

Schedule A - Modified Revenue Requirement per DW-16-806

Computation of QCPAC Surcharge

1/30/2018

Updated on 3/28/2018 based on actual cost of Bonds sold to refund 2017 Capex.

DW16-806 Approved Step Revenue Requirements	Requested QCPAC For 2017 Capital Additions pro formas	Requested QCPAC Surcharge for 2017 Capital Additions	Projected QCPAC For 2018 Capital Additions pro formas (7,8)	Projected QCPAC Surcharge for 2018 Capital Additions	QCPAC For 2019 Capital Additions pro formas (7,8)	QCPAC Surcharge for 2019 Capital Additions	QCPAC For 2020 Capital Additions pro formas (7,8)	QCPAC Surcharge for 2020 Capital Additions
\$7,729,032	\$ -	\$ 7,729,032	\$ -	\$ 7,729,032	\$ -	\$ 7,729,032	\$ -	\$ 7,729,032
\$16,927,242 (1)	\$ 130,538 (4)	\$ 17,057,780	\$ 314,360	\$ 17,372,141	\$ 320,811	\$ 17,692,951	\$ 271,909	\$ 17,964,860
\$6,218,648 (2)	\$340,240 (5)	\$ 6,558,888	\$784,156	\$ 7,343,044	\$780,799	\$ 8,123,843	\$647,483	\$ 8,771,326
1.10 (3)		1.10		1.10		1.10		1.10
\$ 6,840,513		\$ 7,214,776		\$ 8,077,348		\$ 8,936,227		\$ 9,648,458
\$ 31,496,787		\$ 32,001,589		\$ 33,178,521		\$ 34,358,210		\$ 35,342,350
\$20,694,038		\$ 23,767,755		\$ 24,272,557		\$ 25,449,489		\$ 26,629,178
\$7,729,032		\$ 7,729,032		\$ 7,729,032		\$ 7,729,032		\$ 7,729,032
\$ 28,423,070		\$ 31,496,787		\$ 32,001,589		\$ 33,178,521		\$ 34,358,210
		1.60%		3.68%		3.56%		2.86%
				5.34%		9.08%		12.21%

Notes:

(1) Operating Expense Revenue requirement is the sum of the Total Operating Expenses, Property Tax Expense, Amortization Expense and Payroll Tax Expense as approved in DW16-806

(2) Annual Principal and interest payments for PWW debt associated with all plant in service as approved in DW16-806

(3) Principal and interest coverage of 1.10 is as approved in DW16-806

(4) Reflects the net increase in property taxes associated with the plant placed in service between 1/1/2017 and 12/31/2017 that was not included in DW16-806.

(5) Annual Principal and interest payments for debt associated with plant placed in service between 1/1/2017 and 12/31/2017 based on a

30 year bond with an actual total all in interest rate of

4.898453%

that was not recovered  
in DW16-806

(7) QCPAC operating expenses are based on the property taxes for plant added during the year

(8) QCPAC Principal and Interest expenses are based on 30 year bond with interest rate of 5.0%

(9) QCPAC percent revenue surcharges based on increase in revenues from the previous year, inclusive of QCPAC surcharges.