reclm Wtr	CWS - NC Uniform	Sewer	380.50	141254	Rolling In Service	12,013	(2,573)	2.50%	300
Plant Sewers Treatment Plt	CWS - NC Uniform	Sewer	381.40	141255	Rolling In Service	76,044	(22,724)	2.50%	1,901
Plant Sewers Reclaim Wtr	CWS - NC Uniform	Sewer	381.50	141256	Rolling In Service	240	(72)	2.50%	6
Outfall Lines	CWS - NC Uniform	Sewer	382.40	141257	Rolling In Service	44,245	(1,403)	1.00%	442
Reuse Dist Reservoirs	CWS - NC Uniform	Sewer	374.50	141263	Rolling In Service	27	(3)	2.00%	1
Reuse Transmission and Dist	CWS - NC Uniform	Sewer	375.60	141264	Rolling In Service	11,370	(1,025)	2.00%	227
Other Tangible Plant	CWS - NC Uniform	Sewer	389.10	141271	Rolling In Service	3,317	(991)	2.50%	83
Other Plant Collection	CWS - NC Uniform	Sewer	389.20	141272	Rolling In Service	154	(22)	2.00%	3

Carolina Water Service, Inc. of North Carolina
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Capital Investment Plan - Recurring Spend

Spend Category	Rate Group	Utility Type	NARUC Acct	Obj. Acct.	In-Service Date	Annualized Spend	Annualized Retirement	Depreciation Rate	Annualized Depreciation
Other Plant Pump	CWS - NC Uniform	Sewer	389.30	141273	Rolling In Service	1,688	(278)	2.50%	42
Other Plant Treatment	CWS - NC Uniform	Sewer	389.40	141274	Rolling In Service	18,549	(3,059)	2.50%	464
Stores Equipment	CWS - NC Uniform	Sewer	392.70	141305	Rolling In Service	1,283	(444)	3.33%	43
Lab Equipment	CWS - NC Uniform	Sewer	394.70	141306	Rolling In Service	11,572	(7,662)	10.00%	1,157
Tool Shop Equipment	CWS - NC Uniform	Sewer	393.70	141308	Rolling In Service	8,107	(3,989)	5.00%	405
Power Operated Equipment	CWS - NC Uniform	Sewer	395.70	141309	Rolling In Service	41,139	(21,525)	10.00%	4,114
Communications Equipment	CWS - NC Uniform	Sewer	396.70	141310	Rolling In Service	12,515	(6,548)	10.00%	1,252
Misc Equipment	CWS - NC Uniform	Sewer	397.70	141311	Rolling In Service	10,096	(2,616)	3.33%	336
Vehicles	CWS - NC Uniform	Sewer	391.70	141401	Rolling In Service	129,720	(129,720)	20.00%	25,944
Struct and Improv General Plant	CWS - NC Uniform	Water	304.50	141203	Rolling In Service	19,141	(2,333)	2.00%	383
Struct and Improv Service Supplies	CWS - NC Uniform	Water	304.20	141204	Rolling In Service	41,654	(5,076)	2.00%	833
Struct and Improv Water Treat Plt	CWS - NC Uniform	Water	304.30	141205	Rolling In Service	70,355	(8,574)	2.00%	1,407
Struct and Improv Trans Dist Plt	CWS - NC Uniform	Water	304.40	141206	Rolling In Service	10,964	(1,336)	2.00%	219
Wells and Springs	CWS - NC Uniform	Water	307.20	141223	Rolling In Service	88,816	(13,889)	2.00%	1,776
Supply Mains	CWS - NC Uniform	Water	309.20	141225	Rolling In Service	112,908	(3,408)	1.00%	1,129
Power Generation Equipment	CWS - NC Uniform	Water	310.20	141226	Rolling In Service	1,298	(679)	10.00%	130
Electric Pump Equip Sec Pump	CWS - NC Uniform	Water	311.20	141227	Rolling In Service	173,887	(115,753)	14.29%	24,848
Electric Pump Equip WTP	CWS - NC Uniform	Water	311.30	141228	Rolling In Service	388,855	(100,753)	3.33%	12,949
Electric Pump Equip Trans Dist	CWS - NC Uniform	Water	311.40	141229	Rolling In Service	307,126	(204,446)	14.29%	43,888
Water Treatment Equipment	CWS - NC Uniform	Water	320.30	141230	Rolling In Service	235,376	(61,974)	2.50%	5,884
Dist Resv and Standpipes	CWS - NC Uniform	Water	330.40	141231	Rolling In Service	155,753	(17,574)	2.00%	3,115
Trans and Distr Mains	CWS - NC Uniform	Water	331.40	141232	Rolling In Service	1,032,302	(31,159)	1.00%	10,323
Service Lines	CWS - NC Uniform	Water	333.40	141233	Rolling In Service	998,861	(142,160)	2.00%	19,977
Meters	CWS - NC Uniform	Water	334.40	141234	Rolling In Service	108,508	(38,823)	3.33%	3,613
Meter Installations	CWS - NC Uniform	Water	334.40	141235	Rolling In Service	81,231	(29,063)	3.33%	2,705
Hydrants	CWS - NC Uniform	Water	335.40	141236	Rolling In Service	71,888	(15,399)	2.50%	1,797
Backflow Prevention Devices	CWS - NC Uniform	Water	336.40	141237	Rolling In Service	7,846	(5,676)	10.00%	785
Stores Equipment	CWS - NC Uniform	Water	342.50	141305	Rolling In Service	3,871	(1,341)	3.33%	129
Lab Equipment	CWS - NC Uniform	Water	344.50	141306	Rolling In Service	4,686	(3,103)	10.00%	469
Tool Shop Equipment	CWS - NC Uniform	Water	343.50	141308	Rolling In Service	12,686	(6,257)	5.00%	634
Power Operated Equipment	CWS - NC Uniform	Water	345.50	141309	Rolling In Service	13,717	(7,177)	10.00%	1,372
Communications Equipment	CWS - NC Uniform	Water	346.50	141310	Rolling In Service	9,804	(5,129)	10.00%	980
Misc Equipment	CWS - NC Uniform	Water	347.50	141311	Rolling In Service	11,156	(2,891)	3.33%	372
Vehicles	CWS - NC Uniform	Water	341.50	141401	Rolling In Service	217,440	(217,440)	20.00%	43,488

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Carolina Water Service, Inc. of North Carolina
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Supplement to Schedule A-1a, A-1b, A-2a, A-2b

Capital Investment Plan

Purpose:

To include estimated capital investment spend, retirements, accumulated depreciation, and annualized depreciation expense through the base case cutoff period and Water Sewer Investment Plan period.

Method:

Add plant in service and retirements on a monthly basis through the base case cutoff and Water Sewer Investment Plan period. Annualize expected depreciation expense and calculate accumulated depreciation through the periods based on a thirteen month average rate base.

Carolina Water Service, Inc. of North Carolina
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Schedule 5

Supplement to Schedule A-6a and b

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Calculation of Base Case ADIT

Line No.	Acct. No.	Description	Per Books [A]	Adjustment from Prior Orders [B]	Reflect Adjusted Level of	Reflect Adjusted Level of	Base Case Adjusted ADIT per Company [E]	Allocation Basis [F]	CWSNC	CWSNC	BE/FH/TC -	BE/FH/TC -
					Unamortized Rate Case Expense [C]	Unamortized Deferred Maintenance [D]			Uniform - Water [G]	Uniform - Sewer [H]	Water [I]	Sewer [J]
1	4367	ACCUM DEF INCOME TAX-FED	615,056.55	(11,661.89)			603,394.66	Customers	328,005.34	195,680.89	39,401.67	40,306.76
3	4371	DEF FED TAX - TAP FEE POS	2,732,462.20	(81,900.00)			2,650,562.20	Customers	1,440,845.61	859,577.32	173,081.71	177,057.55
4	4375	DEF FED TAX - RATE CASE	(196,996.97)	646.54	(149,318.84)		(346,315.81)	Rate Case Expense	(188,257.27)	(112,310.22)	(22,614.42)	(23,133.90)
5	4377	DEF FED TAX - DEF MAINT	(520,077.86)	(1,912.20)		329,265.98	(190,811.88)	Deferred Maintenance	(74,874.58)	(100,672.35)	(8,433.88)	(6,831.07)
6	4383	DEF FED TAX - ORGN EXP	(216,091.00)	(938.80)			(217,029.80)	Customers	(117,977.40)	(70,382.76)	(14,172.05)	(14,497.59)
7	4385	DEF FED TAX - BAD DEBT	245,979.25	(574.34)			245,404.91	Customers	133,402.11	79,584.81	16,024.94	16,393.05
9	4387	DEF FED TAX - DEPRECIATIO	(12,453,249.18)	723,036.41			(11,730,212.77)	Plant	(5,594,138.47)	(5,101,469.53)	(293,255.32)	(740,176.43)
10	4389	DEF FED TAX - NOL	4,243,280.69	(773,483.37)			3,469,797.32	Service Revenues	1,735,245.64	1,411,860.53	124,565.72	197,778.45
1		Total Federal ADIT	<u>(5,549,636.32)</u>	<u>(146,787.65)</u>	<u>(149,318.84)</u>	<u>329,265.98</u>	<u>(5,515,211.17)</u>		<u>(2,337,749.03)</u>	<u>(2,838,131.31)</u>	<u>14,598.37</u>	<u>(353,103.16)</u>
12	4417	ACCUM DEF INCOME TAX - ST	(182,980.18)	(193,067.74)			(376,047.92)	Customers	(204,419.65)	(121,952.34)	(24,555.93)	(25,120.00)
14	4421	DEF ST TAX - TAP FEE POS	476,692.49	(420,472.81)			56,219.68	Customers	30,561.02	18,232.04	3,671.14	3,755.47
15	4425	DEF ST TAX - RATE CASE	(5,470.62)	(10,405.37)	(47,565.70)		(53,036.32)	Rate Case Expense	(28,830.55)	(17,199.68)	(3,463.27)	(3,542.83)
16	4427	DEF ST TAX - DEF MAINT	(120,829.18)	359.58		98,133.30	(22,695.88)	Deferred Maintenance	(8,905.86)	(11,974.35)	(1,003.16)	(812.51)
17	4433	DEF ST TAX - ORGN EXP	(58,891.32)	(1,487.31)			(60,378.63)	Customers	(32,821.83)	(19,580.79)	(3,942.72)	(4,033.29)
18	4435	DEF ST TAX - BAD DEBT	(3,968.08)	74.28			(3,893.80)	Customers	(2,116.67)	(1,262.76)	(254.26)	(260.11)
20	4437	DEF ST TAX - DEPRECIATION	(121,980.37)	(450.94)			(122,431.31)	Plant	(58,387.49)	(53,245.37)	(3,060.78)	(7,725.42)
21	4439	DEF ST TAX - NOL	(73,755.09)	24,425.92			(49,329.17)	Service Revenues	(24,669.52)	(20,072.04)	(1,770.92)	(2,811.76)
2		Total State ADIT	<u>(91,182.35)</u>	<u>(601,024.40)</u>	<u>(47,565.70)</u>	<u>98,133.30</u>	<u>(631,593.35)</u>		<u>(329,590.54)</u>	<u>(227,055.29)</u>	<u>(34,379.90)</u>	<u>(40,550.44)</u>
3		Total Direct ADIT	<u>(5,640,818.67)</u>	<u>(747,812.05)</u>	<u>(196,884.54)</u>	<u>427,399.28</u>	<u>(6,146,804.52)</u>		<u>(2,667,339.57)</u>	<u>(3,065,186.60)</u>	<u>(19,781.53)</u>	<u>(393,653.61)</u>

Notes:

- Column [A] - Per company's ledger at March 31, 2022
- Column [B] - Per company's internal work paper
- Column [C] - Per company's internal work paper
- Column [D] - Per company's internal work paper
- Column [E] - Sum of Columns [A] thru [D]
- Column [F] - Applicable allocation basis
- Column [G] - Column [E] * Applicable allocation percentage
- Column [H] - Column [E] * Applicable allocation percentage
- Column [I] - Column [E] * Applicable allocation percentage
- Column [J] - Column [E] * Applicable allocation percentage

	Uniform Water	Uniform Sewer	BF/FH Water	BF/FH Sewer	Uniform Water	Uniform Sewer	BF/FH Water	BF/FH Sewer
Customers	29,426	17,556	3,536	3,619	54.36%	32.43%	6.53%	6.68%
Service Revenues	(20,078,825)	(16,336,761)	(1,443,137)	(2,289,611)	50.01%	40.69%	3.59%	5.70%
Plant	119,431,383	108,912,823	6,272,395	15,799,661	47.69%	43.49%	2.50%	6.31%
Deferred Maintenance	1,857,615	2,498,019	209,411	169,350	39.24%	52.76%	4.42%	3.58%
Rate Case Expense	926,893	552,990	111,364	113,992	54.36%	32.43%	6.53%	6.68%

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10

Schedule 5

Supplement to Schedule A-6a and b

Page 2 of 2

Calculation of Direct ADIT

Purpose:

To adjust book balances of ADIT for each Rate Division per approved adjustments in prior orders, as well as for pro-forma balances in deferred rate case expense and unamortized deferred maintenance (Schedule A-14a and b).

Method:

Utilized book balances for Uniform and BF/FH/TC consolidated (Water/Sewer) rate divisions. Combined with adjustments in prior cases Sub 344 and Sub 354. Then took pro-forma deferred rate case expense multiplied by effective tax rate for federal and state to determine ADIT for rate case costs, resulting in adjustment for Column C. Did the same for Deferred Maintenance (Schedule A-14a), resulting in adjustment for Column D.

Column F identifies the allocation method for the Rate Divisions. Pro-forma values for these allocation factors were used to allocate between Water and Sewer, and rate groups. Please see Excel Workpaper for identification of allocation factor inputs and prior case values.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10
Schedule 6
Page 1 of 1

Supplement to Schedule A-9a

CWSNC Uniform - Gain on Sale

Line No.	Item	Water [A]	Sewer [B]	Total [C]
1	Amount Per W-354, Sub 384	(196,947.00)	(92,681.00)	(289,628.00)

Notes:

Column [A] - Per W-354 Sub 384 final order
Column [B] - Per W-354 Sub 384 final order
Column [C] - Column [A] + [B]

Purpose:

To incorporate gain on sale and flow back of taxes per order issued in W-354, Sub 384.

Method:

Identified Gain on Sale and Flowback of Taxes balance as utilized by Public Staff in Sub 384 , consistent with workpapers included in Sub 384 filing and resulting Final Order.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10
Schedule 8

Supplement to Schedule A-12a

Page 1 of 1

CWSNC Uniform - Cost Free Capital

Line No.	Item	Water [A]	Sewer [B]	Total [C]
1	Amount Per W-354, Sub 266	(121,791.00)	(139,708.00)	(261,499.00)

Notes:

Column [A] - Per W-354 Sub 266 final order
Column [B] - Per W-354 Sub 266 final order
Column [C] - Column [A] + [B]

Purpose:

To incorporate cost free capital as identified in W-354, Sub 266 for gross-up on CIAC received but not refunded to developers for sold systems. No amortization to be included with this rate base deduction.

Method:

Identified Cost Free Capital balance as utilized by Public Staff in Sub 360 (Henry Schedule 2-10), consistent with workpapers included in Sub 266 filing and resulting Final Order.

Carolina Water Service, Inc. of North Carolina
W-354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10

Schedule 10

Supplement to Schedule A-14a and b, and B-20a and b

Page 1 of 3

Protected EDIT Rate Base and Amortization

Line No.	Legacy Operating Company Number							CWSNC	CWSNC	BE/FH/TC -	BE/FH/TC -	
	181	182	183	187	188	191	Total	Uniform - Water	Uniform - Sewer	Water	Sewer	
								[A]	[B]	[C]	[D]	
Adjusted Balance - Protected per Sub 384:												
1	Unamortized Balance at 04/01/20 (L10)	(4,358)	(2,023,424)	(864,677)	(513,043)	(242,577)	(293,265)	(3,941,344)	(2,092,872)	(1,248,619)	(296,429)	(303,425)
2	Amortization thru 3/31/2022	198	92,148	39,378	23,364	11,047	13,356	179,492	95,311	56,863	13,500	13,818
3	Unamortized Balance	(4,160)	(1,931,276)	(825,299)	(489,679)	(231,530)	(279,909)	(3,761,852)	(1,997,561)	(1,191,756)	(282,929)	(289,606)
4	Amortization Period Remaining	41.92	41.92	41.92	41.92	41.92	41.92					
5	Annual Amortization Amount	(99)	(46,074)	(19,689)	(11,682)	(5,524)	(6,678)	(89,746)	(47,656)	(28,432)	(6,750)	(6,909)
6	After-Tax Amortization Amount	(76)	(35,486)	(15,164)	(8,998)	(4,254)	(5,143)	(69,122)	(36,704)	(21,898)	(5,199)	(5,321)
Adjusted Balance - Protected per Sub 400 - Base Case:												
7	Unamortized Balance at 04/01/22 (L3)	(4,160)	(1,931,276)	(825,299)	(489,679)	(231,530)	(279,909)	(3,761,852)	(1,997,561)	(1,191,756)	(282,929)	(289,606)
8	Amortization thru 3/31/2023	99	46,074	19,689	11,682	5,524	6,678	89,746	47,656	28,432	6,750	6,909
9	03/31/23 Unamortized Balance	(4,061)	(1,885,202)	(805,610)	(477,996)	(226,006)	(273,232)	(3,672,106)	(1,949,905)	(1,163,325)	(276,179)	(282,697)
10	Amortization Period Remaining	40.92	40.92	40.92	40.92	40.92	40.92					
11	Annual Amortization Amount	(99)	(46,074)	(19,689)	(11,682)	(5,524)	(6,678)	(89,746)	(47,656)	(28,432)	(6,750)	(6,909)
12	After-Tax Amortization Amount	(76)	(35,486)	(15,164)	(8,998)	(4,254)	(5,143)	(69,122)	(36,704)	(21,898)	(5,199)	(5,321)
Adjusted Balance - Protected per Sub 400 - WSIP Year 1:												
13	Unamortized Balance at 04/01/23 (L10)	(4,061)	(1,885,202)	(805,610)	(477,996)	(226,006)	(273,232)	(3,672,106)	(1,949,905)	(1,163,325)	(276,179)	(282,697)
14	Amortization thru 3/31/2024	99	46,074	19,689	11,682	5,524	6,678	89,746	47,656	28,432	6,750	6,909
15	03/31/24 Unamortized Balance	(3,961)	(1,839,127)	(785,921)	(466,314)	(220,483)	(266,554)	(3,582,360)	(1,902,250)	(1,134,893)	(269,430)	(275,788)
16	13 Month Average Unamortized Balance								(1,926,077)	(1,149,109)	(272,804)	(279,243)
17	Amortization Period Remaining	39.92	39.92	39.92	39.92	39.92	39.92					
18	Annual Amortization Amount	(99)	(46,074)	(19,689)	(11,682)	(5,524)	(6,678)	(89,746)	(47,656)	(28,432)	(6,750)	(6,909)
19	After-Tax Amortization Amount	(76)	(35,486)	(15,164)	(8,998)	(4,254)	(5,143)	(69,122)	(36,704)	(21,898)	(5,199)	(5,321)
Adjusted Balance - Protected per Sub 400 - WSIP Year 2:												
20	Unamortized Balance at 04/01/24 (L15)	(3,961)	(1,839,127)	(785,921)	(466,314)	(220,483)	(266,554)	(3,582,360)	(1,902,250)	(1,134,893)	(269,430)	(275,788)
21	Amortization thru 3/31/2025	99	46,074	19,689	11,682	5,524	6,678	89,746	47,656	28,432	6,750	6,909
22	03/31/25 Unamortized Balance	(3,862)	(1,793,053)	(766,232)	(454,632)	(214,959)	(259,876)	(3,492,615)	(1,854,594)	(1,106,462)	(262,680)	(268,879)
23	13 Month Average Unamortized Balance								(1,878,422)	(1,120,677)	(266,055)	(272,334)
24	Amortization Period Remaining	38.92	38.92	38.92	38.92	38.92	38.92					
25	Annual Amortization Amount	(99)	(46,074)	(19,689)	(11,682)	(5,524)	(6,678)	(89,746)	(47,656)	(28,432)	(6,750)	(6,909)
26	After-Tax Amortization Amount	(76)	(35,486)	(15,164)	(8,998)	(4,254)	(5,143)	(69,122)	(36,704)	(21,898)	(5,199)	(5,321)
Adjusted Balance - Protected per Sub 400 - WSIP Year 3:												
27	Unamortized Balance at 04/01/25 (L22)	(3,862)	(1,793,053)	(766,232)	(454,632)	(214,959)	(259,876)	(3,492,615)	(1,854,594)	(1,106,462)	(262,680)	(268,879)
28	Amortization thru 3/31/2026	99	46,074	19,689	11,682	5,524	6,678	89,746	47,656	28,432	6,750	6,909
29	03/31/26 Unamortized Balance	(3,763)	(1,746,979)	(746,543)	(442,950)	(209,436)	(253,198)	(3,402,869)	(1,806,938)	(1,078,030)	(255,930)	(261,970)
30	13 Month Average Unamortized Balance								(1,830,766)	(1,092,246)	(259,305)	(265,425)
31	Amortization Period Remaining	37.92	37.92	37.92	37.92	37.92	37.92					
32	Annual Amortization Amount	(99)	(46,074)	(19,689)	(11,682)	(5,524)	(6,678)	(89,746)	(47,656)	(28,432)	(6,750)	(6,909)
33	After-Tax Amortization Amount	(76)	(35,486)	(15,164)	(8,998)	(4,254)	(5,143)	(69,122)	(36,704)	(21,898)	(5,199)	(5,321)

Notes:
Column [A] - Companies 181, 182, 187, 188, and 64.54% of Company 183, times 62.63% water allocation
Column [B] - Companies 181, 182, 187, 188, and 64.54% of Company 183, times 37.37% sewer allocation
Column [C] - Company 191 and 35.46% of Company 183, times 49.42% water allocation
Column [D] - Company 191 and 35.46% of Company 183, times 50.58% sewer allocation

Carolina Water Service, Inc. of North Carolina
W-354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10
Schedule 10

Supplement to Schedule A-14a and b, and B-20a and b

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NC State EDIT Rate Base and Amortization

<u>Line No.</u>	<u>Total</u>	<u>CWSNC Uniform - Water [A]</u>	<u>CWSNC Uniform - Sewer [B]</u>	<u>BF/FH/TC - Water [C]</u>	<u>BF/FH/TC - Sewer [D]</u>	
Balance - Sub 400 - Base Case:						
1	Regulatory Liability Balance at 04/01/22	(1,319,719)	(717,341)	(427,970)	(86,187)	(88,221)
2	NC State EDIT from 3% to 2.5% gross balance	(201,922)	(109,756)	(65,481)	(13,187)	(13,498)
3	NC State EDIT from 3% to 2.5% after tax	(155,521)	(84,534)	(50,434)	(10,157)	(10,396)
4	Proposed Amortization Period (Years)	3				
5	Base Case Amortization	(51,840)	(28,178)	(16,811)	(3,386)	(3,465)
6	WSIP Year 1 Amortization	(51,840)	(28,178)	(16,811)	(3,386)	(3,465)
7	WSIP Year 2 Amortization	(51,840)	(28,178)	(16,811)	(3,386)	(3,465)
8	WSIP Year 3 Amortization	(51,840)	(28,178)	(16,811)	(3,386)	(3,465)
9	Unamortized Balance 03/31/26	-	-	-	-	-

Notes:

Column [A] - Total * ERC Allocation - 54.36%
Column [B] - Total * ERC Allocation - 32.43%
Column [C] - Total * ERC Allocation - 6.53%
Column [D] - Total * ERC Allocation - 6.68%

Carolina Water Service, Inc. of North Carolina
W-354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10

Schedule 11

Supplement to Schedule A-14a and b, and B-20a and b

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Protected EDIT Rate Base and Amortization

Purpose:

To provide updated balances and resulting amortization levels for the federal protected excess deferred income tax regulatory liability.

To provide for adjustments related to the eventual decline of the NC state corporate income tax to 0%. Once the corporate tax rate is set to 0% in 2030, the remaining protected balance will be amortized over the life of the transactions that generated the deferred taxes.

Method:

This adjustment summarizes the federal protected EDIT balances as set in Sub 384 and updated through 03/31/23 for rate base and amortization updates. Further balances are updated for each of the WSIP periods from 04/01/24 through 03/31/26 using a 13 month average rate base for each WSIP period.

Include the reallocation of NC state income taxes from ADIT to a regulatory liability due to the eventual reduction of NC State Corporate tax rate to 0% by 2030. Additionally, unamortized EDIT associated with the NC state corporate income tax rate change from 3% to 2.5% was identified, those amounts are proposed to amortize back to customers over the three year WSIP Period.

Supplement to Schedule B-15a and b

Rate Case Expense

Line No.	Item	Actual to	Estimate	Amount	CWSNC	CWSNC	BF-FH-TC -	BF-FH-TC -
		Date		Requested	Uniform -	Uniform -	Water	Sewer
		[A]	[B]	[C]	[D]	[E]	[F]	[G]
1	Authorized Balance - W-354 Sub 384 Final Order (04/08/22)	\$ 1,194,048	\$ -	\$ 1,194,048				
2	Amortization period in years			\$ 5				
3	Rate Case Expense Amortization from 04/08/22-03/31/23			\$ 238,810				
4	Unamortized Balance as of 03/31/23	\$ 955,238		\$ 955,238				
5	Estimated Rate Case Expenses - W-354, Sub 400		\$ 750,000	\$ 750,000				
6	Total Unamortized Rate Case Expense Balance as of 03/31/23			\$ 1,705,238				
7	Requested Amortization period in years			3				
8	Annual Rate Case Expense Amortization - Sub 400			\$ 568,413				
9	Base Case Amortization Expense			\$ 568,413	\$ 308,964	\$ 184,330	\$ 37,121	\$ 37,997
10	WSIP Period 1 Amortization Expense (04/01/23-03/31/24)			\$ 568,413	\$ 308,964	\$ 184,330	\$ 37,121	\$ 37,997
11	WSIP Period 2 Amortization Expense (04/01/23-03/31/24)			\$ 568,413	\$ 308,964	\$ 184,330	\$ 37,121	\$ 37,997
12	WSIP Period 3 Amortization Expense (04/01/23-03/31/24)			\$ 568,413	\$ 308,964	\$ 184,330	\$ 37,121	\$ 37,997
13	Unamortized Balance at end of WSIP Period			\$ -	\$ -	\$ -	\$ -	\$ -

Purpose:

To amortize previously approved and estimated rate case expenses over the three year WSIP period.

Method:

Identified authorized deferred rate case expense from Sub 384.

The 5 year amortization from Sub 384 was carried from 04/08/22 to 3/31/2023. This anticipates rates effective in the current case of 4/1/2023. When combined with the estimated rate case expenses in this case (see Column [B]), the totals on lines 6 and 12 for the Rate Divisions are divided by a new 5 year term to produce an updated annual amortization expense. This amortization expense replaces the book amortization expense of Schedules B-15a and b.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10

Schedule 12

Rate Case Expense - Current Filing

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<u>Line No.</u>	<u>Description</u>	<u>03/31/21 Actuals</u>	<u>Estimates to Completion</u>	<u>Total Amount</u>
1	Attorney Fees:	Total Amount	Total Amount	Total Amount
2	Legal Fees - Sanford		200,000.00	200,000.00
3	Legal Fees - Ice Miller		200,000.00	200,000.00
4	Total Attorney Fees	-	400,000.00	400,000.00
5				
6	Consulting Fees:			
7	ROE Consultant		60,000.00	60,000.00
8	CIP Consultant		60,000.00	60,000.00
9	Total Consulting	-	120,000.00	120,000.00
10				
11	Administrative:	Total Amount	Total Amount	Total Amount
12	Customer Notices/ Miscellaneous Costs		60,000.00	60,000.00
13				
14	Travel:	Total Amount	Total Amount	Total Amount
15	Airfare		6,000.00	6,000.00
16	Hotel/Meals		2,000.00	2,000.00
17	Rental Car		2,000.00	2,000.00
18	Total Travel	-	10,000.00	10,000.00
19				
20	Capitalize Time:	Total Amount	Total Amount	Total Amount
21	All Employees		160,000.00	160,000.00
22				
23	Total Estimated Rate Case Expense for Sub 400	-	750,000.00	750,000.00

Supplement to Schedules A-15a and b
Deferred Charges - Maintenance

Line No	Item	CWSNC			
		CWSNC Uniform -Water	Uniform - Sewer	BF/FH/TC - Water	BF/FH/TC - Sewer
Excluded in W-354 Sub 384:					
1	Gross Balance (W-354, Sub 384)		3,424,839.08		
2	Accumulated Amortization @ 3/31/2023		(3,424,839.08)		
3	Unamortized Balance @ 3/31/2023 - (L1 + L2)		-		
Balances as of 03/31/23 - Base Case /WSIP Period 1					
4	Deferred elevated storage tank painting	781,596.67		67,175.28	
5	Deferred hydro storage tank painting	586,086.06		36,500.00	
6	Deferred hydro storage tank inspection	981,962.90		62,089.37	
7	WWTP		1,065,076.49		110,491.69
8	Accumulated Amortization @ 3/31/2023	(1,990,940.75)	(542,032.38)	(125,295.49)	(110,491.69)
9	Unamortized Balance @ 3/31/2023 - (L4 to L8)	358,704.88	523,044.11	40,469.16	-
10	Pro-Forma - Account 181002 - Base Case	2,349,645.63	1,065,076.49	165,764.65	110,491.69
11	Pro-Forma - Account 182002 - Base Case	(1,990,940.75)	(542,032.38)	(125,295.49)	(110,491.69)
12	Net Rate Base	358,704.88	523,044.11	40,469.16	-
Balances as of 03/31/24 - Ending Balance WSIP Period 1					
13	Deferred elevated storage tank painting	1,136,696.67		67,175.28	
14	Deferred hydro storage tank painting	605,166.06		75,190.00	
15	Deferred hydro storage tank inspection	981,962.90		62,089.37	
16	WWTP		1,111,295.03		212,887.69
17	Accumulated Amortization @ 3/31/2024	(2,177,124.57)	(664,496.54)	(147,244.46)	(130,970.89)
18	Unamortized Balance @ 3/31/2023 - (L13 to L17)	546,701.06	446,798.49	57,210.19	81,916.80
19	Pro-Forma - Account 181002 - WSIP 1 - Average	2,536,735.63	1,088,185.76	185,109.65	161,689.69
20	Pro-Forma - Account 182002 - WSIP 1 - Average	(2,084,032.66)	(603,264.46)	(136,269.98)	(120,731.29)
21	Net Rate Base	452,702.97	484,921.30	48,839.68	40,958.40
Balances as of 03/31/25 - Ending Balance WSIP Period 2					
22	Deferred elevated storage tank painting	1,236,696.67		67,175.28	
23	Deferred hydro storage tank painting	624,786.06		75,190.00	
24	Deferred hydro storage tank inspection	1,104,440.76		62,089.37	
25	WWTP		1,111,295.03		212,887.69
26	Accumulated Amortization @ 3/31/2025	(2,352,991.55)	(734,473.45)	(165,043.92)	(151,450.09)
27	Unamortized Balance @ 3/31/2025 - (L22 to L26)	612,931.94	376,821.58	39,410.73	61,437.60
28	Pro-Forma - Account 181002 - WSIP 2 - Average	2,844,874.56	1,111,295.03	204,454.65	212,887.69
29	Pro-Forma - Account 182002 - WSIP 2 - Average	(2,265,058.06)	(699,485.00)	(156,144.19)	(141,210.49)
30	Net Rate Base	579,816.50	411,810.04	48,310.46	71,677.20
Balances as of 03/31/26 - Ending Balance WSIP Period 3					
31	Deferred elevated storage tank painting	1,336,696.67		67,175.28	
32	Deferred hydro storage tank painting	644,946.06		75,190.00	
33	Deferred hydro storage tank inspection	1,104,440.76		62,089.37	
34	WWTP		1,111,295.03		212,887.69
35	Accumulated Amortization @ 3/31/2026	(2,515,962.61)	(786,954.60)	(179,879.45)	(171,929.29)
36	Unamortized Balance @ 3/31/2026 - (L31 to L35)	570,120.88	324,340.43	24,575.20	40,958.40
37	Pro-Forma - Account 181002 - WSIP 3 - Average	3,026,003.49	1,111,295.03	204,454.65	212,887.69
38	Pro-Forma - Account 182002 - WSIP 3 - Average	(2,434,477.08)	(760,714.03)	(172,461.69)	(161,689.69)
39	Net Rate Base	591,526.41	350,581.01	31,992.97	51,198.00

Purpose:

To determine the rate base component associated with deferred maintenance activity for the base case and through the WSIP periods.

Method:

Removed book balances as of Test Year end for Deferred Charges and Accumulated Amortization deferred charges accounts. Updated the amortization schedules used in setting of rates in Sub 384 calculating unamortized balances for open deferrals through 3/31/2023. This anticipates rates effective from the current proceeding of 4/1/2023. Further calculated out deferred maintenance through the WSIP period based on operational expectations, using beginning + ending balance for average rate base in the WSIP periods.

Deferred Maintenance Expense

Line No	Item	Base Case Annual Amortization	WSIP Year 1 - Annual Amortization	WSIP Year 2 - Annual Amortization	WSIP Year 3 - Annual Amortization
Deferred maintenance - CWSNC Uniform Water					
1	Elevated Storage	103,166.30	64,648.86	71,189.22	81,189.22
2	Tank Painting	29,263.80	33,079.80	26,479.23	28,406.31
3	Tank Inspection	88,455.14	88,455.14	78,198.54	53,375.57
4	Total pro-forma deferred maintenance - Uniform Water (Sum of L1 thru L4)	220,885.24	186,183.80	175,866.99	162,971.10
Deferred Maintenance Expense - CWSNC Uniform Sewer					
Nags Head WWTP Deferral:					
5	Sub 364 Allowed Nags Head WWTP Deferral Amortization	115,727.00	115,727.00	115,727.00	9,643.92
Connestee Falls WWTP Deferral:					
6	Sub 364 Allowed Connestee Falls WWTP Deferral Amortization	104,029.00	104,029.00	104,029.00	8,669.08
9	Belvedere pump and haul	-	-	-	-
10	WWTP	43,237.45	52,481.16	52,481.16	52,481.16
11	Total pro-forma deferred maintenance - Uniform Sewer	262,993.45	272,237.16	272,237.16	70,794.16
Deferred maintenance - BF/FH/TC Water					
12	Elevated Storage	6,717.53	6,717.53	6,717.53	6,717.53
13	Tank Painting	-	7,738.00	7,738.00	7,738.00
14	Tank Inspection	7,493.44	7,493.44	3,343.93	380.00
15	Total pro-forma deferred maintenance - BFFH/TC Water	14,210.97	21,948.97	17,799.46	14,835.53
Deferred maintenance - BF/FH/TC Sewer					
16	WWTP	22,098.34	20,479.20	20,479.20	20,479.20
17	Total pro-forma deferred maintenance - BFFH Sewer	22,098.34	20,479.20	20,479.20	20,479.20
18	Total (L4 + L11 + L15 + L17)	520,188.00			

Purpose:

To adjust Deferred Maintenance Expense for pro-forma adjustments to deferred maintenance rate base and calculate annual expense through the WSIP periods.

Method:

Using approved amortization schedules from Sub 384, carried amortization activity through 3/31/2023, anticipating new rates effective 4/1/2023. Pro-forma deferred maintenance additions were included per estimated costs from operations. Deferred maintenance items from Sub 384 were annualized based on their respective March 2023 amortization expense. Estimate deferred maintenance activity and annual amortization through the WSIP periods.

Carolina Water Service, Inc. of North Carolina
W-354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10
Schedule 18

Supplement to Schedule B-7a

Purchased Water and Purchase Sewer Treatment Expense

Vendor	Subdivision(s)	Date of Rate Change	Old Volume Rate/TG	New Volume Rate/TG	Test Year Expenses Prior to Rate Change			Pro-Forma Adjustment	
					CWSNC Uniform - Water	CWSNC Uniform - Sewer	Percent Increase	CWSNC Uniform - Water	CWSNC Uniform - Sewer
Purchased Water Expense:									
CITY OF ASHEVILLE	Bent Creek	7/1/2021	3.56	3.78	6,036.98		6.18%	373.07	
CITY OF CHARLOTTE	Riverpointe	7/1/2021	6.74	7.07	25,949.05		4.96%	1,287.16	
CITY OF CONCORD	Zemosa Acres	7/1/2021	5.52	5.52	21,793.01		0.00%	0.00	
CITY OF GASTONIA	Kings Grant - Charlotte	7/1/2021	6.35	6.67	6,491.47		5.04%	327.13	
CITY OF SANFORD NC	Carolina Trace	7/1/2021	2.21	2.21	58,192.58		0.00%	0.00	
HENDERSONVILLE WATER & SEWER DEPARTMENT	High Vista	7/1/2021	3.76	4.72	19,154.96		25.53%	4,890.63	
JOHNSTON CNTY DEPT PUBLIC UTILITIES	White Oak Plantation, Winston Plantation, Winston Point, Willowbrook	9/1/2021	2.85	3.02	117,490.76		5.96%	7,008.22	
LANCASTER CTY WTR & SWR DISTRICT	Danby	7/1/2021	4.18	4.24	37,408.48		1.44%	536.96	
MONTGOMERY COUNTY WATER SYSTEM	Carolina Forest, Woodrun	7/1/2018	3.19	3.19	-		0.00%	0.00	
PUBLIC WORKS COMMISSION	Tanglewood South, Eastgate, Fayetteville	7/1/2021	5.43	5.64	13,425.93		3.87%	519.23	
TOWN OF FRANKLIN	Riverbend Estates	7/1/2021	7.50	8.10	12,014.20		8.00%	961.14	
TOWN OF MOORESVILLE	The Point	7/1/2021	3.72	3.72	35,040.98		0.00%	0.00	
TOWN OF SOUTHERN PINES	Whispering Pines	10/1/2021	3.38	3.52	227,265.49		4.14%	9,413.36	
WINSTON-SALEM/FORSYTH CTY	Yorktown	7/1/2021	5.79	5.79	6,427.88		0.00%	0.00	
					<u>586,691.77</u>			<u>25,316.90</u>	
Purchased Sewer Treatment Expense:									
CITY OF GASTONIA	Kings Grant - Charlotte	7/1/2021	4.39	4.39		8,786.84	0.00%		0.00
CLAY COUNTY WATER AND SEWER DISTRICT	Ridges at Mountain Harbour	9/5/2019	1,864.43	1,864.43		-	0.00%		0.00
JOHNSTON CNTY DEPT PUBLIC UTILITIES	White Oak Plantation / Winston Pt.	9/1/2021	6.15	6.45		-	4.88%		0.00
METROPOLITAN SEWAGE DISTRICT	Mt. Carmel	7/1/2021	6.32	7.49		20,874.73	18.51%		3,864.47
TOWN OF DALLAS	College Park	7/1/2021	7.33	7.77		20,656.55	6.00%		1,239.96
TOWN OF LAKE LURE	Fairfield Mountain / Apple Valley	7/1/2021	43,431.00	43,431.00		86,837.00	0.00%		0.00
						<u>137,155.12</u>			<u>5,104.42</u>

Purpose:

To adjust Test Year actual purchased services expenses for rate changes from vendors occurring after the start of the Test Year (4/1/2021). This allows for pro-forma adjustments to reflect the annualized costs for Purchased Water/Sewer Treatment Expense for CWSNC in this rate case.

Method:

The Company reviewed bills from and corresponded with its vendors to identify where rates changed since 4/1/2021, or who had issued notice that their rates will change in the near future. CWSNC identified invoices paid during the Test Year before the effective date of the rate change and increased those bill amounts by the effective rate increase for the vendor. The Company compared invoices to the vendor website rate schedule or a copy of prior rates effective to identify the percent of rate change. Johnston County issued a notice that their rates would change as of 09/01/2021. All other rate increases noted are identified from vendor invoices or the provider's rate schedules per its website.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10
Schedule 19

Supplement to Schedule B-11a and b

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Chemicals Expense - Pro-Forma Adjustment

Item #	Item Description	WaterGuard - Actual Test Year Activity - 4/1/2021 - 3/31/2022				Percent Increase 7/1/2021	Pro-Forma Adjustment			
		CWSNC Uniform - Water	CWSNC Uniform - Sewer	BF-FH-TC - Water	BF-FH-TC - Sewer		CWSNC Uniform - Water	CWSNC Uniform - Sewer	BF-FH-TC - Water	BF-FH-TC - Sewer
Water Guard Price Change 7/1/2022										
Price changes:										
10001	HYPOCHLORITE SOL - BULK- GALS	15,872.65	51,660.74	17,313.25	3,058.90	69.95%	11,400.10	35,977.86	12,511.25	1,602.10
10050	HYPOCHLORITE SOL- 5 GAL DRUM	25.50	12,004.10	265.90	0.00	103.23%	33.90	12,389.50	268.70	0.00
10150	HYPOCHLORITE SOL 15 GAL DRUM	0.00	18,951.15	0.00	0.00	79.33%	0.00	15,034.65	0.00	0.00
10561	HYPO 5.25% BULK GALS	0.00	869.95	0.00	0.00	61.42%	0.00	534.30	0.00	0.00
11001	CALCIUM HYPO GRANULAR, 100#	0.00	3,281.00	0.00	386.00	40.93%	0.00	1,343.00	0.00	158.00
11025	CALCIUM HYPO GRANULAR, 25#	0.00	1,521.75	0.00	0.00	23.87%	0.00	363.25	0.00	0.00
11045	BIO-SANITIZER -45# DRUM	430.20	13,374.45	0.00	2,290.95	12.61%	99.00	1,707.75	0.00	222.75
20050	SOD HEXAMETAPHOSPHATE***50#(G)	0.00	196.00	0.00	0.00	123.98%	0.00	243.00	0.00	0.00
21405	OP37- 5 GAL DRUM	22,782.60	0.00	0.00	0.00	30.63%	6,978.50	0.00	0.00	0.00
21415	OP37 - 15 GAL DRUM	14,859.90	0.00	0.00	0.00	37.96%	5,640.30	0.00	0.00	0.00
22000	FERROQUEST- BULK, GALLONS	0.00	0.00	41,833.95	0.00	23.14%	0.00	0.00	9,682.05	0.00
22003	CORRGUARD 939 - BULK, GALLONS	1,499.40	0.00	0.00	0.00	52.75%	791.00	0.00	0.00	0.00
24280	SODIUM BISULFITE 40% -BULK GAL	0.00	16,254.40	0.00	2,340.45	52.10%	0.00	8,642.60	0.00	1,045.80
24500	SODIUM BISULFITE 25%- BULK, GA	0.00	14,204.30	0.00	0.00	51.40%	0.00	7,301.20	0.00	0.00
24515	SODIUM BISULFITE 25%- 15 GAL (0.00	1,543.65	0.00	0.00	67.62%	0.00	1,043.85	0.00	0.00
27000	DECHLOR-C , BULK GAL	0.00	30,465.50	0.00	0.00	8.47%	0.00	2,580.00	0.00	0.00
29008	AMMONIUM SULFATE 40%, GAL	2,816.60	0.00	0.00	0.00	24.06%	677.80	0.00	0.00	0.00
32000	CAUSTIC SODA 25% - BULK, GALS	798.60	23,903.00	0.00	0.00	60.03%	491.70	14,336.80	0.00	0.00
32015	CAUSTIC SODA 25% - 15GAL DRUM	19,408.95	0.00	0.00	0.00	59.91%	11,627.55	0.00	0.00	0.00
36110	CAUSTIC SODA BEADS - 50# BAG	184,555.00	0.00	0.00	0.00	14.23%	26,261.00	0.00	0.00	0.00
46003	WGC-1743, POLYMER 5GAL PAIL	0.00	9,873.50	0.00	0.00	35.58%	0.00	3,512.50	0.00	0.00
47020	MICROC 2000, GAL	0.00	55,763.35	0.00	13,341.20	40.68%	0.00	27,666.15	0.00	448.80
55050	SODIUM BICARBONATE - 50# BAG	0.00	1,355.00	0.00	0.00	3.32%	0.00	45.00	0.00	0.00
60050	SODA ASH LIGHT -50# BAG	0.00	11,270.00	0.00	0.00	17.66%	0.00	1,990.00	0.00	0.00
108100	FERRIC SULFATE LIQUID- GAL	0.00	42,919.35	0.00	26,880.60	38.31%	0.00	16,328.40	0.00	10,411.50
109000	FERRIC CHLORIDE SOLUTION -	0.00	51,780.00	0.00	0.00	17.59%	0.00	9,108.00	0.00	0.00
109003	ALUMINUM SULFATE, BULK, GALS	0.00	6,844.05	0.00	0.00	45.50%	0.00	3,114.25	0.00	0.00
109501	LIME, HYDRATED-50# BAG	0.00	19,198.00	0.00	0.00	31.67%	0.00	6,080.00	0.00	0.00
900500	DELIVERY SURCHARGE	185.00	937.50	162.50	65.00	500.00%	925.00	4,687.50	812.50	325.00
		263,234.40	388,170.74	59,575.60	48,363.10		64,925.85	174,029.56	23,274.50	14,213.95

Purpose:

To adjust Test Year actual chemicals expenses for rate changes from primary vendor, WaterGuard, Based on the prices effective 7/1/2022. This allows for pro-forma adjustments to reflect the annualized costs for Chemicals Expense for CWSNC in this rate case.

Method:

The Company received correspondence from WaterGuard that identified certain chemical price changes to be effective 7/1/2022. The Company identified WaterGuard invoices in the Test Year. CWSNC analyzed the detailed Test Year chemical purchasing report provided by the vendor, and used the actual quantities purchased, multiplied by the current effective prices to restate test year purchases to reflect the various price increases. The Company used the purchase locations provided in the detailed report to assign purchases to the Company's rate groups. The Company then calculated the difference between test year actuals, and test year quantities at current prices, to calculate the pro forma adjustments.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W-10
Schedule 20

Supplement to Schedules B-12a and b, B-20 a and b

Calculation of Expenses for which the Company is not seeking recovery

Line No.	Account #	Description	Schedule Reference	Total Per Books [A]	Per Books Adjustment [B]	CWSNC Uniform Allocation - Water [C]	CWSNC Uniform Allocation - Sewer [D]	BF/FH/TC - Water [E]	BF/FH/TC - Sewer [F]
1	540400	Legal Fees	B-12a/b	14,831.25	(14,831.25)	(8,061.62)	(4,809.61)	(968.58)	(991.44)
2	549000	Other Outside Services	B-12a/b	60,506.00	(60,506.00)	(32,888.41)	(19,621.42)	(3,951.45)	(4,044.71)
3	549000	Legal Fees	B-12a/b	4,162.50	(4,162.50)	(2,262.55)	(1,349.85)	(271.84)	(278.26)
4	549000	Internal Time for Legislative Activities	B-12a/b	-	(5,006.64)	(2,721.39)	(1,623.60)	(326.97)	(334.68)
5	621100	Advertising	B-20a/b	790.32	(790.32)	(486.58)	(290.30)	(6.64)	(6.80)
6	623100	Donations for Registered Charities	B-20a/b	10,015.04	(10,015.04)	(5,337.53)	(3,184.40)	(737.85)	(755.26)
7	625100	Penalties and Fines	B-20a/b	6,102.69	(6,102.69)	(472.84)	(5,629.85)	-	-
8	629100	NAWC Lobbying %	B-20a/b	20,524.34	(2,668.16)	(1,450.30)	(865.26)	(174.25)	(178.36)
9	Total			<u>116,932.14</u>	<u>(104,082.61)</u>	<u>(53,681.23)</u>	<u>(37,374.28)</u>	<u>(6,437.58)</u>	<u>(6,589.51)</u>

Notes:

Column [A] - Per Company's Financials at March 31, 2022.
Column [B] - Remove book balances and time associated with lobbying activities and other expenses for which recovery is not sought
Column [C] - Actuals or remainder at CWSNC Allocation
Column [D] - Actuals or remainder at CWSNC Allocation
Column [E] - Actuals or remainder at CWSNC Allocation
Column [F] - Actuals or remainder at CWSNC Allocation

Purpose:

To remove activity during the test year for which the Company is not seeking recovery, including advertising, lobbying, penalties and fines, and contribution costs from the Test Year.

Method:

All costs related to lobbying and legislative efforts are removed from the Test Year data. These costs are already partially allocated to non-reg departments, the remainder is removed from this filing. An estimate for internal time spent on these activities is also removed for rate making purposes. This includes costs related to Public Sector Group and Sanford Law Office (Account 549000), costs related to contributions (Account 623100), advertising (621100), penalties and fines (625100), and dues apportioned for lobbying activities (629100).

Carolina Water Service, Inc. of North Carolina
W-354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10
Schedule 21

Supplement to Schedule B-13a and b, & B-25a and b

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Salary & Wages, Payroll Taxes

Line No .	Item	Amount to Be Allocated	Allocation to NC Regulated COs	CWSNC Uniform Allocation - Water	CWSNC Uniform Allocation - Sewer	BE/FH/TC Allocation - Water	BE/FH/TC Allocation - Sewer
	<u>East Region (NC, SC, 2.9% FL)</u>	[A]	[B]	[C]	[D]	[E]	[F]
1	Pro-Forma Salaries & Wages	529,610.01	318,251.70	172,987.70	103,205.47	20,784.00	21,274.52
2	FICA	21,068.10	12,660.18	6,881.52	4,105.56	826.80	846.31
3	Federal Unemployment Tax	84.00	50.48	27.44	16.37	3.30	3.37
4	State Unemployment Tax	287.44	172.73	93.89	56.01	11.28	11.55
	Total	551,049.55	331,135.08	179,990.55	107,383.41	21,625.38	22,135.75
	<u>Atlantic Region (NC & SC)</u>						
5	Pro-Forma Salaries & Wages	550,481.42	346,459.83	188,320.41	112,353.05	22,626.19	23,160.18
6	FICA	40,722.72	25,629.91	13,931.30	8,311.49	1,673.81	1,713.31
7	Federal Unemployment Tax	210.00	132.17	71.84	42.86	8.63	8.84
8	State Unemployment Tax	1,505.86	947.75	515.16	307.35	61.89	63.36
	Total	592,920.00	373,169.66	202,838.70	121,014.75	24,370.52	24,945.68
	<u>NC Operations (Direct)</u>						
9	Pro-Forma Salaries & Wages	6,557,845.06	6,557,845.06	3,564,557.70	2,126,635.92	428,271.97	438,379.46
10	FICA	501,675.15	501,675.15	272,688.66	162,687.65	32,762.81	33,536.03
11	Federal Unemployment Tax	3,696.00	3,696.00	2,008.98	1,198.57	241.37	247.07
12	State Unemployment Tax	11,035.86	11,035.86	5,998.61	3,578.81	720.72	737.73
	Total	7,074,252.06	7,074,252.06	3,845,253.96	2,294,100.95	461,996.87	472,900.28

Notes:

- Column [A] - Amount to be Allocated to North Carolina Regulated Companies
- Column [B] - Amount of Column [A] allocated to North Carolina
- Column [C] - Column [B] * 54.36%
- Column [D] - Column [B] * 32.43%
- Column [E] - Column [B] * 6.53%
- Column [F] - Column [B] * 6.68%

Purpose:

To calculate pro-forma salaries and wages, as well as related payroll taxes, and deferred compensation.

Method:

This adjustment annualizes current pay rates as of May 15 2022 pay period. Adjustment also includes vacancies expected to be filled during the rate case at estimated pay levels. Please see the Direct Testimony of Phil Drennan for a detailed explanation of the method used to calculate these adjustments.

Supplement to Schedule B-11a and B-11b

Rate Case Expense

Line No.	Item	Total [A]	CWSNC	CWSNC	BF-FH-TC	BF-FH-TC
			Uniform - Water [B]	Uniform - Sewer [C]	Water [D]	Sewer [E]
1	Test Year Capttime - Booked	\$ (1,017,779)	\$ (540,715)	\$ (322,594)	\$ (76,335)	\$ (78,136)
2	Remove Contract Ops - Salaries not included	\$ 133,766	\$ 72,709	\$ 43,379	\$ 8,736	\$ 8,942
3	Reduce FP&A Capttime to 1/3 - align with WSIP Period	\$ 31,547	\$ 17,148	\$ 10,230	\$ 2,060	\$ 2,109
4	Capttime Adjustment - (Line 1-3)	\$ 165,313	\$ 89,857	\$ 53,609	\$ 10,796	\$ 11,051
5	Basecase Capttime - (Line 1+4)	\$ (852,466)	\$ (450,858)	\$ (268,985)	\$ (65,538)	\$ (67,085)
6	WSIP Period 1 Capttime - 3% Increase to align with Salaries - (Line 5*1.03)	\$ (878,040)	\$ (464,384)	\$ (277,054)	\$ (67,505)	\$ (69,098)
7	WSIP Period 2 Capttime - 3% Increase to align with Salaries - (Line 6*1.03)	\$ (904,382)	\$ (478,315)	\$ (285,366)	\$ (69,530)	\$ (71,171)
8	WSIP Period 3 Capttime - 3% Increase to align with Salaries - (Line 7*1.03)	\$ (931,513)	\$ (492,665)	\$ (293,927)	\$ (71,616)	\$ (73,306)

Column Calculations:

- [A] - Per Books total, or sum of individual columns
- [B] - Column [A] * CWSNC Uniform Water ERCs % - 54.36%
- [C] - Column [A] * CWSNC Uniform Sewer ERCs % - 32.43%
- [D] - Column [A] * BFFHTC Water ERCs % - 6.53%
- [E] - Column [A] * BFFHTC Sewer ERCs % - 6.68%

Purpose:

Adjust capitalized time in order to align with requested salaries expense. Contracted project managers are not included in salaries expense during the test year and the capttime reduction associated with them needs to be removed. Due to the nature of the requested WSIP, capttime associated with developing a rate case will not be recurring at the same frequency as prior and should be aligned with the expected project and rate case expense recovery period.

Method:

Identified booked capitalized time in the Sub 400 rate case - test year ending 03/31/22. Remove capitalized time associated with contract project managers. Reduce FP&A capttime to better align with expected rate case amortization and work. Increment capitalized time to align with salary increases in WSIP periods.

Carolina Water Service, Inc. of North Carolina
W-354, Sub 400
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

W1-10

Schedule 23

Supplement to Schedule B-14a and b

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Payment Processing Fees and Water Efficiency Program Noticing - Pro-Forma Adjustment

Line No.	Account #	Description	Adjustment Calculation			Pro-Forma Adjustment			
			Q1 2022 Transactions	Q1 2022 Fees	Annualized Cost	CWSNC Uniform - Water	CWSNC Uniform - Sewer	BE/FH/TC - Water	BE/FH/TC - Sewer
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
1	628400	Payment Processing Fees	33,795	\$ 68,721.47	\$ 274,885.88	149,415.94	89,142.42	17,951.92	18,375.60
2	628400	Water Efficiency Program Noticing			\$ 2,000.00	1,087.11	648.58	130.61	133.70
3			33,795	\$ 68,721.47	\$ 276,885.88	150,503.05	89,791.00	18,082.53	18,509.29

Notes:

- Column [A] - Total fee-based transactions with First Billing Services in Q1 2021.
- Column [B] - Q1 2021 Costs incurred by customers.
- Column [C] - Annualized Cost - Column [B]*4 and annual noticing costs.
- Column [D] - Column [C] * 54.36%
- Column [E] - Column [C] * 32.43%
- Column [F] - Column [C] * 6.53%
- Column [G] - Column [C] * 6.68%

Purpose:

This adjustment reflects the charges to be incurred by the Company for payment processing fees from its outside vendor, First Billing Services, when customers use a fee-based payment method to pay their water/sewer bills. These costs are current incurred by customers at the point of transaction and not included in Company costs. Further this adjustment reflects the approximate cost of annual supplemental noticing for the water efficiency program. The transition for residential payments was approved in the Sub 384 order. Due to the timing of the order and implementation of the transactions the test year does not include the costs the company will incur for payment processing fees.

Method:

The Company generated a report for the number of customers using fee-based electronic payment methods in the first quarter of 2022. CWSNC annualized those transactions and the aggregated fees to generate a pro-forma adjustment to account for payment processing fees the Company will be incurring in the cost to serve customers going forward. The Company used the first quarter of 2022 as representative of normal operations, CWSNC only included costs incurred for residential customers.

Carolina Water Service, Inc. of North Carolina
 W-354, Sub 400
 Test Year: March 31, 2022
 WSIP Period: April 1, 2023 - March 31, 2026

W-10
 Schedule 25

Supplement to Schedule B-18a and b

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Pro-Forma Insurance Expense

2021 -2022 Premiums & Allocations

DESCRIPTION	Policy Number	Underwriter	Period Covered	Type	Current Premium	Allocation	Total Allocation	North Carolina		Amount Allocated
					Amount (Annual)	Methodology/Basis	Basis	Portion of Allocation Basis	Allocation %	for Current Coverage Period
					[A]	[B]	[C]	[D]	[E]	[F]
Commercial Auto	0944700	Marsh USA, Inc.	10/01/21-10/01/22	Auto	648,172	Vehicle Count	521	100	19.19%	124,409
Workers Comp	WC 0944702	Zurich North America	10/01/21-09/30/22	Workers' Comp	601,681	Salaries & Wages	\$ 49,687,037	\$ 5,709,828	11.49%	69,143
USA: Property Insurance, Boiler & Machinery	753 5084; US00095370PR20A	Marsh Canada Limited	10/01/21-10/01/22	Property	2,167,174	Property Values	\$ 942,711,949	\$ 216,513,230	22.97%	497,736
USA: Commercial & Umbrella General Liability	02-LX-086477605-11	Marsh Canada Limited	10/01/21-10/01/22	Commercial & Umbrella	1,471,767	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	284,238
D&O Rider	PCD9302066-02	Alliant	10/01/17-10/01/23	D&O	3,185	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	615
D&O Commercial Package	PCD9203066-06	Alliant	11/01/20-11/01/21	D&O	80,790	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	15,603
Excess D&O 5M XS 15M	DO6DAB4IDG001	Alliant	11/01/20-11/01/21	D&O	16,300	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	3,148
Excess D&O 5M XS 10M	02-152-27-66	Alliant	11/01/20-11/01/21	D&O	16,300	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	3,148
Package (Fiduciary, D&O)	68046834	Marsh Canada Limited	11/01/20-11/01/21	Fiduciary	19,421	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	3,751
Pollution Liability Ins 19-22 - 2nd installment	EPC 0194443-01	Alliant	04/30/19-04/30/22	Other	200,427	Property Values	\$ 942,711,949	\$ 216,513,230	22.97%	46,032
Commercial Cyber Liability	PH2001180	Alliant	11/01/20-11/01/21	Other	36,269	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	7,005
Brokerage Fee		Marsh Canada Limited	10/01/20-10/01/21	Other	295,684	Revenues	\$ 205,696,690	\$ 39,725,623	19.31%	57,105
Deductibles					572,724	ERCs	302,669	56,997	18.83%	107,853
					<u>6,129,894</u>					<u>1,219,784.99</u>

Allocation to North Carolina Rate Groups

DESCRIPTION	Policy Number	Underwriter	Period Covered	Type	CWSNC Uniform BF-FH-TC			
					Water	Sewer	Water	Sewer
					[G]	[H]	[I]	[J]
Commercial Auto	0944700	Marsh USA, Inc.	10/01/21-10/01/22	Auto	67,623.38	40,344.51	8,124.77	8,316.52
Workers Comp	WC 0944702	Zurich North America	10/01/21-09/30/22	Workers' Comp	37,582.94	22,422.20	4,515.49	4,622.06
USA: Property Insurance, Boiler & Machinery	753 5084; US00095370PR20A	Marsh Canada Limited	10/01/21-10/01/22	Property	270,547.58	161,410.26	32,505.56	33,272.71
USA: Commercial & Umbrella General Liability	02-LX-086477605-11	Marsh Canada Limited	10/01/21-10/01/22	Commercial & Umbrella	154,499.45	92,175.27	18,562.69	19,000.78
D&O Rider	PCD9302066-02	Alliant	10/01/17-10/01/23	D&O	334.35	199.47	40.17	41.12
D&O Commercial Package	PCD9203066-06	Alliant	11/01/20-11/01/21	D&O	8,480.97	5,059.80	1,018.97	1,043.01
Excess D&O 5M XS 15M	DO6DAB4IDG001	Alliant	11/01/20-11/01/21	D&O	1,711.10	1,020.85	205.58	210.44
Excess D&O 5M XS 10M	02-152-27-66	Alliant	11/01/20-11/01/21	D&O	1,711.10	1,020.85	205.58	210.44
Package (Fiduciary, D&O)	68046834	Marsh Canada Limited	11/01/20-11/01/21	Fiduciary	2,038.73	1,216.32	244.95	250.73
Pollution Liability Ins 19-22 - 2nd installment	EPC 0194443-01	Alliant	04/30/19-04/30/22	Other	25,021.09	14,927.73	3,006.22	3,077.16
Commercial Cyber Liability	PH2001180	Alliant	11/01/20-11/01/21	Other	3,807.36	2,271.49	457.44	468.24
Brokerage Fee		Marsh Canada Limited	10/01/20-10/01/21	Other	31,039.56	18,518.38	3,729.32	3,817.33
Deductibles					58,624.16	34,975.51	7,043.53	7,209.77
					<u>663,021.76</u>	<u>395,562.65</u>	<u>79,660.27</u>	<u>81,540.30</u>

- Notes:
- Column [A] - Annual premiums per policies
 - Column [B] - Allocation methodology used to allocate annual premiums
 - Column [C] - Total amount of allocation basis used for 2021 budget cycle
 - Column [D] - NC portion of allocation basis used for 2021 budget cycle
 - Column [E] - Column [D] divided by Column [C]
 - Column [F] - Column [A] * Column [E]
 - Column [G] - Column [H] * 54.36%
 - Column [H] - Column [I] * 32.43%
 - Column [I] - Column [F] * 6.53%
 - Column [J] - Column [F] * 6.68%

Purpose:
 To annualize current insurance premiums

Method:
 The Company reviewed its insurance policies for the most recent renewal period and annualized those costs. These are the same costs used in the Sub 384 rate case, new premiums have not been issued yet. The premiums were then allocated to the North Carolina regulated companies using the various allocation methodologies outlined.

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Echota and Seven Devils Expense Assumptions

Line No.	Item	CWSNC	CWSNC
		Uniform - Water	Uniform - Sewer
		Echota Water	Seven Devils Sewer
1	Total salaries and wages (employees only)	74,336	15,828
2	Administrative and office expense	6,763	1,362
3	Maintenance and repair expense	25,649	14,462
4	Electric power expense (exclude office)	21,756	6,011
5	Chemicals expense	7,272	3,275
6	Testing fees	5,301	2,231
7	Transportation expense	4,780	913
8	Other operating expenses	26,894	4,339
9	OPERATING & MAINTENANCE EXPENSE - (Sum Lines 1-8)	\$ 172,751	\$ 48,421
10	CORPORATE ALLOCATIONS	\$ 60,770	\$ 15,347
11	PAYROLL TAXES	5,762	1,226
12	PROPERTY TAXES	4,528	177
13	TAXES OTHER THAN INCOME - (Sum Lines 11-12)	\$ 10,290	\$ 1,403
14	TOTAL EXPENSES - (Line 9+10+13)	\$ 243,811	\$ 65,171

Purpose:

The purpose of this adjustment is to account for additional operating expenses associated with the acquisition of Echota and Seven Devils. These expenses are offset by the revenue assumptions made in this case as part of the acquisition.

Method:

Expense assumptions are made based on the expense per ERC incurred in the Sub 384 docket utilizing the final commission ordered expenses. The addendum was provided as part of the Sub 396 acquisition docket.

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Fusion - Oracle ERP Pro-Forma

		Fusion - Oracle ERP Allocation					
Line No.	Description	Fusion - Oracle	CII / Other	Allocation % to	CRU (US) Additional Rate	Allocation % to NC Reg.	Amount Allocated to
		ERP	Companies	CRU Companies	Base	Companies	NC Reg. Companies
		[A]	[B]	[C]	[D]	[E]	[F]
1	Fusion - Oracle ERP Asset - June 2020 Go Live	8,975,816.00	2,631,648.27	70.7%	6,344,167.73	17.7%	1,124,875.03
2	Fusion - Oracle ERP Asset - November 2020 Go Live	4,420,924.00	1,296,184.88	70.7%	3,124,739.12	17.7%	554,042.89
3	Fusion - Oracle ERP Regulatory Asset - 03/31/22 Proposed Start Date	1,453,799.33	426,244.09	70.7%	1,027,555.25	17.7%	182,194.31
4	Fusion - Oracle ERP Asset - June 2020 Go Live - A/A through 3/31/23	(2,879,035.32)	(844,113.60)	70.7%	(2,034,921.73)	17.7%	(360,808.97)
5	Fusion - Oracle ERP Asset - November 2020 Go Live - A/A through 3/31/23	(1,488,231.84)	(436,339.46)	70.7%	(1,051,892.38)	17.7%	(186,509.49)
6	Fusion - Oracle ERP Regulatory Asset - A/A through 3/31/23	(205,242.26)	(60,175.64)	70.7%	(145,066.62)	17.7%	(25,721.55)
7	Total Cost to be Allocated	10,278,029.91	3,013,448.54		7,264,581.37		1,288,072.21

		Allocation to NC Reg. Companies Rate Groups			
Line No.	Description	CWSNC Uniform - Water	CWSNC Uniform - Sewer	BE/FH/TC - Water	BE/FH/TC - Sewer
		[G]	[H]	[I]	[J]
8	Fusion - Oracle ERP Asset - June 2020 Go Live	611,432.86	364,784.41	73,462.00	75,195.75
9	Fusion - Oracle ERP Asset - November 2020 Go Live	301,153.48	179,669.92	36,182.78	37,036.71
10	Fusion - Oracle ERP Regulatory Asset - 03/31/22 Proposed Start Date	99,032.85	59,083.58	11,898.53	12,179.34
11	Fusion - Oracle ERP Asset - June 2020 Go Live - A/A through 3/31/23	(196,119.97)	(117,006.32)	(23,563.28)	(24,119.39)
12	Fusion - Oracle ERP Asset - November 2020 Go Live - A/A through 3/31/23	(101,378.40)	(60,482.94)	(12,180.34)	(12,467.80)
13	Fusion - Oracle ERP Regulatory Asset - A/A through 3/31/23	(13,981.11)	(8,341.21)	(1,679.79)	(1,719.44)
13	Total Allocation	700,139.71	417,707.44	84,119.89	86,105.18

Notes:
Column [A] - Total Fusion Oracle ERP costs, June & November go live plus regulatory asset = \$14,850,539 before amortization
Column [B] - Amount allocated to CII and other companies
Column [C] - Allocation percent to Corix Regulated Utility companies. See note 1 describing the regulatory asset percentage difference
Column [D] - Fusion - Oracle ERP Asset Original Costs and Accumulated Amortization after Tier 1 allocation
Column [E] - Allocation percent to North Carolina regulated companies
Column [F] - Amount allocated to North Carolina regulated companies
Column [G] - Column [F] Lines 1 through 4 * 54.36% respectively.
Column [H] - Column [F] Lines 1 through 4 * 32.43% respectively.
Column [I] - Column [F] Lines 1 through 4 * 6.53% respectively.
Column [J] - Column [F] Lines 1 through 4 * 6.68% respectively.

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Supplement to Schedule B-15a and b, and B-20a and b.

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Corporate Cost Allocation (CAM) Pro-Forma

Q1 - 2022 Shared Services Cost Annualization						
Line No.	Description	Q1 - 2022 Shared	Allocation % to	Q1 Amount	Annualization	Q1 22 Allocation to NC Reg.
		Services Cost	NC Reg.	Allocated to NC	Factor	Companies (Annualized)
		Allocated to L48	Companies	Reg. Companies		
		States				
		[A]	[B]	[C]	[D]	[E]
1	Corporate Cost	6,514,979.35	17.73%	1,155,161.39	4	4,620,645.54
2	Regional Cost	791,893.24	17.73%	140,409.42	4	561,637.69
3	Total Cost to be Allocated	7,306,872.59		1,295,570.81		5,182,283.23
4	Oracle ERP Regulatory Asset Amortization					25,721.55

Allocation to NC Reg. Companies Rate Groups						
Line No.	Description	CWSNC				
		CWSNC Uniform -	Uniform -	BF/FH/TC -	BF/FH/TC -	
		Water	Sewer	Water	Sewer	
		[F]	[G]	[H]	[I]	
5	Corporate Cost	2,511,580.79	1,498,423.75	301,759.64	308,881.36	691000 - Corporate Allocation
6	Regional Cost	305,281.68	182,132.83	36,678.77	37,544.41	692000 - Regional Allocation
7	Oracle ERP Regulatory Asset	13,981.11	8,341.21	1,679.79	1,719.44	612900 - Other Regulatory Expense
8	Total Allocation	2,830,843.58	1,688,897.80	340,118.20	348,145.20	

Notes:

- Column [A] - Corix Infrastructure, Inc. shared services cost allocated to the Lower 48 States for the first quarter of 2022
- Column [B] - Allocation percent to North Carolina regulated companies
- Column [C] - Amount allocated to North Carolina regulated companies
- Column [D] - Factor used to annualize first half allocated amount to North Carolina regulated companies
- Column [E] - Column [C] * Column [D]
- Column [F] - Column [E] Lines 1 and 2 * 54.36% respectively.
- Column [G] - Column [E] Lines 1 and 2 * 32.43% respectively.
- Column [H] - Column [E] Lines 1 and 2 * 6.53% respectively.
- Column [I] - Column [E] Lines 1 and 2 * 6.68% respectively.

Purpose:

To include annualized pro-forma costs allocated to CWSNC from the Corix Infrastructure, Inc. Shared Services Group

Method:

Pro-forma adjustments were then made to each North Carolina regulated rate group to reflect the 2021 first quarter annualized cost. nclude rate base costs associated with the Fusion - Oracle Accounting ERP system. Include amortization of the Oracle ERP Regulatory Asset starting 03/31/22.

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Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
Bradfield Farms - Fairfield Harbour - Treasure Cove													
1	517001	Utility-Electric Power	70,431.67	9.28%	6,535.31	76,966.98	3.26%	2,511.99	79,478.98	3.26%	2,593.98	82,072.96	Compounded Expense Inflator
2	511001	Purchased Services-Water	608.77	0.00%	-	608.77	0.00%	-	608.77	0.00%	-	608.77	No General Inflation
3	512001	Shop Supplies and Tools	2,446.61	9.28%	227.02	2,673.63	3.26%	87.26	2,760.89	3.26%	90.11	2,851.00	Compounded Expense Inflator
4	512002	Repairs and Maintenance	142,999.52	9.28%	13,268.84	156,268.36	3.26%	5,100.18	161,368.54	3.26%	5,266.63	166,635.17	Compounded Expense Inflator
5	512003	Main Breaks	415.47	9.28%	38.55	454.02	3.26%	14.82	468.84	3.26%	15.30	484.14	Compounded Expense Inflator
6	512004	Traps Repair	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
7	512005	Valve Repair	16.69	9.28%	1.55	18.24	3.26%	0.60	18.83	3.26%	0.61	19.45	Compounded Expense Inflator
8	512006	Manhole Maint	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
9	512007	Major Repairs	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
10	512008	Maintenance Electric Equip Repair	1,868.09	9.28%	173.34	2,041.43	3.26%	66.63	2,108.06	3.26%	68.80	2,176.86	Compounded Expense Inflator
11	512009	Permits	4,322.94	9.28%	401.12	4,724.06	3.26%	154.18	4,878.24	3.26%	159.21	5,037.46	Compounded Expense Inflator
12	512010	Sewer Rodding	(21,799.62)	9.28%	(2,022.77)	(23,822.39)	3.26%	(777.50)	(24,599.89)	3.26%	(802.87)	(25,402.77)	Compounded Expense Inflator
13	512011	Sewer Sludge Hauling	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
14	512013	Excavation Restoration	107.62	9.28%	9.99	117.61	3.26%	3.84	121.44	3.26%	3.96	125.41	Compounded Expense Inflator
15	512014	Communication Expense	3,453.98	9.28%	320.49	3,774.47	3.26%	123.19	3,897.66	3.26%	127.21	4,024.87	Compounded Expense Inflator
16	512015	Equipment Rental	257.62	9.28%	23.90	281.52	3.26%	9.19	290.71	3.26%	9.49	300.20	Compounded Expense Inflator
17	512016	Uniforms	2,034.77	9.28%	188.81	2,223.58	3.26%	72.57	2,296.15	3.26%	74.94	2,371.09	Compounded Expense Inflator
18	512017	Weather/Hurricane/Fuel/Snow removal	675.75	9.28%	62.70	738.45	3.26%	24.10	762.55	3.26%	24.89	787.44	Compounded Expense Inflator
19	512018	Safety Supplies/Expense	540.04	9.28%	50.11	590.15	3.26%	19.26	609.41	3.26%	19.89	629.30	Compounded Expense Inflator
20	512019	Moving Expense	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
21	512020	Service Claims	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
22	512021	Landscaping	18,677.48	9.28%	1,733.07	20,410.55	3.26%	666.15	21,076.70	3.26%	687.89	21,764.58	Compounded Expense Inflator
23	512022	Other Contracted Workers	81.75	9.28%	7.59	89.34	3.26%	2.92	92.25	3.26%	3.01	95.26	Compounded Expense Inflator
24	512023	Pump Station R&M	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
25	512024	Project Labor Hours (COGS)	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
26	512025	Vehicle Labor Hours (COGS)	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
27	512900	Other Plant and System Maintenance	12,193.77	9.28%	1,131.45	13,325.22	3.26%	434.90	13,760.12	3.26%	449.09	14,209.21	Compounded Expense Inflator
28	513002	Meter Supplies	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
29	513003	Pipe, Plate, Gasket	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
30	513004	Misc Bearing	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
31	513005	Lubricant, Gases	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
32	513006	Misc Gge Glass, Parts	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
33	513007	Rig Equip	26.81	9.28%	2.49	29.30	3.26%	0.96	30.25	3.26%	0.99	31.24	Compounded Expense Inflator
34	513008	Electrical Equip	185.93	9.28%	17.25	203.18	3.26%	6.63	209.81	3.26%	6.85	216.66	Compounded Expense Inflator
35	513009	Lighting Supplies	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
36	513010	Plant Air System	33.75	9.28%	3.13	36.88	3.26%	1.20	38.09	3.26%	1.24	39.33	Compounded Expense Inflator
37	513011	Valves and Traps	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
38	513012	Duty and Brokerage	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
39	513899	Materials and Supplies Write-off	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
40	513900	Other Materials and Supplies	12,450.54	9.28%	1,155.28	13,605.81	3.26%	444.06	14,049.87	3.26%	458.55	14,508.42	Compounded Expense Inflator
41	512012	Deferred Maintenance Expense	14,210.97	9.28%	7,738.00	21,948.97	3.26%	(4,149.51)	17,799.46	3.26%	(2,963.93)	14,835.53	Compounded Expense Inflator
42	515001	Laboratory Testing	20,527.83	9.28%	1,904.77	22,432.60	3.26%	732.14	23,164.73	3.26%	756.03	23,920.77	Compounded Expense Inflator
43	515002	Test - Water/Sewer	8,484.38	9.28%	787.26	9,271.64	3.26%	302.60	9,574.24	3.26%	312.48	9,886.72	Compounded Expense Inflator
44	515003	Test - Equipment/Chemical	428.97	9.28%	39.80	468.77	3.26%	15.30	484.07	3.26%	15.80	499.87	Compounded Expense Inflator
45	515004	Test - Safe Drinking Water Act	27.22	9.28%	2.53	29.75	3.26%	0.97	30.72	3.26%	1.00	31.72	Compounded Expense Inflator
46	516001	Service - Meter Reading	47,601.97	9.28%	4,416.96	52,018.93	3.26%	1,697.76	53,716.69	3.26%	1,753.17	55,469.85	Compounded Expense Inflator
47	514001	Chlorine	18,277.07	9.28%	1,695.92	19,972.99	3.26%	651.86	20,624.85	3.26%	673.14	21,297.99	Compounded Expense Inflator
48	514002	Odor Control Chemicals	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
49	514900	Other Chemicals	44,680.34	9.28%	4,145.86	48,826.20	3.26%	1,593.56	50,419.76	3.26%	1,645.56	52,065.32	Compounded Expense Inflator
50	601000	Vehicle Leasing	877.29	9.28%	81.40	958.70	3.26%	31.29	989.99	3.26%	32.31	1,022.30	Compounded Expense Inflator
51	602000	Vehicle Fuel	24,731.64	9.28%	2,294.83	27,026.47	3.26%	882.07	27,908.54	3.26%	910.86	28,819.40	Compounded Expense Inflator
52	603000	Vehicle Repairs and Maintenance	11,439.09	9.28%	1,061.43	12,500.51	3.26%	407.98	12,908.49	3.26%	421.30	13,329.79	Compounded Expense Inflator
53	604000	Vehicle Registration/Licensing Fees	40.26	9.28%	3.74	44.00	3.26%	1.44	45.43	3.26%	1.48	46.91	Compounded Expense Inflator

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Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
54	605000	Vehicle - Employee Mileage Claim	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
55	606000	Project Vehicle Hours	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
56	607000	Vehicle Charged to Projects	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
57	609000	Vehicle - Other Costs	1,483.97	9.28%	137.70	1,621.67	3.26%	52.93	1,674.59	3.26%	54.65	1,729.25	Compounded Expense Inflator
58	522001	Capitalized Time	(65,538.00)	3.00%	(1,966.14)	(67,504.14)	3.00%	(2,025.12)	(69,529.26)	3.00%	(2,085.88)	(71,615.14)	Salaries Increase Assumptions
59	540100	Consulting	1,269.53	9.28%	117.80	1,387.33	3.26%	45.28	1,432.61	3.26%	46.76	1,479.37	Compounded Expense Inflator
60	540200	Accounting and Audit	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
61	540300	Recruitment	21.58	9.28%	2.00	23.58	3.26%	0.77	24.35	3.26%	0.79	25.14	Compounded Expense Inflator
62	540400	Legal	208.17	9.28%	19.32	227.48	3.26%	7.42	234.91	3.26%	7.67	242.58	Compounded Expense Inflator
63	540500	Payroll	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
64	540600	Tax	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
65	540700	Engineering	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
66	540800	Temporary Labor	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
67	540900	Police	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
68	541000	Environmental	23,473.01	9.28%	2,178.05	25,651.06	3.26%	837.18	26,488.24	3.26%	864.50	27,352.74	Compounded Expense Inflator
69	541100	Management Fee	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
70	541200	Contractor Outside Services	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
71	541300	Employee Finder Fees	57.64	9.28%	5.35	62.99	3.26%	2.06	65.04	3.26%	2.12	67.17	Compounded Expense Inflator
72	549000	Other Outside Services	(295.16)	9.28%	(27.39)	(322.54)	3.26%	(10.53)	(333.07)	3.26%	(10.87)	(343.94)	Compounded Expense Inflator
73	0	Salaries & Wages - General	471,682.16	3.00%	14,150.46	485,832.63	3.00%	14,574.98	500,407.61	3.00%	15,012.23	515,419.84	Salaries Increase Assumptions
74	628100	Billing Stock	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
75	628200	Billing Envelopes	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
76	628300	Billing Postage	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
77	628400	Customer Service Printing	33,408.96	9.28%	3,100.00	36,508.96	3.26%	1,191.55	37,700.51	3.26%	1,230.44	38,930.95	Compounded Expense Inflator
78	628500	Customer Freight/Courier Charges	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
79	550200	Computer Repair and Maintenance	0.75	9.28%	0.07	0.82	3.26%	0.03	0.85	3.26%	0.03	0.88	Compounded Expense Inflator
80	550300	Computer Supplies	(856.92)	9.28%	(79.51)	(936.44)	3.26%	(30.56)	(967.00)	3.26%	(31.56)	(998.56)	Compounded Expense Inflator
81	550400	Internet Services	57.25	9.28%	5.31	62.56	3.26%	2.04	64.60	3.26%	2.11	66.71	Compounded Expense Inflator
82	550500	Website Development	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
83	550600	Computer Licensing	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
84	550700	Software	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
85	550800	Computer Amort	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
86	559900	Other Computer/IT Expenses	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
87	581100	Office Supplies	740.13	9.28%	68.68	808.81	3.26%	26.40	835.20	3.26%	27.26	862.46	Compounded Expense Inflator
88	581200	Kitchen Supplies	214.19	9.28%	19.87	234.06	3.26%	7.64	241.70	3.26%	7.89	249.59	Compounded Expense Inflator
89	581300	Cleaning Supplies	109.62	9.28%	10.17	119.79	3.26%	3.91	123.70	3.26%	4.04	127.73	Compounded Expense Inflator
90	582100	Office Equipment	154.92	9.28%	14.38	169.30	3.26%	5.53	174.82	3.26%	5.71	180.53	Compounded Expense Inflator
91	582200	Office Equipment - Rent/Leased	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
92	583100	Office Printing/Blueprints	87.74	9.28%	8.14	95.89	3.26%	3.13	99.02	3.26%	3.23	102.25	Compounded Expense Inflator
93	583200	Office Publications/Subscriptions	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
94	583300	Artwork, Display and Banner	12.48	9.28%	1.16	13.64	3.26%	0.45	14.08	3.26%	0.46	14.54	Compounded Expense Inflator
95	583400	Office Shipping Charges/Postage/Courier	2,151.90	9.28%	199.67	2,351.58	3.26%	76.75	2,428.33	3.26%	79.25	2,507.58	Compounded Expense Inflator
96	583500	Office Duties and Brokerage	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
97	611100	Rate Case Amortization	37,121.00	0.00%	-	37,121.00	0.00%	-	37,121.00	0.00%	-	37,121.00	No General Inflation
98	611200	Cost of Service Study	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
99	611300	Depreciation Study	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
100	611400	Regulatory Penalties and Fines	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
101	612100	Regulatory Fees	348.69	9.28%	32.35	381.05	3.26%	12.44	393.48	3.26%	12.84	406.32	Compounded Expense Inflator
102	612200	Water Resource Conservation	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
103	612300	Misc Rate Case Expense	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
104	612900	Other Regulatory Expenses	11,996.31	9.28%	1,113.13	13,109.44	3.26%	427.86	13,537.29	3.26%	441.82	13,979.11	Compounded Expense Inflator
105	531001	401K Profit Sharing	8,450.19	9.28%	802.65	9,452.83	3.26%	308.51	9,761.35	3.26%	318.58	10,079.93	Compounded Expense Inflator
106	531002	401K Match	8,777.99	9.28%	814.50	9,592.49	3.26%	313.07	9,905.56	3.26%	323.29	10,228.86	Compounded Expense Inflator
107	531100	RRSP Match	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
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Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
108	531200	Canada Pension Plan	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
109	532001	Health Admin and Stop Loss	12,070.34	9.28%	1,120.00	13,190.34	3.26%	430.50	13,620.83	3.26%	444.55	14,065.38	Compounded Expense Inflator
110	532002	Dental	3,197.67	9.28%	296.71	3,494.38	3.26%	114.05	3,608.43	3.26%	117.77	3,726.20	Compounded Expense Inflator
111	532003	Medical	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
112	532004	Medical Service Plan (MSP)	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
113	532005	Employee Insurance Deductions	(20,948.60)	9.28%	(1,943.81)	(22,892.41)	3.26%	(747.15)	(23,639.55)	3.26%	(771.53)	(24,411.09)	Compounded Expense Inflator
114	532006	Health Insurance Claims	86,018.28	9.28%	7,981.59	93,999.87	3.26%	3,067.90	97,067.77	3.26%	3,168.03	100,235.80	Compounded Expense Inflator
115	532007	Group Insurance	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
116	532008	Health Insurance	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
117	532009	Workers Compensation Insurance (WCB)	5,549.84	9.28%	514.97	6,064.81	3.26%	197.94	6,262.75	3.26%	204.40	6,467.14	Compounded Expense Inflator
118	532010	Unemployment Insurance (EI)	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
119	532011	Union Dues	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
120	532012	Term Life Insurance	6,296.72	9.28%	584.27	6,880.99	3.26%	224.58	7,105.57	3.26%	231.91	7,337.47	Compounded Expense Inflator
121	532013	Term Life Insurance Opt	(1,333.54)	9.28%	(123.74)	(1,457.28)	3.26%	(47.56)	(1,504.84)	3.26%	(49.11)	(1,553.95)	Compounded Expense Inflator
122	532014	Depend Life Insurance Opt	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
123	532015	Vacation	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
124	532016	Education / Tuition	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
125	532017	Safety	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
126	532018	Longevity	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
127	532019	Incidental	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
128	532020	Holiday	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
129	532021	Jury Duty	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
130	532900	Other Employee Benefits	750.69	9.28%	69.66	820.34	3.26%	26.77	847.12	3.26%	27.65	874.76	Compounded Expense Inflator
131	532999	Payroll Suspense	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
132	560100	General Liability Insurance	27,470.92	9.28%	2,549.01	30,019.93	3.26%	979.77	30,999.70	3.26%	1,011.75	32,011.45	Compounded Expense Inflator
133	560200	Property Insurance	32,505.56	30.19%	9,813.24	42,318.80	7.23%	3,059.93	45,378.73	4.84%	2,198.08	47,576.82	Property Insurance Expense Inflationary Assumption
134	560300	Vehicle Insurance	8,124.77	30.19%	2,452.82	10,577.59	7.23%	764.83	11,342.42	4.84%	549.41	11,891.83	Property Insurance Expense Inflationary Assumption
135	560400	Uninsured Losses	7,043.53	9.28%	653.57	7,697.10	3.26%	251.21	7,948.31	3.26%	259.41	8,207.72	Compounded Expense Inflator
136	560500	Other Insurance	4,515.49	9.28%	418.99	4,934.48	3.26%	161.05	5,095.53	3.26%	166.30	5,261.83	Compounded Expense Inflator
137	571100	Building Rent	25,446.00	9.28%	2,244.34	27,690.34	3.26%	664.57	28,354.91	3.26%	680.52	29,035.42	Manual Calculation
138	584100	Office Electric	1,129.36	9.28%	104.79	1,234.16	3.26%	40.28	1,274.44	3.26%	41.59	1,316.03	Compounded Expense Inflator
139	584200	Office Gas/Heat	19.91	9.28%	1.85	21.76	3.26%	0.71	22.47	3.26%	0.73	23.20	Compounded Expense Inflator
140	584300	Office Water	5.81	9.28%	0.54	6.35	3.26%	0.21	6.55	3.26%	0.21	6.77	Compounded Expense Inflator
141	584900	Office Other Utilities	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
142	585100	Office Garbage Disposal/Removal	10,816.76	9.28%	1,003.68	11,820.44	3.26%	385.79	12,206.23	3.26%	398.38	12,604.61	Compounded Expense Inflator
143	585200	Office Landscape/Mowing	42.47	9.28%	3.94	46.41	3.26%	1.51	47.92	3.26%	1.56	49.49	Compounded Expense Inflator
144	585300	Office Snow Removal	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
145	585400	Office Security/ Alarm System	25.94	9.28%	2.41	28.35	3.26%	0.93	29.27	3.26%	0.96	30.23	Compounded Expense Inflator
146	585500	Office Cleaning Services	14.90	9.28%	1.38	16.29	3.26%	0.53	16.82	3.26%	0.55	17.37	Compounded Expense Inflator
147	585900	Other Office Maintenance	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
148	586100	Landline/Telephone/Fax	819.67	9.28%	76.06	895.72	3.26%	29.23	924.96	3.26%	30.19	955.15	Compounded Expense Inflator
149	586200	Cellular/Mobile Phones	3,380.90	9.28%	313.71	3,694.61	3.26%	120.58	3,815.19	3.26%	124.52	3,939.71	Compounded Expense Inflator
150	587100	Holiday Events/Picnics	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
151	587200	Meals and Entertainment	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
152	587300	Meals and Entertainment - 50% Tax Deductible	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
153	587400	Meals and Entertainment - Non Deductible	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
154	587500	Answering Service	865.43	9.28%	80.30	945.73	3.26%	30.87	976.60	3.26%	31.87	1,008.47	Compounded Expense Inflator
155	587900	Other Office Expenses	194.52	9.28%	18.05	212.57	3.26%	6.94	219.51	3.26%	7.16	226.68	Compounded Expense Inflator
156	511003	Purchased Services-Gas	47.18	9.28%	4.38	51.56	3.26%	1.68	53.24	3.26%	1.74	54.98	Compounded Expense Inflator
157	621100	Advertising	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
158	621300	Trade Shows	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
159	621400	Promotions/Corporate Sponsor	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
160	621500	Promotions - 50%	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
161	622100	Bank Service Charges	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator

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Schedule 29

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162	622200	Bank Charges - Merchant	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
163	622300	Letter of Credit Fees	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
164	623100	Donations for Registered Charities	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
165	623200	Donations for Non-Registered Charities	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
166	624100	License Fees	258.82	9.28%	24.02	282.83	3.26%	9.23	292.06	3.26%	9.53	301.59	Compounded Expense Inflator
167	624200	Franchise Fee	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
168	624300	5% FF on Usage	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
169	625100	Penalties and Fines	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
170	625200	Penalties and Fines to Government (Non-Deductible)	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
171	625300	Late Fees	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
172	626100	Education and Training	886.50	9.28%	82.26	968.76	3.26%	31.62	1,000.38	3.26%	32.65	1,033.03	Compounded Expense Inflator
173	629100	Memberships and Dues	3,052.61	9.28%	283.25	3,335.86	3.26%	108.87	3,444.74	3.26%	112.43	3,557.16	Compounded Expense Inflator
174	629200	Payroll Admin Fee	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
175	629300	Director and Board Fees	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
176	629400	Corporate Governance	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
177	629500	Credit Card Expense Clearing	(1,027.01)	9.28%	(95.30)	(1,122.31)	3.26%	(36.63)	(1,158.94)	3.26%	(37.82)	(1,196.76)	Compounded Expense Inflator
178	629600	Credit Card/Cash Expense - Unallocated	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
179	629700	Cost Recovery	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
180	629800	Discount/Rebate Taken	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
181	629850	Community Service	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
182	629900	Other Misc Expense	1,423.70	9.28%	132.10	1,555.80	3.26%	50.78	1,606.58	3.26%	52.43	1,659.01	Compounded Expense Inflator
183	591000	Accommodation/Hotel/Lodging	822.83	9.28%	76.35	899.17	3.26%	29.35	928.52	3.26%	30.30	958.83	Compounded Expense Inflator
184	592000	Airfare	25.74	9.28%	2.39	28.12	3.26%	0.92	29.04	3.26%	0.95	29.99	Compounded Expense Inflator
185	593000	Transportation excl. Airfare	193.76	9.28%	17.98	211.74	3.26%	6.91	218.65	3.26%	7.14	225.78	Compounded Expense Inflator
186	594000	Travel - Meals and Entertainment	(10.97)	9.28%	(1.02)	(11.99)	3.26%	(0.39)	(12.38)	3.26%	(0.40)	(12.78)	Compounded Expense Inflator
187	595000	Travel - Meals and Entertainment - 50% Tax Deductible	468.47	9.28%	43.47	511.94	3.26%	16.71	528.65	3.26%	17.25	545.90	Compounded Expense Inflator
188	596000	Travel - Meals and Entertainment - Non Deductible	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
189	599900	Other Travel	2,274.46	9.28%	211.05	2,485.51	3.26%	81.12	2,566.63	3.26%	83.77	2,650.39	Compounded Expense Inflator
190	0	Federal Protected EDIT Amortization	(5,199.00)	0.00%	-	(5,199.00)	0.00%	-	(5,199.00)	0.00%	-	(5,199.00)	No General Inflation
191	630002	Commission Ordered Adjustments	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
192	691000	Corporate Allocation	301,759.64	9.28%	28,000.10	329,759.74	3.26%	10,762.47	340,522.21	3.26%	11,113.73	351,635.94	Compounded Expense Inflator
193	692000	Regional Allocation	36,678.76	9.28%	3,403.40	40,082.17	3.26%	1,308.17	41,390.34	3.26%	1,350.87	42,741.21	Compounded Expense Inflator
194	693000	Contract Shared Services Allocation	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
195	694000	Allocation Markup	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
196	811003	Standby/Letter of Credit Fees	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
197	816004	Interest - Other	1,427.93	9.28%	132.50	1,560.43	3.26%	50.93	1,611.36	3.26%	52.59	1,663.95	Compounded Expense Inflator
198	641100	FICA	35,263.41	3.00%	1,057.90	36,321.31	3.00%	1,089.64	37,410.95	3.00%	1,122.33	38,533.28	Salaries Increase Assumptions
199	641200	Payroll Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
200	641300	Employer Health Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
201	642100	Federal Unemployment Tax	253.30	3.00%	7.60	260.90	3.00%	7.83	268.73	3.00%	8.06	276.79	Salaries Increase Assumptions
202	642200	State Unemployment Tax	793.89	3.00%	23.82	817.71	3.00%	24.53	842.24	3.00%	25.27	867.50	Salaries Increase Assumptions
203	642300	Other Payroll Taxes	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
204	643100	Franchise Taxes	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
205	643200	Gross Receipts Taxes	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
206	643300	Personal Property Taxes	1,220.27	30.19%	368.39	1,588.66	7.23%	114.87	1,703.53	4.84%	82.52	1,786.05	Real Estate Taxes
207	643400	Real Estate Taxes	6,525.76	30.19%	1,970.09	8,495.86	7.23%	614.31	9,110.16	4.84%	441.28	9,551.45	Real Estate Taxes
208	643500	Sales And Use Taxes	-	9.28%	-	-	3.26%	-	-	3.26%	-	-	Compounded Expense Inflator
209	643600	Utility/Commission Taxes	-	-	3,242.81	3,242.81	-	185.17	3,427.98	-	134.19	3,562.17	Manual Calculation
210	643700	Other General Taxes	(1,321.03)	9.28%	(122.58)	(1,443.60)	3.26%	(47.12)	(1,490.72)	3.26%	(48.65)	(1,539.37)	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
Sewer Bradfield Farms - Fairfield Harbour - Treasure Cove													
211	517001	Utility-Electric Power	149,603.88	9.61%	14,382.38	163,986.26	3.89%	6,385.03	170,371.28	3.89%	6,633.64	177,004.92	Compounded Expense Inflator
212	511002	Purchased Services-Sewer	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	No General Inflation
213	512001	Shop Supplies and Tools	1,697.19	9.61%	163.16	1,860.35	3.89%	72.44	1,932.79	3.89%	75.26	2,008.04	Compounded Expense Inflator
214	512002	Repairs and Maintenance	34,476.70	9.61%	3,314.47	37,791.17	3.89%	1,471.45	39,262.62	3.89%	1,528.74	40,791.36	Compounded Expense Inflator
215	512003	Main Breaks	240.31	9.61%	23.10	263.41	3.89%	10.26	273.67	3.89%	10.66	284.32	Compounded Expense Inflator
216	512004	Traps Repair	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
217	512005	Valve Repair	16.99	9.61%	1.63	18.62	3.89%	0.73	19.35	3.89%	0.75	20.10	Compounded Expense Inflator
218	512006	Manhole Maint	35.82	9.61%	3.44	39.26	3.89%	1.53	40.79	3.89%	1.59	42.38	Compounded Expense Inflator
219	512007	Major Repairs	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
220	512008	Maintenance Electric Equip Repair	2,686.43	9.61%	258.26	2,944.69	3.89%	114.66	3,059.35	3.89%	119.12	3,178.47	Compounded Expense Inflator
221	512009	Permits	7,105.60	9.61%	683.11	7,788.71	3.89%	303.26	8,091.97	3.89%	315.07	8,407.04	Compounded Expense Inflator
222	512010	Sewer Rodding	30,298.44	9.61%	2,912.78	33,211.22	3.89%	1,293.12	34,504.35	3.89%	1,343.47	35,847.82	Compounded Expense Inflator
223	512011	Sewer Sludge Hauling	90,677.27	9.61%	8,717.39	99,394.66	3.89%	3,870.07	103,264.72	3.89%	4,020.75	107,285.47	Compounded Expense Inflator
224	512013	Excavation Restoration	3.99	9.61%	0.38	4.37	3.89%	0.17	4.54	3.89%	0.18	4.72	Compounded Expense Inflator
225	512014	Communication Expense	3,778.33	9.61%	363.24	4,141.57	3.89%	161.26	4,302.82	3.89%	167.54	4,470.36	Compounded Expense Inflator
226	512015	Equipment Rental	262.79	9.61%	25.26	288.05	3.89%	11.22	299.27	3.89%	11.65	310.92	Compounded Expense Inflator
227	512016	Uniforms	1,071.99	9.61%	103.06	1,175.05	3.89%	45.75	1,220.80	3.89%	47.53	1,268.33	Compounded Expense Inflator
228	512017	Weather/Hurricane/Fuel/Snow removal	5,366.67	9.61%	515.93	5,882.60	3.89%	229.05	6,111.65	3.89%	237.97	6,349.61	Compounded Expense Inflator
229	512018	Safety Supplies/Expense	529.02	9.61%	50.86	579.87	3.89%	22.58	602.45	3.89%	23.46	625.91	Compounded Expense Inflator
230	512019	Moving Expense	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
231	512020	Service Claims	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
232	512021	Landscaping	8,262.24	9.61%	794.30	9,056.54	3.89%	352.63	9,409.17	3.89%	366.36	9,775.53	Compounded Expense Inflator
233	512022	Other Contracted Workers	83.45	9.61%	8.02	91.47	3.89%	3.56	95.03	3.89%	3.70	98.73	Compounded Expense Inflator
234	512023	Pump Station R&M	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
235	512024	Project Labor Hours (COGS)	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
236	512025	Vehicle Labor Hours (COGS)	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
237	512900	Other Plant and System Maintenance	6,955.35	9.61%	668.66	7,624.02	3.89%	296.85	7,920.87	3.89%	308.41	8,229.28	Compounded Expense Inflator
238	513002	Meter Supplies	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
239	513003	Pipe, Plate, Gasket	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
240	513004	Misc Bearing	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
241	513005	Lubricant, Gases	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
242	513006	Misc Gge Glass, Parts	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
243	513007	Rig Equip	27.35	9.61%	2.63	29.98	3.89%	1.17	31.15	3.89%	1.21	32.36	Compounded Expense Inflator
244	513008	Electrical Equip	189.29	9.61%	18.20	207.49	3.89%	8.08	215.57	3.89%	8.39	223.96	Compounded Expense Inflator
245	513009	Lighting Supplies	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
246	513010	Plant Air System	34.49	9.61%	3.32	37.81	3.89%	1.47	39.28	3.89%	1.53	40.81	Compounded Expense Inflator
247	513011	Valves and Traps	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
248	513012	Duty and Brokerage	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
249	513899	Materials and Supplies Write-off	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
250	513900	Other Materials and Supplies	20,205.62	9.61%	1,942.50	22,148.12	3.89%	862.37	23,010.48	3.89%	895.94	23,906.43	Compounded Expense Inflator
251	512012	Deferred Maintenance Expense	22,098.34	-	(1,619.14)	20,479.20	-	-	20,479.20	-	-	20,479.20	\$ -
252	515001	Laboratory Testing	(5,762.66)	9.61%	(554.00)	(6,316.66)	3.89%	(245.95)	(6,562.61)	3.89%	(255.52)	(6,818.13)	Compounded Expense Inflator
253	515002	Test - Water/Sewer	7,264.09	9.61%	698.34	7,962.43	3.89%	310.03	8,272.46	3.89%	322.10	8,594.56	Compounded Expense Inflator
254	515003	Test - Equipment/Chemical	474.49	9.61%	45.62	520.11	3.89%	20.25	540.36	3.89%	21.04	561.40	Compounded Expense Inflator
255	515004	Test - Safe Drinking Water Act	27.81	9.61%	2.67	30.48	3.89%	1.19	31.67	3.89%	1.23	32.90	Compounded Expense Inflator
256	516001	Service - Meter Reading	1,040.97	9.61%	100.08	1,141.05	3.89%	44.43	1,185.47	3.89%	46.16	1,231.63	Compounded Expense Inflator
257	514001	Chlorine	2,283.29	9.61%	219.51	2,502.80	3.89%	97.45	2,600.25	3.89%	101.24	2,701.49	Compounded Expense Inflator
258	514002	Odor Control Chemicals	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
259	514900	Other Chemicals	51,038.93	9.61%	4,906.70	55,945.63	3.89%	2,178.32	58,123.95	3.89%	2,263.13	60,387.08	Compounded Expense Inflator
260	601000	Vehicle Leasing	898.00	9.61%	86.33	984.33	3.89%	38.33	1,022.65	3.89%	39.82	1,062.47	Compounded Expense Inflator
261	602000	Vehicle Fuel	25,315.32	9.61%	2,433.72	27,749.04	3.89%	1,080.45	28,829.49	3.89%	1,122.52	29,952.01	Compounded Expense Inflator
262	603000	Vehicle Repairs and Maintenance	11,709.05	9.61%	1,125.67	12,834.72	3.89%	499.74	13,334.46	3.89%	519.20	13,853.65	Compounded Expense Inflator
263	604000	Vehicle Registration/Licensing Fees	41.21	9.61%	3.96	45.17	3.89%	1.76	46.93	3.89%	1.83	48.76	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
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Schedule 29

Line No.	Account	Description	Historical	Inflator Rate	Rate Year 1	Rate Year 1	Inflator Rate	Rate Year 2	Rate Year 2	Inflator Rate	Rate Year 3	Rate Year 3	Inflationary Assumption
			Test Year as adjusted		Adjustments	Revenue Requirement		Adjustments	Revenue Requirement		Adjustments	Revenue Requirement	
264	605000	Vehicle - Employee Mileage Claim	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
265	606000	Project Vehicle Hours	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
266	607000	Vehicle Charged to Projects	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
267	609000	Vehicle - Other Costs	1,518.99	9.61%	146.03	1,665.02	3.89%	64.83	1,729.85	3.89%	67.35	1,797.21	Compounded Expense Inflator
268	522001	Capitalized Time	(67,085.00)	3.00%	(2,012.55)	(69,097.55)	3.00%	(2,072.93)	(71,170.48)	3.00%	(2,135.11)	(73,305.59)	Salaries Increase Assumptions
269	540100	Consulting	1,299.50	9.61%	124.93	1,424.42	3.89%	55.46	1,479.89	3.89%	57.62	1,537.51	Compounded Expense Inflator
270	540200	Accounting and Audit	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
271	540300	Recruitment	22.08	9.61%	2.12	24.21	3.89%	0.94	25.15	3.89%	0.98	26.13	Compounded Expense Inflator
272	540400	Legal	213.08	9.61%	20.48	233.57	3.89%	9.09	242.66	3.89%	9.45	252.11	Compounded Expense Inflator
273	540500	Payroll	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
274	540600	Tax	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
275	540700	Engineering	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
276	540800	Temporary Labor	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
277	540900	Police	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
278	541000	Environmental	24,026.99	9.61%	2,309.87	26,336.86	3.89%	1,025.46	27,362.32	3.89%	1,065.39	28,427.71	Compounded Expense Inflator
279	541100	Management Fee	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
280	541200	Contractor Outside Services	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
281	541300	Employee Finder Fees	59.00	9.61%	5.67	64.67	3.89%	2.52	67.19	3.89%	2.62	69.81	Compounded Expense Inflator
282	549000	Other Outside Services	(302.12)	9.61%	(29.05)	(331.17)	3.89%	(12.89)	(344.06)	3.89%	(13.40)	(357.46)	Compounded Expense Inflator
283	0	Salaries & Wages - General	482,814.16	3.00%	14,484.42	497,298.58	3.00%	14,918.96	512,217.54	3.00%	15,366.53	527,584.06	Salaries Increase Assumptions
284	628100	Billing Stock	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
285	628200	Billing Envelopes	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
286	628300	Billing Postage	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
287	628400	Customer Service Printing	34,197.43	9.61%	3,287.62	37,485.05	3.89%	1,459.53	38,944.58	3.89%	1,516.36	40,460.94	Compounded Expense Inflator
288	628500	Customer Freight/Courier Charges	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
289	550200	Computer Repair and Maintenance	0.77	9.61%	0.07	0.84	3.89%	0.03	0.88	3.89%	0.03	0.91	Compounded Expense Inflator
290	550300	Computer Supplies	(877.15)	9.61%	(84.33)	(961.47)	3.89%	(37.44)	(998.91)	3.89%	(38.89)	(1,037.80)	Compounded Expense Inflator
291	550400	Internet Services	58.60	9.61%	5.63	64.23	3.89%	2.50	66.74	3.89%	2.60	69.33	Compounded Expense Inflator
292	550500	Website Development	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
293	550600	Computer Licensing	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
294	550700	Software	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
295	550800	Computer Amort	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
296	559900	Other Computer/IT Expenses	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
297	581100	Office Supplies	757.60	9.61%	72.83	830.43	3.89%	32.33	862.77	3.89%	33.59	896.36	Compounded Expense Inflator
298	581200	Kitchen Supplies	219.24	9.61%	21.08	240.32	3.89%	9.36	249.68	3.89%	9.72	259.40	Compounded Expense Inflator
299	581300	Cleaning Supplies	112.20	9.61%	10.79	122.99	3.89%	4.79	127.78	3.89%	4.98	132.75	Compounded Expense Inflator
300	582100	Office Equipment	158.58	9.61%	15.25	173.82	3.89%	6.77	180.59	3.89%	7.03	187.62	Compounded Expense Inflator
301	582200	Office Equipment - Rent/Leased	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
302	583100	Office Printing/Blueprints	89.82	9.61%	8.63	98.45	3.89%	3.83	102.28	3.89%	3.98	106.27	Compounded Expense Inflator
303	583200	Office Publications/Subscriptions	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
304	583300	Artwork, Display and Banner	12.77	9.61%	1.23	14.00	3.89%	0.55	14.55	3.89%	0.57	15.11	Compounded Expense Inflator
305	583400	Office Shipping Charges/Postage/Courier	2,202.69	9.61%	211.76	2,414.45	3.89%	94.01	2,508.46	3.89%	97.67	2,606.13	Compounded Expense Inflator
306	583500	Office Duties and Brokerage	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
307	611100	Rate Case Amortization	37,997.00	0.00%	-	37,997.00	0.00%	-	37,997.00	0.00%	-	37,997.00	No General Inflation
308	611200	Cost of Service Study	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
309	611300	Depreciation Study	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
310	611400	Regulatory Penalties and Fines	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
311	612100	Regulatory Fees	356.92	9.61%	34.31	391.23	3.89%	15.23	406.47	3.89%	15.83	422.29	Compounded Expense Inflator
312	612200	Water Resource Conservation	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
313	612300	Misc Rate Case Expense	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
314	612900	Other Regulatory Expenses	12,279.43	9.61%	1,180.50	13,459.93	3.89%	524.08	13,984.01	3.89%	544.49	14,528.50	Compounded Expense Inflator
315	531001	401K Profit Sharing	8,854.33	9.61%	851.22	9,705.56	3.89%	377.90	10,083.46	3.89%	392.61	10,476.07	Compounded Expense Inflator
316	531002	401K Match	8,985.15	9.61%	863.80	9,848.95	3.89%	383.48	10,232.44	3.89%	398.41	10,630.85	Compounded Expense Inflator
317	531100	RRSP Match	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator

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Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
318	531200	Canada Pension Plan	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
319	532001	Health Admin and Stop Loss	12,355.20	9.61%	1,187.78	13,542.99	3.89%	527.31	14,070.30	3.89%	547.85	14,618.15	Compounded Expense Inflator
320	532002	Dental	3,273.14	9.61%	314.67	3,587.81	3.89%	139.70	3,727.50	3.89%	145.14	3,872.64	Compounded Expense Inflator
321	532003	Medical	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
322	532004	Medical Service Plan (MSP)	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
323	532005	Employee Insurance Deductions	(21,443.00)	9.61%	(2,061.45)	(23,504.45)	3.89%	(915.18)	(24,419.63)	3.89%	(950.81)	(25,370.44)	Compounded Expense Inflator
324	532006	Health Insurance Claims	88,048.37	9.61%	8,464.65	96,513.02	3.89%	3,757.86	100,270.88	3.89%	3,904.18	104,175.07	Compounded Expense Inflator
325	532007	Group Insurance	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
326	532008	Health Insurance	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
327	532009	Workers Compensation Insurance (WCB)	5,680.82	9.61%	546.13	6,226.95	3.89%	242.45	6,469.41	3.89%	251.90	6,721.30	Compounded Expense Inflator
328	532010	Unemployment Insurance (EI)	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
329	532011	Union Dues	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
330	532012	Term Life Insurance	6,445.33	9.61%	619.63	7,064.96	3.89%	275.08	7,340.04	3.89%	285.79	7,625.84	Compounded Expense Inflator
331	532013	Term Life Insurance Opt	(1,365.01)	9.61%	(131.23)	(1,496.24)	3.89%	(58.26)	(1,554.50)	3.89%	(60.53)	(1,615.02)	Compounded Expense Inflator
332	532014	Depend Life Insurance Opt	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
333	532015	Vacation	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
334	532016	Education / Tuition	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
335	532017	Safety	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
336	532018	Longevity	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
337	532019	Incidental	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
338	532020	Holiday	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
339	532021	Jury Duty	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
340	532900	Other Employee Benefits	768.40	9.61%	73.87	842.27	3.89%	32.80	875.07	3.89%	34.07	909.14	Compounded Expense Inflator
341	532999	Payroll Suspense	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
342	560100	General Liability Insurance	28,119.25	9.61%	2,703.28	30,822.54	3.89%	1,200.12	32,022.65	3.89%	1,246.85	33,269.50	Compounded Expense Inflator
343	560200	Property Insurance	33,272.71	5.60%	1,863.80	35,136.51	8.63%	3,032.75	38,169.26	4.31%	1,643.51	39,812.77	Property Insurance Expense Inflationary Assumption
344	560300	Vehicle Insurance	8,316.52	5.60%	465.86	8,782.37	8.63%	758.04	9,540.41	4.31%	410.80	9,951.20	Property Insurance Expense Inflationary Assumption
345	560400	Uninsured Losses	7,209.77	9.61%	693.12	7,902.89	3.89%	307.71	8,210.60	3.89%	319.69	8,530.29	Compounded Expense Inflator
346	560500	Other Insurance	4,622.06	9.61%	444.35	5,066.40	3.89%	197.27	5,263.67	3.89%	204.95	5,468.62	Compounded Expense Inflator
347	571100	Building Rent	25,446.00	9.61%	2,244.34	27,690.34	3.89%	664.57	28,354.91	3.89%	680.52	29,035.42	\$ -
348	584100	Office Electric	1,156.02	9.61%	111.14	1,267.15	3.89%	49.34	1,316.49	3.89%	51.26	1,367.75	Compounded Expense Inflator
349	584200	Office Gas/Heat	20.38	9.61%	1.96	22.34	3.89%	0.87	23.21	3.89%	0.90	24.11	Compounded Expense Inflator
350	584300	Office Water	5.94	9.61%	0.57	6.51	3.89%	0.25	6.77	3.89%	0.26	7.03	Compounded Expense Inflator
351	584900	Office Other Utilities	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
352	585100	Office Garbage Disposal/Removal	11,072.04	9.61%	1,064.43	12,136.47	3.89%	472.55	12,609.02	3.89%	490.95	13,099.97	Compounded Expense Inflator
353	585200	Office Landscape/Mowing	43.47	9.61%	4.18	47.65	3.89%	1.86	49.51	3.89%	1.93	51.43	Compounded Expense Inflator
354	585300	Office Snow Removal	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
355	585400	Office Security/ Alarm System	26.55	9.61%	2.55	29.10	3.89%	1.13	30.24	3.89%	1.18	31.41	Compounded Expense Inflator
356	585500	Office Cleaning Services	15.26	9.61%	1.47	16.72	3.89%	0.65	17.37	3.89%	0.68	18.05	Compounded Expense Inflator
357	585900	Other Office Maintenance	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
358	586100	Landline/Telephone/Fax	839.01	9.61%	80.66	919.67	3.89%	35.81	955.48	3.89%	37.20	992.68	Compounded Expense Inflator
359	586200	Cellular/Mobile Phones	3,460.69	9.61%	332.70	3,793.39	3.89%	147.70	3,941.09	3.89%	153.45	4,094.54	Compounded Expense Inflator
360	587100	Holiday Events/Picnics	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
361	587200	Meals and Entertainment	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
362	587300	Meals and Entertainment - 50% Tax Deductible	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
363	587400	Meals and Entertainment - Non Deductible	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
364	587500	Answering Service	885.85	9.61%	85.16	971.01	3.89%	37.81	1,008.82	3.89%	39.28	1,048.10	Compounded Expense Inflator
365	587900	Other Office Expenses	199.12	9.61%	19.14	218.26	3.89%	8.50	226.76	3.89%	8.83	235.58	Compounded Expense Inflator
366	511003	Purchased Services-Gas	47.97	9.61%	4.61	52.58	3.89%	2.05	54.63	3.89%	2.13	56.76	Compounded Expense Inflator
367	621100	Advertising	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
368	621300	Trade Shows	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
369	621400	Promotions/Corporate Sponsor	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
370	621500	Promotions - 50%	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
371	622100	Bank Service Charges	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
372	622200	Bank Charges - Merchant	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
373	622300	Letter of Credit Fees	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
374	623100	Donations for Registered Charities	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
375	623200	Donations for Non-Registered Charities	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
376	624100	License Fees	264.92	9.61%	25.47	290.39	3.89%	11.31	301.70	3.89%	11.75	313.45	Compounded Expense Inflator
377	624200	Franchise Fee	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
378	624300	5% FF on Usage	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
379	625100	Penalties and Fines	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
380	625200	Penalties and Fines to Government (Non-Deductible)	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
381	625300	Late Fees	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
382	626100	Education and Training	907.43	9.61%	87.24	994.66	3.89%	38.73	1,033.39	3.89%	40.24	1,073.63	Compounded Expense Inflator
383	629100	Memberships and Dues	3,124.66	9.61%	300.39	3,425.05	3.89%	133.36	3,558.41	3.89%	138.55	3,696.96	Compounded Expense Inflator
384	629200	Payroll Admin Fee	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
385	629300	Director and Board Fees	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
386	629400	Corporate Governance	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
387	629500	Credit Card Expense Clearing	(1,051.25)	9.61%	(101.06)	(1,152.31)	3.89%	(44.87)	(1,197.18)	3.89%	(46.61)	(1,243.79)	Compounded Expense Inflator
388	629600	Credit Card/Cash Expense - Unallocated	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
389	629700	Cost Recovery	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
390	629800	Discount/Rebate Taken	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
391	629850	Community Service	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
392	629900	Other Misc Expense	1,424.31	9.61%	136.93	1,561.24	3.89%	60.79	1,622.03	3.89%	63.16	1,685.19	Compounded Expense Inflator
393	591000	Accommodation/Hotel/Lodging	842.24	9.61%	80.97	923.21	3.89%	35.95	959.16	3.89%	37.35	996.51	Compounded Expense Inflator
394	592000	Airfare	26.34	9.61%	2.53	28.88	3.89%	1.12	30.00	3.89%	1.17	31.17	Compounded Expense Inflator
395	593000	Transportation excl. Airfare	198.33	9.61%	19.07	217.40	3.89%	8.46	225.86	3.89%	8.79	234.66	Compounded Expense Inflator
396	594000	Travel - Meals and Entertainment	(11.23)	9.61%	(1.08)	(12.31)	3.89%	(0.48)	(12.79)	3.89%	(0.50)	(13.29)	Compounded Expense Inflator
397	595000	Travel - Meals and Entertainment - 50% Tax Deductible	479.53	9.61%	46.10	525.63	3.89%	20.47	546.09	3.89%	21.26	567.36	Compounded Expense Inflator
398	596000	Travel - Meals and Entertainment - Non Deductible	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
399	599900	Other Travel	2,328.14	9.61%	223.82	2,551.96	3.89%	99.36	2,651.32	3.89%	103.23	2,754.56	Compounded Expense Inflator
400	0	Federal Protected EDIT Amortization	(5,321.00)	0.00%	-	(5,321.00)	0.00%	-	(5,321.00)	0.00%	-	(5,321.00)	No General Inflation
401	630002	Commission Ordered Adjustments	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
402	691000	Corporate Allocation	308,881.36	9.61%	29,694.74	338,576.10	3.89%	13,182.92	351,759.01	3.89%	13,696.21	365,455.23	Compounded Expense Inflator
403	692000	Regional Allocation	37,544.41	9.61%	3,609.38	41,153.80	3.89%	1,602.38	42,756.18	3.89%	1,664.77	44,420.95	Compounded Expense Inflator
404	693000	Contract Shared Services Allocation	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
405	694000	Allocation Markup	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
406	811003	Standby/Letter of Credit Fees	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
407	816004	Interest - Other	1,461.63	9.61%	140.52	1,602.15	3.89%	62.38	1,664.53	3.89%	64.81	1,729.34	Compounded Expense Inflator
408	641100	FICA	36,095.65	3.00%	1,082.87	37,178.52	3.00%	1,115.36	38,293.88	3.00%	1,148.82	39,442.69	Salaries Increase Assumptions
409	641200	Payroll Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
410	641300	Employer Health Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
411	642100	Federal Unemployment Tax	259.28	3.00%	7.78	267.06	3.00%	8.01	275.07	3.00%	8.25	283.32	Salaries Increase Assumptions
412	642200	State Unemployment Tax	812.63	3.00%	24.38	837.01	3.00%	25.11	862.12	3.00%	25.86	887.98	Salaries Increase Assumptions
413	642300	Other Payroll Taxes	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
414	643100	Franchise Taxes	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
415	643200	Gross Receipts Taxes	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
416	643300	Personal Property Taxes	3,073.75	5.60%	172.18	3,245.93	8.63%	280.17	3,526.10	4.31%	151.83	3,677.93	Real Estate Taxes
417	643400	Real Estate Taxes	6,679.78	5.60%	374.17	7,053.95	8.63%	608.85	7,662.80	4.31%	329.95	7,992.75	Real Estate Taxes
418	643500	Sales And Use Taxes	-	9.61%	-	-	3.89%	-	-	3.89%	-	-	Compounded Expense Inflator
419	643600	Utility/Commission Taxes	-	-	4,255.84	4,255.84	-	328.68	4,584.53	-	176.07	4,760.60	Manual Calculation
420	643700	Other General Taxes	(1,352.20)	9.61%	(130.00)	(1,482.20)	3.89%	(57.71)	(1,539.91)	3.89%	(59.96)	(1,599.87)	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

Schedule 29

Purpose:

To identify and include in the revenue requirement expense increases through the WSIP period.

Method:

Identify which inflator is the most reasonable and apply that expense increase to each of the periods through the WSIP period. Accounts that are marked as no general inflation have a manual build addressing the level of expenses through the WSIP period.

Inflation Assumptions	Water	Water	Water	Sewer	Sewer	Sewer
	WSIP Year 1	WSIP Year 2	WSIP Year 3	WSIP Year 1	WSIP Year 2	WSIP Year 3
Growth Inflation	0.42%	0.84%	0.84%	0.73%	1.46%	1.46%
Expense Inflation	8.82%	2.40%	2.40%	8.82%	2.40%	2.40%
Compounded Expense Inflator	9.28%	3.26%	3.26%	9.61%	3.89%	3.89%

Note: Expense inflation is based on projected CPI, further details can be found in Witness Drennan's testimony. Growth inflation is based on assumed ERC growth through the WSIP period as reflected in Schedule E. Expenses that are expected to be sensitive to both expense inflation as well as system usage will have a compound inflation applied.

Salaries Increase Assumptions	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
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Note: WSIP period salary increase assumptions are based on market demands and are set based on internal corporate direction.

Real Estate Taxes	30.19%	7.23%	4.84%	5.60%	8.63%	4.31%
Property Insurance Expense Inflation	30.19%	7.23%	4.84%	5.60%	8.63%	4.31%

Note: Real Estate Taxes and Property Insurance Expense inflators are based on the growth in gross plant in service between WSIP period

No General Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Note: Certain accounts do not have a generic growth inflator and instead are either expected to remain flat, have a manual workpaper calculation associated with them, or in the case of purchased water and sewer treatment expenses will be accounted for through that regulatory mechanism.

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
			CWS-NC Uniform										
1	517001	Utility-Electric Power	1,073,062.54	9.32%	100,017.26	1,173,079.80	3.34%	39,208.75	1,212,288.55	3.34%	40,519.26	1,252,807.80	Compounded Expense Inflator
2	511001	Purchased Services-Water	1,657,367.80	0.00%	-	1,657,367.80	0.00%	-	1,657,367.80	0.00%	-	1,657,367.80	No General Inflation
3	512001	Shop Supplies and Tools	20,213.17	9.32%	1,884.01	22,097.18	3.34%	738.57	22,835.76	3.34%	763.26	23,599.01	Compounded Expense Inflator
4	512002	Repairs and Maintenance	330,187.29	9.32%	30,775.87	360,963.16	3.34%	12,064.75	373,027.91	3.34%	12,468.00	385,495.91	Compounded Expense Inflator
5	512003	Main Breaks	7,357.67	9.32%	685.79	8,043.46	3.34%	268.84	8,312.30	3.34%	277.83	8,590.13	Compounded Expense Inflator
6	512004	Traps Repair	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
7	512005	Valve Repair	1,070.86	9.32%	99.81	1,170.67	3.34%	39.13	1,209.80	3.34%	40.44	1,250.24	Compounded Expense Inflator
8	512006	Manhole Maint	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
9	512007	Major Repairs	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
10	512008	Maintenance Electric Equip Repair	38,373.06	9.32%	3,576.65	41,949.71	3.34%	1,402.12	43,351.82	3.34%	1,448.98	44,800.81	Compounded Expense Inflator
11	512009	Permits	41,418.74	9.32%	3,860.53	45,279.27	3.34%	1,513.40	46,792.68	3.34%	1,563.99	48,356.67	Compounded Expense Inflator
12	512010	Sewer Rodding	10,599.57	9.32%	987.96	11,587.52	3.34%	387.30	11,974.82	3.34%	400.24	12,375.07	Compounded Expense Inflator
13	512011	Sewer Sludge Hauling	39,130.00	9.32%	3,647.20	42,777.20	3.34%	1,429.78	44,206.98	3.34%	1,477.56	45,684.54	Compounded Expense Inflator
14	512013	Excavation Restoration	5,279.77	9.32%	492.11	5,771.88	3.34%	192.92	5,964.80	3.34%	199.37	6,164.17	Compounded Expense Inflator
15	512014	Communication Expense	32,919.90	9.32%	3,068.37	35,988.27	3.34%	1,202.86	37,191.14	3.34%	1,243.07	38,434.21	Compounded Expense Inflator
16	512015	Equipment Rental	2,107.72	9.32%	196.45	2,304.17	3.34%	77.01	2,381.19	3.34%	79.59	2,460.78	Compounded Expense Inflator
17	512016	Uniforms	33,547.57	9.32%	3,126.88	36,674.45	3.34%	1,225.80	37,900.25	3.34%	1,266.77	39,167.02	Compounded Expense Inflator
18	512017	Weather/Hurricane/Fuel/Snow removal	18,074.29	9.32%	1,684.66	19,758.94	3.34%	660.42	20,419.36	3.34%	682.49	21,101.85	Compounded Expense Inflator
19	512018	Safety Supplies/Expense	17,991.19	9.32%	1,676.91	19,668.10	3.34%	657.38	20,325.49	3.34%	679.35	21,004.84	Compounded Expense Inflator
20	512019	Moving Expense	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
21	512020	Service Claims	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
22	512021	Landscaping	199,807.46	9.32%	18,623.51	218,430.97	3.34%	7,300.79	225,731.76	3.34%	7,544.81	233,276.56	Compounded Expense Inflator
23	512022	Other Contracted Workers	4,739.92	9.32%	441.80	5,181.72	3.34%	173.19	5,354.91	3.34%	178.98	5,533.89	Compounded Expense Inflator
24	512023	Pump Station R&M	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
25	512024	Project Labor Hours (COGS)	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
26	512025	Vehicle Labor Hours (COGS)	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
27	512900	Other Plant and System Maintenance	45,466.36	9.32%	4,237.80	49,704.16	3.34%	1,661.30	51,365.46	3.34%	1,716.83	53,082.29	Compounded Expense Inflator
28	513002	Meter Supplies	63.28	9.32%	5.90	69.18	3.34%	2.31	71.49	3.34%	2.39	73.88	Compounded Expense Inflator
29	513003	Pipe, Plate, Gasket	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
30	513004	Misc Bearing	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
31	513005	Lubricant, Gases	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
32	513006	Misc Gge Glass, Parts	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
33	513007	Rig Equip	2,102.48	9.32%	195.97	2,298.45	3.34%	76.82	2,375.27	3.34%	79.39	2,454.66	Compounded Expense Inflator
34	513008	Electrical Equip	2,929.42	9.32%	273.04	3,202.46	3.34%	107.04	3,309.50	3.34%	110.62	3,420.12	Compounded Expense Inflator
35	513009	Lighting Supplies	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
36	513010	Plant Air System	250.30	9.32%	23.33	273.63	3.34%	9.15	282.78	3.34%	9.45	292.23	Compounded Expense Inflator
37	513011	Valves and Traps	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
38	513012	Duty and Brokerage	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
39	513899	Materials and Supplies Write-off	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
40	513900	Other Materials and Supplies	127,162.96	9.32%	11,852.52	139,015.48	3.34%	4,646.42	143,661.90	3.34%	4,801.72	148,463.62	Compounded Expense Inflator
41	512012	Deferred Maintenance Expense	220885.24	0.00%	-34701.44	186183.8	0.00%	-10316.81	175866.99	0.00%	-12895.89	162971.1	No General Inflation
42	515001	Laboratory Testing	40,130.70	9.32%	3,740.47	43,871.17	3.34%	1,466.34	45,337.51	3.34%	1,515.35	46,852.86	Compounded Expense Inflator
43	515002	Test - Water/Sewer	108,562.61	9.32%	10,118.83	118,681.44	3.34%	3,966.78	122,648.22	3.34%	4,099.37	126,747.58	Compounded Expense Inflator
44	515003	Test - Equipment/Chemical	16,899.43	9.32%	1,575.15	18,474.58	3.34%	617.49	19,092.07	3.34%	638.13	19,730.20	Compounded Expense Inflator
45	515004	Test - Safe Drinking Water Act	2,237.06	9.32%	208.51	2,445.57	3.34%	81.74	2,527.31	3.34%	84.47	2,611.78	Compounded Expense Inflator
46	516001	Service - Meter Reading	229,336.46	9.32%	21,375.83	250,712.29	3.34%	8,379.75	259,092.04	3.34%	8,659.83	267,751.88	Compounded Expense Inflator
47	514001	Chlorine	36,037.11	9.32%	3,358.92	39,396.03	3.34%	1,316.76	40,712.80	3.34%	1,360.78	42,073.57	Compounded Expense Inflator
48	514002	Odor Control Chemicals	359.02	9.32%	33.46	392.48	3.34%	13.12	405.60	3.34%	13.56	419.16	Compounded Expense Inflator
49	514900	Other Chemicals	294,057.48	9.32%	27,408.30	321,465.78	3.34%	10,744.60	332,210.38	3.34%	11,103.72	343,314.11	Compounded Expense Inflator
50	601000	Vehicle Leasing	6,352.28	9.32%	592.08	6,944.35	3.34%	232.11	7,176.46	3.34%	239.86	7,416.32	Compounded Expense Inflator
51	602000	Vehicle Fuel	179,346.20	9.32%	16,716.37	196,062.58	3.34%	6,553.15	202,615.73	3.34%	6,772.18	209,387.91	Compounded Expense Inflator
52	603000	Vehicle Repairs and Maintenance	83,594.77	9.32%	7,791.64	91,386.41	3.34%	3,054.48	94,440.89	3.34%	3,156.57	97,597.46	Compounded Expense Inflator
53	604000	Vehicle Registration/Licensing Fees	309.09	9.32%	28.81	337.90	3.34%	11.29	349.20	3.34%	11.67	360.87	Compounded Expense Inflator

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Schedule 29

Line No.	Account	Description	Historical	Inflator	Rate Year 1	Rate Year 1	Inflator	Rate Year 2	Rate Year 2	Inflator	Rate Year 3	Rate Year 3	Inflationary Assumption
			Test Year as adjusted	Rate	Adjustments	Revenue Requirement	Rate	Adjustments	Revenue Requirement	Rate	Adjustments	Revenue Requirement	
54	605000	Vehicle - Employee Mileage Claim	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
55	606000	Project Vehicle Hours	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
56	607000	Vehicle Charged to Projects	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
57	609000	Vehicle - Other Costs	11,003.78	9.32%	1,025.63	12,029.41	3.34%	402.07	12,431.48	3.34%	415.51	12,846.99	Compounded Expense Inflation
58	522001	Capitalized Time	(450,858.00)	3.00%	(13,525.74)	(464,383.74)	3.00%	(13,931.51)	(478,315.25)	3.00%	(14,349.46)	(492,664.71)	Salaries Increase Assumptions
59	540100	Consulting	9,211.38	9.32%	858.57	10,069.95	3.34%	336.58	10,406.53	3.34%	347.83	10,754.35	Compounded Expense Inflation
60	540200	Accounting and Audit	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
61	540300	Recruitment	7,045.65	9.32%	656.71	7,702.36	3.34%	257.44	7,959.80	3.34%	266.05	8,225.85	Compounded Expense Inflation
62	540400	Legal	35,280.31	9.32%	3,288.38	38,568.69	3.34%	1,289.11	39,857.80	3.34%	1,332.20	41,190.00	Compounded Expense Inflation
63	540500	Payroll	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
64	540600	Tax	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
65	540700	Engineering	13,666.55	9.32%	1,273.82	14,940.38	3.34%	499.36	15,439.74	3.34%	516.05	15,955.79	Compounded Expense Inflation
66	540800	Temporary Labor	275.58	9.32%	25.69	301.27	3.34%	10.07	311.34	3.34%	10.41	321.75	Compounded Expense Inflation
67	540900	Police	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
68	541000	Environmental	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
69	541100	Management Fee	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
70	541200	Contractor Outside Services	338.22	9.32%	31.52	369.74	3.34%	12.36	382.10	3.34%	12.77	394.87	Compounded Expense Inflation
71	541300	Employee Finder Fees	416.39	9.32%	38.81	455.20	3.34%	15.21	470.41	3.34%	15.72	486.14	Compounded Expense Inflation
72	549000	Other Outside Services	58,153.87	9.32%	5,420.37	63,574.24	3.34%	2,124.89	65,699.13	3.34%	2,195.91	67,895.04	Compounded Expense Inflation
73	0	Salaries & Wages - General	3,925,865.82	3.00%	117,775.97	4,043,641.79	3.00%	121,309.25	4,164,951.05	3.00%	124,948.53	4,289,899.58	Salaries Increase Assumptions
74	628100	Billing Stock	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
75	628200	Billing Envelopes	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
76	628300	Billing Postage	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
77	628400	Customer Service Printing	269,263.32	9.32%	25,097.31	294,360.63	3.34%	9,838.64	304,199.27	3.34%	10,167.49	314,366.76	Compounded Expense Inflation
78	628500	Customer Freight/Courier Charges	163.90	9.32%	15.28	179.17	3.34%	5.99	185.16	3.34%	6.19	191.35	Compounded Expense Inflation
79	550200	Computer Repair and Maintenance	5.39	9.32%	0.50	5.89	3.34%	0.20	6.09	3.34%	0.20	6.29	Compounded Expense Inflation
80	550300	Computer Supplies	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
81	550400	Internet Services	415.64	9.32%	38.74	454.39	3.34%	15.19	469.57	3.34%	15.69	485.27	Compounded Expense Inflation
82	550500	Website Development	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
83	550600	Computer Licensing	267.44	9.32%	24.93	292.37	3.34%	9.77	302.14	3.34%	10.10	312.24	Compounded Expense Inflation
84	550700	Software	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
85	550800	Computer Amort	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
86	559900	Other Computer/IT Expenses	(53.78)	9.32%	(5.01)	(58.80)	3.34%	(1.97)	(60.76)	3.34%	(2.03)	(62.79)	Compounded Expense Inflation
87	581100	Office Supplies	9,725.47	9.32%	906.49	10,631.96	3.34%	355.36	10,987.32	3.34%	367.24	11,354.56	Compounded Expense Inflation
88	581200	Kitchen Supplies	1,667.58	9.32%	155.43	1,823.01	3.34%	60.93	1,883.94	3.34%	62.97	1,946.91	Compounded Expense Inflation
89	581300	Cleaning Supplies	981.96	9.32%	91.53	1,073.48	3.34%	35.88	1,109.36	3.34%	37.08	1,146.44	Compounded Expense Inflation
90	582100	Office Equipment	2,397.00	9.32%	223.42	2,620.42	3.34%	87.58	2,708.00	3.34%	90.51	2,798.51	Compounded Expense Inflation
91	582200	Office Equipment - Rent/Leased	942.96	9.32%	87.89	1,030.85	3.34%	34.46	1,065.31	3.34%	35.61	1,100.92	Compounded Expense Inflation
92	583100	Office Printing/Blueprints	8,605.17	9.32%	802.06	9,407.24	3.34%	314.43	9,721.66	3.34%	324.93	10,046.60	Compounded Expense Inflation
93	583200	Office Publications/Subscriptions	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
94	583300	Artwork, Display and Banner	90.58	9.32%	8.44	99.02	3.34%	3.31	102.33	3.34%	3.42	105.75	Compounded Expense Inflation
95	583400	Office Shipping Charges/Postage/Courier	23,360.35	9.32%	2,177.35	25,537.70	3.34%	853.57	26,391.27	3.34%	882.10	27,273.36	Compounded Expense Inflation
96	583500	Office Duties and Brokerage	1,409.45	9.32%	131.37	1,540.82	3.34%	51.50	1,592.32	3.34%	53.22	1,645.54	Compounded Expense Inflation
97	611100	Rate Case Amortization	308,964.00	0.00%	-	308,964.00	0.00%	-	308,964.00	0.00%	-	308,964.00	No General Inflation
98	611200	Cost of Service Study	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
99	611300	Depreciation Study	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
100	611400	Regulatory Penalties and Fines	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
101	612100	Regulatory Fees	2,518.25	9.32%	234.72	2,752.97	3.34%	92.01	2,844.98	3.34%	95.09	2,940.07	Compounded Expense Inflation
102	612200	Water Resource Conservation	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
103	612300	Misc Rate Case Expense	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation
104	612900	Other Regulatory Expenses	88,931.36	9.32%	8,289.05	97,220.41	3.34%	3,249.47	100,469.89	3.34%	3,358.08	103,827.97	Compounded Expense Inflation
105	531001	401K Profit Sharing	101,242.78	9.32%	9,436.57	110,679.34	3.34%	3,699.32	114,378.66	3.34%	3,822.97	118,201.63	Compounded Expense Inflation
106	531002	401K Match	91,541.37	9.32%	8,532.32	100,073.70	3.34%	3,344.84	103,418.54	3.34%	3,456.64	106,875.17	Compounded Expense Inflation
107	531100	RRSP Match	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflation

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Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
108	531200	Canada Pension Plan	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
109	532001	Health Admin and Stop Loss	87,522.74	9.32%	8,157.76	95,680.50	3.34%	3,198.00	98,878.50	3.34%	3,304.89	102,183.40	Compounded Expense Inflator
110	532002	Dental	23,185.20	9.32%	2,161.03	25,346.23	3.34%	847.17	26,193.40	3.34%	875.48	27,068.88	Compounded Expense Inflator
111	532003	Medical	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
112	532004	Medical Service Plan (MSP)	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
113	532005	Employee Insurance Deductions	(151,881.66)	9.32%	(14,156.48)	(166,038.14)	3.34%	(5,549.62)	(171,587.76)	3.34%	(5,735.11)	(177,322.87)	Compounded Expense Inflator
114	532006	Health Insurance Claims	623,690.33	9.32%	58,132.49	681,822.82	3.34%	22,789.09	704,611.91	3.34%	23,550.79	728,162.70	Compounded Expense Inflator
115	532007	Group Insurance	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
116	532008	Health Insurance	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
117	532009	Workers Compensation Insurance (WCB)	40,244.14	9.32%	3,751.05	43,995.19	3.34%	1,470.49	45,465.67	3.34%	1,519.63	46,985.31	Compounded Expense Inflator
118	532010	Unemployment Insurance (EI)	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
119	532011	Union Dues	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
120	532012	Term Life Insurance	45,650.95	9.32%	4,255.00	49,905.95	3.34%	1,668.05	51,573.99	3.34%	1,723.80	53,297.79	Compounded Expense Inflator
121	532013	Term Life Insurance Opt	(9,666.94)	9.32%	(901.03)	(10,567.97)	3.34%	(353.22)	(10,921.20)	3.34%	(365.03)	(11,286.22)	Compounded Expense Inflator
122	532014	Depend Life Insurance Opt	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
123	532015	Vacation	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
124	532016	Education / Tuition	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
125	532017	Safety	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
126	532018	Longevity	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
127	532019	Incidental	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
128	532020	Holiday	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
129	532021	Jury Duty	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
130	532900	Other Employee Benefits	5,445.88	9.32%	507.60	5,953.47	3.34%	198.99	6,152.46	3.34%	205.64	6,358.10	Compounded Expense Inflator
131	532999	Payroll Suspende	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
132	560100	General Liability Insurance	228,643.70	9.32%	21,311.26	249,954.97	3.34%	8,354.44	258,309.40	3.34%	8,633.67	266,943.08	Compounded Expense Inflator
133	560200	Property Insurance	270,547.58	6.94%	18,776.92	289,324.50	4.94%	14,305.25	303,629.75	4.84%	14,705.98	318,335.73	Property Insurance Expense Inflationary Assumption
134	560300	Vehicle Insurance	67,623.38	6.94%	4,693.29	72,316.68	4.94%	3,575.60	75,892.27	4.84%	3,675.76	79,568.03	Property Insurance Expense Inflationary Assumption
135	560400	Uninsured Losses	58,624.16	9.32%	5,464.20	64,088.36	3.34%	2,142.07	66,230.43	3.34%	2,213.67	68,444.10	Compounded Expense Inflator
136	560500	Other Insurance	37,582.94	9.32%	3,503.00	41,085.94	3.34%	1,373.25	42,459.19	3.34%	1,419.15	43,878.34	Compounded Expense Inflator
137	571100	Building Rent	211,794.00	9.32%	18,680.23	230,474.23	3.34%	5,531.38	236,005.61	3.34%	5,664.13	241,669.75	Manual Calculation
138	584100	Office Electric	1,875.71	9.32%	174.83	2,050.54	3.34%	68.54	2,119.08	3.34%	70.83	2,189.90	Compounded Expense Inflator
139	584200	Office Gas/Heat	674.27	9.32%	62.85	737.11	3.34%	24.64	761.75	3.34%	25.46	787.21	Compounded Expense Inflator
140	584300	Office Water	22,442.52	9.32%	2,091.81	24,534.33	3.34%	820.03	25,354.36	3.34%	847.44	26,201.80	Compounded Expense Inflator
141	584900	Office Other Utilities	160.69	9.32%	14.98	175.67	3.34%	5.87	181.54	3.34%	6.07	187.61	Compounded Expense Inflator
142	585100	Office Garbage Disposal/Removal	59,634.83	9.32%	5,558.40	65,193.23	3.34%	2,179.00	67,372.24	3.34%	2,251.83	69,624.07	Compounded Expense Inflator
143	585200	Office Landscape/Mowing	17,696.55	9.32%	1,649.45	19,346.00	3.34%	646.62	19,992.62	3.34%	668.23	20,660.85	Compounded Expense Inflator
144	585300	Office Snow Removal	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
145	585400	Office Security/ Alarm System	1,841.43	9.32%	171.63	2,013.06	3.34%	67.28	2,080.34	3.34%	69.53	2,149.88	Compounded Expense Inflator
146	585500	Office Cleaning Services	2,035.99	9.32%	189.77	2,225.76	3.34%	74.39	2,300.15	3.34%	76.88	2,377.03	Compounded Expense Inflator
147	585900	Other Office Maintenance	3,711.19	9.32%	345.91	4,057.10	3.34%	135.60	4,192.71	3.34%	140.14	4,332.84	Compounded Expense Inflator
148	586100	Landline/Telephone/Fax	32,296.70	9.32%	3,010.29	35,306.99	3.34%	1,180.09	36,487.08	3.34%	1,219.54	37,706.62	Compounded Expense Inflator
149	586200	Cellular/Mobile Phones	24,560.65	9.32%	2,289.23	26,849.88	3.34%	897.42	27,747.31	3.34%	927.42	28,674.73	Compounded Expense Inflator
150	587100	Holiday Events/Picnics	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
151	587200	Meals and Entertainment	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
152	587300	Meals and Entertainment - 50% Tax Deductible	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
153	587400	Meals and Entertainment - Non Deductible	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
154	587500	Answering Service	6,278.10	9.32%	585.16	6,863.26	3.34%	229.40	7,092.66	3.34%	237.06	7,329.72	Compounded Expense Inflator
155	587900	Other Office Expenses	3,540.82	9.32%	330.03	3,870.85	3.34%	129.38	4,000.23	3.34%	133.70	4,133.94	Compounded Expense Inflator
156	511003	Purchased Services-Gas	3,923.83	9.32%	365.73	4,289.56	3.34%	143.37	4,432.93	3.34%	148.17	4,581.10	Compounded Expense Inflator
157	621100	Advertising	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
158	621300	Trade Shows	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
159	621400	Promotions/Corporate Sponsor	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
160	621500	Promotions - 50%	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
161	622100	Bank Service Charges	839.41	9.32%	78.24	917.64	3.34%	30.67	948.32	3.34%	31.70	980.01	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
162	622200	Bank Charges - Merchant	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
163	622300	Letter of Credit Fees	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
164	623100	Donations for Registered Charities	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
165	623200	Donations for Non-Registered Charities	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
166	624100	License Fees	2,109.86	9.32%	196.65	2,306.51	3.34%	77.09	2,383.60	3.34%	79.67	2,463.27	Compounded Expense Inflator
167	624200	Franchise Fee	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
168	624300	5% FF on Usage	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
169	625100	Penalties and Fines	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
170	625200	Penalties and Fines to Government (Non-Deductible)	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
171	625300	Late Fees	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
172	626100	Education and Training	9,646.29	9.32%	899.10	10,545.39	3.34%	352.47	10,897.86	3.34%	364.25	11,262.11	Compounded Expense Inflator
173	629100	Memberships and Dues	25,298.88	9.32%	2,358.04	27,656.92	3.34%	924.40	28,581.32	3.34%	955.30	29,536.62	Compounded Expense Inflator
174	629200	Payroll Admin Fee	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
175	629300	Director and Board Fees	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
176	629400	Corporate Governance	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
177	629500	Credit Card Expense Clearing	(7,331.72)	9.32%	(683.37)	(8,015.09)	3.34%	(267.89)	(8,282.99)	3.34%	(276.85)	(8,559.84)	Compounded Expense Inflator
178	629600	Credit Card/Cash Expense - Unallocated	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
179	629700	Cost Recovery	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
180	629800	Discount/Rebate Taken	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
181	629850	Community Service	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
182	629900	Other Misc Expense	257,276.60	9.32%	23,980.06	281,256.66	3.34%	9,400.66	290,657.32	3.34%	9,714.86	300,372.18	Compounded Expense Inflator
183	591000	Accommodation/Hotel/Lodging	6,391.53	9.32%	595.74	6,987.26	3.34%	233.54	7,220.81	3.34%	241.35	7,462.15	Compounded Expense Inflator
184	592000	Airfare	187.44	9.32%	17.47	204.91	3.34%	6.85	211.75	3.34%	7.08	218.83	Compounded Expense Inflator
185	593000	Transportation excl. Airfare	1,405.42	9.32%	131.00	1,536.41	3.34%	51.35	1,587.77	3.34%	53.07	1,640.84	Compounded Expense Inflator
186	594000	Travel - Meals and Entertainment	(67.23)	9.32%	(6.27)	(73.50)	3.34%	(2.46)	(75.95)	3.34%	(2.54)	(78.49)	Compounded Expense Inflator
187	595000	Travel - Meals and Entertainment - 50% Tax Deductible	3,392.73	9.32%	316.23	3,708.96	3.34%	123.97	3,832.92	3.34%	128.11	3,961.03	Compounded Expense Inflator
188	596000	Travel - Meals and Entertainment - Non Deductible	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
189	599900	Other Travel	17,941.42	9.32%	1,672.27	19,613.69	3.34%	655.56	20,269.26	3.34%	677.48	20,946.73	Compounded Expense Inflator
190	0	Federal Protected EDIT Amortization	(36,704.00)	0.00%	-	(36,704.00)	0.00%	-	(36,704.00)	0.00%	-	(36,704.00)	No General Inflation
191	630002	Commission Ordered Adjustments	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
192	691000	Corporate Allocation	2,511,580.79	9.32%	234,097.66	2,745,678.45	3.34%	91,770.93	2,837,449.38	3.34%	94,838.26	2,932,287.64	Compounded Expense Inflator
193	692000	Regional Allocation	305,281.68	9.32%	28,454.48	333,736.16	3.34%	11,154.72	344,890.88	3.34%	11,527.55	356,418.43	Compounded Expense Inflator
194	693000	Contract Shared Services Allocation	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
195	694000	Allocation Markup	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
196	811003	Standby/Letter of Credit Fees	37,452.41	8.82%	3,303.30	40,755.72	2.40%	978.14	41,733.85	2.40%	1,001.61	42,735.46	Expense Inflation
197	816004	Interest - Other	34,813.06	0.46%	160.19	34,973.25	0.92%	321.86	35,295.10	0.92%	324.82	35,619.92	Growth Inflation
198	641100	FICA	293,501.48	3.00%	8,805.04	302,306.53	3.00%	9,069.20	311,375.72	3.00%	9,341.27	320,716.99	Salaries Increase Assumptions
199	641200	Payroll Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
200	641300	Employer Health Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
201	642100	Federal Unemployment Tax	2,108.26	3.00%	63.25	2,171.51	3.00%	65.15	2,236.66	3.00%	67.10	2,303.76	Salaries Increase Assumptions
202	642200	State Unemployment Tax	6,607.65	3.00%	198.23	6,805.88	3.00%	204.18	7,010.06	3.00%	210.30	7,220.36	Salaries Increase Assumptions
203	642300	Other Payroll Taxes	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
204	643100	Franchise Taxes	66,687.20	9.32%	6,215.73	72,902.94	3.34%	2,436.69	75,339.63	3.34%	2,518.13	77,857.76	Compounded Expense Inflator
205	643200	Gross Receipts Taxes	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
206	643300	Personal Property Taxes	77,727.93	6.94%	5,394.58	83,122.51	4.94%	4,109.88	87,232.39	4.84%	4,225.01	91,457.40	Real Estate Taxes
207	643400	Real Estate Taxes	58,241.08	6.94%	4,042.13	62,283.21	4.94%	3,079.51	65,362.72	4.84%	3,165.77	68,528.49	Real Estate Taxes
208	643500	Sales And Use Taxes	-	9.32%	-	-	3.34%	-	-	3.34%	-	-	Compounded Expense Inflator
209	643600	Utility/Commission Taxes	-	-	34,451.66	34,451.66	-	1,371.81	35,823.47	-	1,367.99	37,191.40	Manual Calculation
210	643700	Other General Taxes	(10,201.66)	9.32%	(950.87)	(11,152.53)	3.34%	(372.76)	(11,525.29)	3.34%	(385.22)	(11,910.51)	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
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Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
Sewer			CWS-NC Uniform										
211	517001	Utility-Electric Power	838,500.30	8.92%	74,797.81	913,298.12	2.59%	23,645.34	936,943.46	2.59%	24,257.52	961,200.97	Compounded Expense Inflator
212	511002	Purchased Services-Sewer	1,037,618.74	0.00%	-	1,037,618.74	0.00%	-	1,037,618.74	0.00%	-	1,037,618.74	No General Inflation
213	512001	Shop Supplies and Tools	14,003.78	8.92%	1,249.20	15,252.98	2.59%	394.90	15,647.88	2.59%	405.12	16,053.00	Compounded Expense Inflator
214	512002	Repairs and Maintenance	189,562.37	8.92%	16,909.77	206,472.14	2.59%	5,345.58	211,817.72	2.59%	5,483.97	217,301.69	Compounded Expense Inflator
215	512003	Main Breaks	982.28	8.92%	87.62	1,069.90	2.59%	27.70	1,097.60	2.59%	28.42	1,126.02	Compounded Expense Inflator
216	512004	Traps Repair	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
217	512005	Valve Repair	68.80	8.92%	6.14	74.94	2.59%	1.94	76.88	2.59%	1.99	78.87	Compounded Expense Inflator
218	512006	Manhole Maint	13,794.02	8.92%	1,230.49	15,024.51	2.59%	388.99	15,413.49	2.59%	399.06	15,812.55	Compounded Expense Inflator
219	512007	Major Repairs	127.53	8.92%	11.38	138.91	2.59%	3.60	142.50	2.59%	3.69	146.19	Compounded Expense Inflator
220	512008	Maintenance Electric Equip Repair	60,716.67	8.92%	5,416.19	66,132.86	2.59%	1,712.18	67,845.04	2.59%	1,756.51	69,601.55	Compounded Expense Inflator
221	512009	Permits	44,837.15	8.92%	3,999.67	48,836.81	2.59%	1,264.39	50,101.20	2.59%	1,297.12	51,398.32	Compounded Expense Inflator
222	512010	Sewer Rodding	205,212.63	8.92%	18,305.84	223,518.48	2.59%	5,786.91	229,305.38	2.59%	5,936.73	235,242.11	Compounded Expense Inflator
223	512011	Sewer Sludge Hauling	464,136.23	8.92%	41,402.94	505,539.17	2.59%	13,088.44	518,627.60	2.59%	13,427.30	532,054.90	Compounded Expense Inflator
224	512013	Excavation Restoration	16.17	8.92%	1.44	17.61	2.59%	0.46	18.07	2.59%	0.47	18.54	Compounded Expense Inflator
225	512014	Communication Expense	52,340.26	8.92%	4,668.98	57,009.24	2.59%	1,475.97	58,485.21	2.59%	1,514.19	59,999.39	Compounded Expense Inflator
226	512015	Equipment Rental	1,331.00	8.92%	118.73	1,449.73	2.59%	37.53	1,487.26	2.59%	38.51	1,525.77	Compounded Expense Inflator
227	512016	Uniforms	13,741.64	8.92%	1,225.81	14,967.45	2.59%	387.51	15,354.96	2.59%	397.54	15,752.50	Compounded Expense Inflator
228	512017	Weather/Hurricane/Fuel/Snow removal	12,035.36	8.92%	1,073.61	13,108.97	2.59%	339.39	13,448.36	2.59%	348.18	13,796.54	Compounded Expense Inflator
229	512018	Safety Supplies/Expense	9,569.09	8.92%	853.60	10,422.70	2.59%	269.84	10,692.54	2.59%	276.83	10,969.37	Compounded Expense Inflator
230	512019	Moving Expense	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
231	512020	Service Claims	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
232	512021	Landscaping	105,387.90	8.92%	9,401.05	114,788.95	2.59%	2,971.89	117,760.85	2.59%	3,048.83	120,809.68	Compounded Expense Inflator
233	512022	Other Contracted Workers	4,175.94	8.92%	372.51	4,548.45	2.59%	117.76	4,666.21	2.59%	120.81	4,787.02	Compounded Expense Inflator
234	512023	Pump Station R&M	2,210.00	8.92%	197.14	2,407.14	2.59%	62.32	2,469.46	2.59%	63.93	2,533.40	Compounded Expense Inflator
235	512024	Project Labor Hours (COGS)	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
236	512025	Vehicle Labor Hours (COGS)	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
237	512900	Other Plant and System Maintenance	89,888.07	8.92%	8,018.40	97,906.47	2.59%	2,534.80	100,441.27	2.59%	2,600.43	103,041.70	Compounded Expense Inflator
238	513002	Meter Supplies	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
239	513003	Pipe, Plate, Gasket	4,680.59	8.92%	417.53	5,098.12	2.59%	131.99	5,230.11	2.59%	135.41	5,365.52	Compounded Expense Inflator
240	513004	Misc Bearing	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
241	513005	Lubricant, Gases	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
242	513006	Misc Gge Glass, Parts	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
243	513007	Rig Equip	110.72	8.92%	9.88	120.60	2.59%	3.12	123.72	2.59%	3.20	126.92	Compounded Expense Inflator
244	513008	Electrical Equip	8,062.36	8.92%	719.20	8,781.56	2.59%	227.35	9,008.91	2.59%	233.24	9,242.15	Compounded Expense Inflator
245	513009	Lighting Supplies	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
246	513010	Plant Air System	1,959.12	8.92%	174.76	2,133.88	2.59%	55.25	2,189.13	2.59%	56.68	2,245.80	Compounded Expense Inflator
247	513011	Valves and Traps	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
248	513012	Duty and Brokerage	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
249	513899	Materials and Supplies Write-off	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
250	513900	Other Materials and Supplies	100,163.73	8.92%	8,935.03	109,098.76	2.59%	2,824.57	111,923.34	2.59%	2,897.70	114,821.04	Compounded Expense Inflator
251	512012	Deferred Maintenance Expense	262,993.45	0.00%	9,243.71	272,237.16	0.00%	-	272,237.16	0.00%	(201,443.00)	70,794.16	No General Inflation
252	515001	Laboratory Testing	161,353.50	8.92%	14,393.42	175,746.92	2.59%	4,550.10	180,297.02	2.59%	4,667.90	184,964.92	Compounded Expense Inflator
253	515002	Test - Water/Sewer	124,555.43	8.92%	11,110.88	135,666.31	2.59%	3,512.41	139,178.72	2.59%	3,603.34	142,782.06	Compounded Expense Inflator
254	515003	Test - Equipment/Chemical	10,321.27	8.92%	920.70	11,241.97	2.59%	291.06	11,533.03	2.59%	298.59	11,831.62	Compounded Expense Inflator
255	515004	Test - Safe Drinking Water Act	112.68	8.92%	10.05	122.73	2.59%	3.18	125.91	2.59%	3.26	129.17	Compounded Expense Inflator
256	516001	Service - Meter Reading	3,024.11	8.92%	269.76	3,293.87	2.59%	85.28	3,379.15	2.59%	87.49	3,466.64	Compounded Expense Inflator
257	514001	Chlorine	63,517.72	8.92%	5,666.05	69,183.77	2.59%	1,791.17	70,974.94	2.59%	1,837.55	72,812.49	Compounded Expense Inflator
258	514002	Odor Control Chemicals	9,943.08	8.92%	886.97	10,830.05	2.59%	280.39	11,110.44	2.59%	287.65	11,398.09	Compounded Expense Inflator
259	514900	Other Chemicals	339,981.36	8.92%	30,327.79	370,309.15	2.59%	9,587.32	379,896.48	2.59%	9,835.54	389,732.02	Compounded Expense Inflator
260	601000	Vehicle Leasing	3,789.80	8.92%	338.07	4,127.87	2.59%	106.87	4,234.74	2.59%	109.64	4,344.38	Compounded Expense Inflator
261	602000	Vehicle Fuel	106,998.99	8.92%	9,544.77	116,543.76	2.59%	3,017.32	119,561.08	2.59%	3,095.44	122,656.52	Compounded Expense Inflator
262	603000	Vehicle Repairs and Maintenance	49,873.13	8.92%	4,448.90	54,322.02	2.59%	1,406.40	55,728.43	2.59%	1,442.81	57,171.24	Compounded Expense Inflator
263	604000	Vehicle Registration/Licensing Fees	184.41	8.92%	16.45	200.86	2.59%	5.20	206.06	2.59%	5.33	211.39	Compounded Expense Inflator

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264	605000	Vehicle - Employee Mileage Claim	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
265	606000	Project Vehicle Hours	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
266	607000	Vehicle Charged to Projects	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
267	609000	Vehicle - Other Costs	6,564.92	8.92%	585.62	7,150.54	2.59%	185.13	7,335.67	2.59%	189.92	7,525.59	Compounded Expense Inflator
268	522001	Capitalized Time	(268,985.00)	3.00%	(8,069.55)	(277,054.55)	3.00%	(8,311.64)	(285,366.19)	3.00%	(8,560.99)	(293,927.17)	Salaries Increase Assumptions
269	540100	Consulting	5,495.57	8.92%	490.23	5,985.79	2.59%	154.97	6,140.77	2.59%	158.98	6,299.75	Compounded Expense Inflator
270	540200	Accounting and Audit	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
271	540300	Recruitment	4,203.48	8.92%	374.97	4,578.45	2.59%	118.54	4,696.98	2.59%	121.61	4,818.59	Compounded Expense Inflator
272	540400	Legal	21,048.44	8.92%	1,877.61	22,926.05	2.59%	593.56	23,519.61	2.59%	608.92	24,128.53	Compounded Expense Inflator
273	540500	Payroll	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
274	540600	Tax	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
275	540700	Engineering	8,153.55	8.92%	727.33	8,880.88	2.59%	229.93	9,110.80	2.59%	235.88	9,346.68	Compounded Expense Inflator
276	540800	Temporary Labor	164.42	8.92%	14.67	179.08	2.59%	4.64	183.72	2.59%	4.76	188.47	Compounded Expense Inflator
277	540900	Police	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
278	541000	Environmental	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
279	541100	Management Fee	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
280	541200	Contractor Outside Services	201.78	8.92%	18.00	219.78	2.59%	5.69	225.47	2.59%	5.84	231.31	Compounded Expense Inflator
281	541300	Employee Finder Fees	248.42	8.92%	22.16	270.58	2.59%	7.01	277.59	2.59%	7.19	284.77	Compounded Expense Inflator
282	549000	Other Outside Services	34,694.94	8.92%	3,094.94	37,789.88	2.59%	978.38	38,768.26	2.59%	1,003.71	39,771.97	Compounded Expense Inflator
283	0	Salaries & Wages - General	2,342,194.45	3.00%	70,265.83	2,412,460.29	3.00%	72,373.81	2,484,834.10	3.00%	74,545.02	2,559,379.12	Salaries Increase Assumptions
284	628100	Billing Stock	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
285	628200	Billing Envelopes	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
286	628300	Billing Postage	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
287	628400	Customer Service Printing	160,644.07	8.92%	14,330.14	174,974.21	2.59%	4,530.09	179,504.30	2.59%	4,647.38	184,151.68	Compounded Expense Inflator
288	628500	Customer Freight/Courier Charges	97.78	8.92%	8.72	106.50	2.59%	2.76	109.26	2.59%	2.83	112.09	Compounded Expense Inflator
289	550200	Computer Repair and Maintenance	3.21	8.92%	0.29	3.50	2.59%	0.09	3.59	2.59%	0.09	3.68	Compounded Expense Inflator
290	550300	Computer Supplies	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
291	550400	Internet Services	247.98	8.92%	22.12	270.10	2.59%	6.99	277.09	2.59%	7.17	284.26	Compounded Expense Inflator
292	550500	Website Development	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
293	550600	Computer Licensing	159.56	8.92%	14.23	173.79	2.59%	4.50	178.29	2.59%	4.62	182.91	Compounded Expense Inflator
294	550700	Software	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
295	550800	Computer Amort	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
296	559900	Other Computer/IT Expenses	(32.09)	8.92%	(2.86)	(34.95)	2.59%	(0.90)	(35.85)	2.59%	(0.93)	(36.78)	Compounded Expense Inflator
297	581100	Office Supplies	5,802.28	8.92%	517.59	6,319.86	2.59%	163.62	6,483.48	2.59%	167.86	6,651.34	Compounded Expense Inflator
298	581200	Kitchen Supplies	994.89	8.92%	88.75	1,083.64	2.59%	28.06	1,111.69	2.59%	28.78	1,140.47	Compounded Expense Inflator
299	581300	Cleaning Supplies	585.84	8.92%	52.26	638.10	2.59%	16.52	654.62	2.59%	16.95	671.57	Compounded Expense Inflator
300	582100	Office Equipment	1,430.06	8.92%	127.57	1,557.63	2.59%	40.33	1,597.96	2.59%	41.37	1,639.33	Compounded Expense Inflator
301	582200	Office Equipment - Rent/Leased	562.58	8.92%	50.18	612.76	2.59%	15.86	628.63	2.59%	16.28	644.90	Compounded Expense Inflator
302	583100	Office Printing/Blueprints	5,133.90	8.92%	457.97	5,591.86	2.59%	144.77	5,736.64	2.59%	148.52	5,885.16	Compounded Expense Inflator
303	583200	Office Publications/Subscriptions	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
304	583300	Artwork, Display and Banner	54.04	8.92%	4.82	58.86	2.59%	1.52	60.38	2.59%	1.56	61.95	Compounded Expense Inflator
305	583400	Office Shipping Charges/Postage/Courier	13,936.92	8.92%	1,243.23	15,180.15	2.59%	393.01	15,573.17	2.59%	403.19	15,976.36	Compounded Expense Inflator
306	583500	Office Duties and Brokerage	840.88	8.92%	75.01	915.89	2.59%	23.71	939.61	2.59%	24.33	963.93	Compounded Expense Inflator
307	611100	Rate Case Amortization	184,330.00	0.00%	-	184,330.00	0.00%	-	184,330.00	0.00%	-	184,330.00	No General Inflation
308	611200	Cost of Service Study	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
309	611300	Depreciation Study	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
310	611400	Regulatory Penalties and Fines	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
311	612100	Regulatory Fees	1,502.40	8.92%	134.02	1,636.42	2.59%	42.37	1,678.79	2.59%	43.46	1,722.25	Compounded Expense Inflator
312	612200	Water Resource Conservation	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
313	612300	Misc Rate Case Expense	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
314	612900	Other Regulatory Expenses	53,056.97	8.92%	4,732.91	57,789.88	2.59%	1,496.18	59,286.06	2.59%	1,534.92	60,820.98	Compounded Expense Inflator
315	531001	401K Profit Sharing	60,402.03	8.92%	5,388.12	65,790.15	2.59%	1,703.31	67,493.46	2.59%	1,747.41	69,240.87	Compounded Expense Inflator
316	531002	401K Match	54,614.12	8.92%	4,871.81	59,485.93	2.59%	1,540.09	61,026.02	2.59%	1,579.97	62,605.99	Compounded Expense Inflator
317	531100	RRSP Match	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
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Schedule 29

Line No.	Account	Description	Historical Test Year as adjusted	Inflator Rate	Rate Year 1 Adjustments	Rate Year 1 Revenue Requirement	Inflator Rate	Rate Year 2 Adjustments	Rate Year 2 Revenue Requirement	Inflator Rate	Rate Year 3 Adjustments	Rate Year 3 Revenue Requirement	Inflationary Assumption
318	531200	Canada Pension Plan	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
319	532001	Health Admin and Stop Loss	52,216.58	8.92%	4,657.94	56,874.52	2.59%	1,472.48	58,347.00	2.59%	1,510.61	59,857.61	Compounded Expense Inflator
320	532002	Dental	13,832.43	8.92%	1,233.91	15,066.34	2.59%	390.07	15,456.41	2.59%	400.17	15,856.57	Compounded Expense Inflator
321	532003	Medical	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
322	532004	Medical Service Plan (MSP)	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
323	532005	Employee Insurance Deductions	(90,613.48)	8.92%	(8,083.11)	(98,696.59)	2.59%	(2,555.26)	(101,251.85)	2.59%	(2,621.42)	(103,873.27)	Compounded Expense Inflator
324	532006	Health Insurance Claims	372,097.29	8.92%	33,192.67	405,289.96	2.59%	10,492.98	415,782.94	2.59%	10,764.64	426,547.58	Compounded Expense Inflator
325	532007	Group Insurance	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
326	532008	Health Insurance	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
327	532009	Workers Compensation Insurance (WCB)	24,009.89	8.92%	2,141.78	26,151.67	2.59%	677.07	26,828.74	2.59%	694.60	27,523.34	Compounded Expense Inflator
328	532010	Unemployment Insurance (EI)	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
329	532011	Union Dues	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
330	532012	Term Life Insurance	27,235.62	8.92%	2,429.53	29,665.16	2.59%	768.03	30,433.19	2.59%	787.92	31,221.11	Compounded Expense Inflator
331	532013	Term Life Insurance Opt	(5,767.36)	8.92%	(514.47)	(6,281.83)	2.59%	(162.64)	(6,444.47)	2.59%	(166.85)	(6,611.31)	Compounded Expense Inflator
332	532014	Depend Life Insurance Opt	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
333	532015	Vacation	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
334	532016	Education / Tuition	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
335	532017	Safety	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
336	532018	Longevity	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
337	532019	Incidental	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
338	532020	Holiday	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
339	532021	Jury Duty	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
340	532900	Other Employee Benefits	3,249.04	8.92%	289.83	3,538.87	2.59%	91.62	3,630.49	2.59%	93.99	3,724.49	Compounded Expense Inflator
341	532999	Payroll Suspend	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
342	560100	General Liability Insurance	136,410.17	8.92%	12,168.37	148,578.54	2.59%	3,846.71	152,425.24	2.59%	3,946.30	156,371.54	Compounded Expense Inflator
343	560200	Property Insurance	161,410.26	9.89%	15,958.35	177,368.62	8.05%	14,286.19	191,654.80	7.08%	13,570.07	205,224.87	Property Insurance Expense Inflationary Assumption
344	560300	Vehicle Insurance	40,344.51	9.89%	3,988.79	44,333.30	8.05%	3,570.83	47,904.13	7.08%	3,391.84	51,295.97	Property Insurance Expense Inflationary Assumption
345	560400	Uninsured Losses	34,975.51	8.92%	3,119.97	38,095.48	2.59%	986.29	39,081.77	2.59%	1,011.83	40,093.60	Compounded Expense Inflator
346	560500	Other Insurance	22,422.20	8.92%	2,000.16	24,422.36	2.59%	632.30	25,054.65	2.59%	648.67	25,703.32	Compounded Expense Inflator
347	571100	Building Rent	211,794.00	-	18,680.23	230,474.23	-	5,531.38	236,005.61	-	5,664.13	241,669.75	\$ -
348	584100	Office Electric	1,119.06	8.92%	99.82	1,218.88	2.59%	31.56	1,250.44	2.59%	32.37	1,282.82	Compounded Expense Inflator
349	584200	Office Gas/Heat	402.27	8.92%	35.88	438.16	2.59%	11.34	449.50	2.59%	11.64	461.14	Compounded Expense Inflator
350	584300	Office Water	13,389.34	8.92%	1,194.39	14,583.73	2.59%	377.57	14,961.30	2.59%	387.35	15,348.65	Compounded Expense Inflator
351	584900	Office Other Utilities	95.87	8.92%	8.55	104.42	2.59%	2.70	107.12	2.59%	2.77	109.90	Compounded Expense Inflator
352	585100	Office Garbage Disposal/Removal	35,578.49	8.92%	3,173.75	38,752.24	2.59%	1,003.30	39,755.54	2.59%	1,029.27	40,784.81	Compounded Expense Inflator
353	585200	Office Landscape/Mowing	10,557.87	8.92%	941.81	11,499.67	2.59%	297.73	11,797.40	2.59%	305.44	12,102.84	Compounded Expense Inflator
354	585300	Office Snow Removal	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
355	585400	Office Security/ Alarm System	1,098.60	8.92%	98.00	1,196.61	2.59%	30.98	1,227.59	2.59%	31.78	1,259.37	Compounded Expense Inflator
356	585500	Office Cleaning Services	1,214.68	8.92%	108.35	1,323.04	2.59%	34.25	1,357.29	2.59%	35.14	1,392.43	Compounded Expense Inflator
357	585900	Other Office Maintenance	2,214.12	8.92%	197.51	2,411.63	2.59%	62.44	2,474.06	2.59%	64.05	2,538.12	Compounded Expense Inflator
358	586100	Landline/Telephone/Fax	19,268.40	8.92%	1,718.82	20,987.22	2.59%	543.36	21,530.58	2.59%	557.43	22,088.01	Compounded Expense Inflator
359	586200	Cellular/Mobile Phones	14,653.03	8.92%	1,307.11	15,960.14	2.59%	413.21	16,373.35	2.59%	423.91	16,797.26	Compounded Expense Inflator
360	587100	Holiday Events/Picnics	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
361	587200	Meals and Entertainment	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
362	587300	Meals and Entertainment - 50% Tax Deductible	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
363	587400	Meals and Entertainment - Non Deductible	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
364	587500	Answering Service	3,745.55	8.92%	334.12	4,079.67	2.59%	105.62	4,185.29	2.59%	108.36	4,293.65	Compounded Expense Inflator
365	587900	Other Office Expenses	2,112.48	8.92%	188.44	2,300.92	2.59%	59.57	2,360.49	2.59%	61.11	2,421.60	Compounded Expense Inflator
366	511003	Purchased Services-Gas	1,407.27	8.92%	125.53	1,532.80	2.59%	39.68	1,572.49	2.59%	40.71	1,613.20	Compounded Expense Inflator
367	621100	Advertising	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
368	621300	Trade Shows	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
369	621400	Promotions/Corporate Sponsor	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
370	621500	Promotions - 50%	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
371	622100	Bank Service Charges	500.79	8.92%	44.67	545.47	2.59%	14.12	559.59	2.59%	14.49	574.08	Compounded Expense Inflator

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372	622200	Bank Charges - Merchant	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
373	622300	Letter of Credit Fees	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
374	623100	Donations for Registered Charities	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
375	623200	Donations for Non-Registered Charities	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
376	624100	License Fees	1,258.75	8.92%	112.29	1,371.04	2.59%	35.50	1,406.54	2.59%	36.42	1,442.95	Compounded Expense Inflator
377	624200	Franchise Fee	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
378	624300	5% FF on Usage	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
379	625100	Penalties and Fines	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
380	625200	Penalties and Fines to Government (Non-Deductible)	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
381	625300	Late Fees	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
382	626100	Education and Training	5,755.03	8.92%	513.37	6,268.41	2.59%	162.29	6,430.70	2.59%	166.49	6,597.19	Compounded Expense Inflator
383	629100	Memberships and Dues	15,093.46	8.92%	1,346.40	16,439.86	2.59%	425.63	16,865.49	2.59%	436.65	17,302.14	Compounded Expense Inflator
384	629200	Payroll Admin Fee	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
385	629300	Director and Board Fees	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
386	629400	Corporate Governance	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
387	629500	Credit Card Expense Clearing	(4,374.15)	8.92%	(390.19)	(4,764.34)	2.59%	(123.35)	(4,887.69)	2.59%	(126.54)	(5,014.23)	Compounded Expense Inflator
388	629600	Credit Card/Cash Expense - Unallocated	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
389	629700	Cost Recovery	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
390	629800	Discount/Rebate Taken	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
391	629850	Community Service	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
392	629900	Other Misc Expense	93,081.31	8.92%	8,303.25	101,384.56	2.59%	2,624.85	104,009.42	2.59%	2,692.81	106,702.22	Compounded Expense Inflator
393	591000	Accommodation/Hotel/Lodging	3,813.22	8.92%	340.16	4,153.38	2.59%	107.53	4,260.91	2.59%	110.32	4,371.22	Compounded Expense Inflator
394	592000	Airfare	111.82	8.92%	9.98	121.80	2.59%	3.15	124.95	2.59%	3.24	128.19	Compounded Expense Inflator
395	593000	Transportation excl. Airfare	838.48	8.92%	74.80	913.28	2.59%	23.64	936.92	2.59%	24.26	961.18	Compounded Expense Inflator
396	594000	Travel - Meals and Entertainment	(40.11)	8.92%	(3.58)	(43.69)	2.59%	(1.13)	(44.82)	2.59%	(1.16)	(45.98)	Compounded Expense Inflator
397	595000	Travel - Meals and Entertainment - 50% Tax Deductible	2,024.12	8.92%	180.56	2,204.68	2.59%	57.08	2,261.76	2.59%	58.56	2,320.32	Compounded Expense Inflator
398	596000	Travel - Meals and Entertainment - Non Deductible	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
399	599900	Other Travel	10,703.96	8.92%	954.84	11,658.80	2.59%	301.85	11,960.64	2.59%	309.66	12,270.30	Compounded Expense Inflator
400	0	Federal Protected EDIT Amortization	(21,898.00)	0.00%	-	(21,898.00)	0.00%	-	(21,898.00)	0.00%	-	(21,898.00)	No General Inflation
401	630002	Commission Ordered Adjustments	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
402	691000	Corporate Allocation	1,498,423.75	8.92%	133,665.81	1,632,089.56	2.59%	42,254.89	1,674,344.45	2.59%	43,348.87	1,717,693.32	Compounded Expense Inflator
403	692000	Regional Allocation	182,132.84	8.92%	16,247.03	198,379.86	2.59%	5,136.07	203,515.93	2.59%	5,269.04	208,784.97	Compounded Expense Inflator
404	693000	Contract Shared Services Allocation	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
405	694000	Allocation Markup	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
406	811003	Standby/Letter of Credit Fees	22,344.33	8.82%	1,970.77	24,315.10	2.40%	583.56	24,898.66	2.40%	597.57	25,496.23	Expense Inflation
407	816004	Interest - Other	20,769.67	0.09%	19.17	20,788.84	0.18%	38.37	20,827.21	0.18%	38.44	20,865.65	Growth Inflation
408	641100	FICA	174,104.70	3.00%	5,223.14	179,327.84	3.00%	5,379.84	184,707.67	3.00%	5,541.23	190,248.90	Salaries Increase Assumptions
409	641200	Payroll Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
410	641300	Employer Health Tax	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
411	642100	Federal Unemployment Tax	1,257.81	3.00%	37.73	1,295.54	3.00%	38.87	1,334.41	3.00%	40.03	1,374.44	Salaries Increase Assumptions
412	642200	State Unemployment Tax	3,942.17	3.00%	118.27	4,060.43	3.00%	121.81	4,182.24	3.00%	125.47	4,307.71	Salaries Increase Assumptions
413	642300	Other Payroll Taxes	-	3.00%	-	-	3.00%	-	-	3.00%	-	-	Salaries Increase Assumptions
414	643100	Franchise Taxes	54,258.80	8.92%	4,840.12	59,098.91	2.59%	1,530.07	60,628.99	2.59%	1,569.69	62,198.68	Compounded Expense Inflator
415	643200	Gross Receipts Taxes	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
416	643300	Personal Property Taxes	70,882.28	9.89%	7,008.01	77,890.29	8.05%	6,273.69	84,163.97	7.08%	5,959.21	90,123.18	Real Estate Taxes
417	643400	Real Estate Taxes	34,746.97	9.89%	3,435.37	38,182.34	8.05%	3,075.40	41,257.74	7.08%	2,921.24	44,178.99	Real Estate Taxes
418	643500	Sales And Use Taxes	-	8.92%	-	-	2.59%	-	-	2.59%	-	-	Compounded Expense Inflator
419	643600	Utility/Commission Taxes	-	-	27,904.47	27,904.47	-	1,842.69	29,747.16	-	1,485.18	31,232.34	Manual Calculation
420	643700	Other General Taxes	(6,086.37)	8.92%	(542.93)	(6,629.30)	2.59%	(171.63)	(6,800.93)	2.59%	(176.08)	(6,977.01)	Compounded Expense Inflator

Carolina Water Service, Inc. of North Carolina
W - 354, Sub 400
Summary of Rate Case Adjustments
Test Year: March 31, 2022
WSIP Period: April 1, 2023 - March 31, 2026

Schedule 29

Purpose:

To identify and include in the revenue requirement expense increases through the WSIP period.

Method:

Identify which inflator is the most reasonable and apply that expense increase to each of the periods through the WSIP period. Accounts that are marked as no general inflation have a manual build addressing the level of expenses through the WSIP period.

Inflation Assumptions	Water	Water	Water	Sewer	Sewer	Sewer
	WSIP Year 1	WSIP Year 2	WSIP Year 3	WSIP Year 1	WSIP Year 2	WSIP Year 3
Growth Inflation	0.46%	0.92%	0.92%	0.09%	0.18%	0.18%
Expense Inflation	8.82%	2.40%	2.40%	8.82%	2.40%	2.40%
Compounded Expense Inflator	9.32%	3.34%	3.34%	8.92%	2.59%	2.59%

Note: Expense inflation is based on projected CPI, further details can be found in Witness Drennan's testimony. Growth inflation is based on assumed ERC growth through the WSIP period as reflected in Schedule E. Expenses that are expected to be sensitive to both expense inflation as well as system usage will have a compound inflation applied.

Salaries Increase Assumptions	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
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Note: WSIP period salary increase assumptions are based on market demands and are set based on internal corporate direction.

Real Estate Taxes	6.94%	4.94%	4.84%	9.89%	8.05%	7.08%
Property Insurance Expense Inflation	6.94%	4.94%	4.84%	9.89%	8.05%	7.08%

Note: Real Estate Taxes and Property Insurance Expense inflators are based on the growth in gross plant in service between WSIP period

No General Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Note: Certain accounts do not have a generic growth inflator and instead are either expected to remain flat, have a manual workpaper calculation associated with them, or in the case of purchased water and sewer treatment expenses will be accounted for through that regulatory mechanism.