



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 26, 2015

Ms. Gail L. Mount, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Docket No. W-354, Sub 344

Dear Ms. Mount:

During the October 20, 2015, evidentiary hearing in the above-captioned docket, the Commission requested that the Public Staff file a late-filed exhibit which details the major components of Carolina Water Service, Inc. of North Carolina's (CWSNC) rate case expense amount of \$304,330, and also file a late-filed exhibit which shows the calculation of the franchise tax amount of \$69,553 filed by CWSNC in this docket.

Pursuant to the Commission's request, please find enclosed Public Staff Late-Filed Exhibit 1 – Calculation of Regulatory Commission Expenses, and Public Staff Late-Filed Exhibit 2, which provides the breakdown of how the franchise tax was calculated. By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely yours,

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

Enclosures

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

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CAROLINA WATER SERVICE, INC., OF NC

Docket No. W-354, Sub 344

CALCULATION OF REGULATORY COMMISSION EXPENSES

For The Test Year Ended December 31, 2014

Public Staff Late Filed Exhibit 1

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1.	WSC capitalized salaries	\$112,899
2.	Legal fees	105,431
3.	Consulting fees	61,607
4.	Cost for mailing notices to customers	17,964
5.	Travel expenses	4,569
6.	Court reporter	1,336
7.	Administrative expenses	101
8.	Miscellaneous expenses	<u>423</u>
9.	Total regulatory commission expenses (Sum of L1 thru L8)	<u><u>\$304,330</u></u>

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Attachment to ADR 24 Item 8 Updated.xlsx

	Elk River 181	CWSofNC 180/182	CWS Sys 183	Trace 187	Transylvania 188	N Topsail 189	Bradfield 191
12/31/2013							
Total capital stock outstanding less cost of treasury stock	1,000	4,100	-	1,000	1,000	1,000	965,000
Paid-in or capital surplus	-	4,401,060	2,600,000	1,100,000	600,000	2,699,000	2,167,617
Retained Earnings	429,510	22,027,901	1,911,352	974,557	(530,164)	2,658,812	(665,844)
Other surplus	-	-	-	-	-	-	-
Deferred or unearned income	-	-	-	-	-	-	-
Allowance for bad debts	-	-	-	-	-	-	-
LIFO reserves	-	-	-	-	-	-	-
Other reserves that do not represent definite and accrued legal liabilities	-	-	-	-	-	-	-
Affiliated indebtedness	368,366	19,935,889	6,134,775	4,006,508	3,539,574	-	161,586
	798,876	46,368,950	10,646,127	6,082,065	3,610,410	5,358,812	2,628,359
Apportionment factor	100%	100%	100%	100%	100%	100%	100%
A Capital Stock, Surplus and Undivided Profits Base	798,876	46,368,950	10,646,127	6,082,065	3,610,410	5,358,812	2,628,359
Total inventories located in NC	-	-	-	-	-	-	-
Total furniture, fixtures, and M&E located in NC	-	-	-	-	-	-	-
Total land and buildings located in NC	-	-	-	-	-	-	-
Total I/h improvements and other NC tangible property	-	-	-	-	-	-	-
Less reserve for depreciation permitted for income tax purposes of all tangible property	-	-	-	-	-	-	-
Less Debts existing for NC real estate	-	-	-	-	-	-	-
B Investment in Tangible Properties in NC Base	0	0	0	0	0	0	0
Appraised value of all property listed for county ad valorem tax in North Carolina as of January 1 of the calendar year next preceding the due date of the return	-	-	-	-	-	-	-
	55%	55%	55%	55%	55%	55%	55%
C Appraised Valuation of Tangible Property Base	0	0	0	0	0	0	0
Greater of A B or C	798,876	46,368,950	10,646,127	6,082,065	3,610,410	5,358,812	2,628,359
Fran Tax rate	1.50/1000						
Franchise Tax	1,198	69,553	15,969	9,123	5,416	8,038	3,943
2013 GR Tax	7,736	765,269	189,757	93,471	61,112		36,583