

Exhibit C

CAROLINA WATER SERVICE, INC., OF NC
Docket No. W-354, Sub 344
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended December 31, 2014

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
<u>Rate Base Factor - Water Operations</u>					
1.	Debt	49.00% [1]	6.60% [1]	0.998520 [2]	0.032388 [6]
2.	Equity	51.00% [1]	9.75% [1]	0.632662 [3]	0.078596 [6]
3.	Total (L1 + L2)	<u>100.00%</u>			<u>0.110984</u>
<u>Rate Base Factor - Sewer Operations</u>					
4.	Debt	49.00% [1]	6.60% [1]	0.998520 [4]	0.032388 [6]
5.	Equity	51.00% [1]	9.75% [1]	0.632662 [5]	0.078596 [6]
6.	Total (L4 + L5)	<u>100.00%</u>			<u>0.110984</u>
		Water Operations (a)	Sewer Operations (b)		
7.	<u>Net Income Factor:</u>				
	Total revenue	1.000000	1.000000		
8.	Gross receipts tax (L1 x statutory rate)	0.000000	0.000000		
9.	Regulatory fee (L1 x .148%)	0.001480	0.001480		
10.	Balance (L4 - L5 - L6)	0.998520	0.998520		
11.	State income tax (L7 x 4%)	0.039941	0.039941		
12.	Balance (L7 - L8)	0.958579	0.958579		
13.	Federal income tax (L9 x 34%)	0.325917	0.325917		
14.	Retention factor (L9 - L10)	<u>0.632662</u>	<u>0.632662</u>		

[1] Per Joint Stipulation

[2] Column (a), Line 10.

[3] Column (a), Line 14.

[4] Column (b), Line 10.

[5] Column (b), Line 14.

[6] Column (a) multiplied by Column (b) divided by Column (c).