WITNESS D'ASCENDIS - TESTIMONY SUMMARY PRESENTATION SLIDES

(Merits Hearing of 4/3-4/2018)

In the matter of Docket No. 2017-292-WS:
Application of Carolina Water Service, Incorporated,
for Approval of an Increase in Its Rates
for Water and Sewer Services

I hereby certify this document to be a true copy of the original.

Jocelyn Boyd
Chief Clerk

Date 8/30/18

PUBLIC SERVICE COMMISSION
SOUTH CAROLINA

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DYLAN D'ASCENDIS

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Table 1: Summary of Overall Rate of Return

Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	48.11%	6.60%	3.18%
Common Equity	51.89%	10.45% - 10.95%	5.42% - 5.68%
Total	100.00%		8.60% - 8.86%

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Table 2: Summary of Common Equity Cost Rate

	Utility Proxy Group
Discounted Cash Flow Model	8.64%
Risk Premium Model	10.69
Capital Asset Pricing Model	10.51
Cost of Equity Models Applied to Comparable Risk, Non-Price Regulated Companies	12.06
Indicated Common Equity Cost Rate Before Adjustment	10.45%
Size Adjustment	0.50
Indicated Common Equity Cost Rate Cost Rate after Adjustment	10.95%
Recommended Range of Common Equity Cost Rates	10.45% - 10.95%

Slide 3

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PROXY GROUP OF EIGHT WATER COMPANIES

- American States Water Co.
- American Water Works Co.
- Aqua America, Inc.
- California Water Service Group, Inc.
- Connecticut Water Service, Inc.
- Middlesex Water Co.
- SJW. Corp.
- York Water Co.

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PROXY GROUP OF 28 NON-REGULATED COMPANIES

AmerisourceBergen
ARAMARK Holdings
AutoZone Inc.
Bright Horizons Fami
Cheesecake Factory
CBOE Holdings
Chemed Corp.
C.H. Robinson
CME Group
DineEquity Inc.
Dunkin' Brands Group
Darden Restaurants
Forrester Research
Hormel Foods
Lilly (Eli)
Mercury General

Vail Resorts
NVR, Inc.
Pinnacle Foods
Quintiles IMS Hldgs.
Regal Entertainment
Six Flags Entertainm
Spectrum Brands
Target Corp.
VeriSign Inc.
VWR Corp.
WD-40 Co.
West Pharmac. Svcs.

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Rebuttal Table 1: Dr. C arlisle's Cost of Common Equity Model Results

Model	Original Result[1]	Corrected Result
Discounted Cash Flow	8.82%	9.57%
Comparable Earnings Model	8.89%	12.26%
Capital Asset Pricing Model	9.54%	10.03%
Average	**9.08%**	**10.62%**

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