

**DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
CALCULATION OF STEP ADJUSTMENT**

		Total
2020 Plant Additions (Sch 2)	\$ 206,821	
Less: Accumulated Depreciation - 2020 Plant Additions (Sch 2)	<u>(15,240)</u>	\$ 191,581
2021 Plant Additions (Sch 3)	\$ 749,126	
Less: Accumulated Depreciation - 2021 Plant Additions (Sch 3)	<u>(54,351)</u>	694,775
Cash Working Capital:		
Increase in Operation and Maintenance Expense (Sch 4)	<u>\$ 12,220</u>	
% of O & M Exp's attributable to billings in arrears (1,714 / 1,813):	x 94.54% = \$ 11,553	
% of O & M Exp's attributable to billings in advance (99 / 1,813):	x -5.46% = <u>(667)</u>	
O & M Expenses subject to Cash Working Capital:	10,886	
Cash Working Capital Factor (75 days / 365 days)	<u>20.55%</u>	<u>2,237</u>
Total Addition to Rate Base		888,593
Rate of Return (Att 1; Sch 1a)		x <u>8.52%</u>
Increase in Net Operating Income Requirement		\$ 75,678
Increase in Annual Wage Expense (Sch 4) - Settlement:		12,220
Depreciation Expense:		
Annual Depreciation Expense - 2020 Plant Additions (Sch 2)	\$ 15,240	
Less: Annual Depreciation Expense - 2020 Retirements (Sch 2a)	<u>(668)</u>	\$ 14,572
Annual Depreciation Expense - 2021 Plant Additions (Sch 3)	\$ 54,351	
Less: Annual Depreciation Expense - 2021 Retirements (Sch 3a)	<u>(15,365)</u>	<u>38,986</u>
		53,558
Property Tax Expense:		
Annual Property Tax Expense - 2020 Plant Additions (Sch 2)	\$ 2,358	
Annual Property Tax Expense - 2021 Plant Additions (Sch 3)	<u>8,591</u>	10,949
Increase in Annual Payroll Tax Expense (Sch 4) - Settlement:		935
Income Tax Expense:		
Increase in Net Operating Income Requirement	\$ 75,678	
Income Tax Multiplier (Att 1; Sch 1b)	x <u>0.37142</u>	<u>28,108</u>
Increase in Revenue Requirement		\$ 181,449
Less: Increase in POASI Special Contract (Schedule 5a)		<u>(20,749)</u>
Step Increase		\$ 160,700
Pro Forma Water Revenues from General Customers (Att 1; Sch 3)		\$ 1,337,149
% Increase in Annual Water Revenues from General Customers		<u>12.02%</u>

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
2020 PLANT, DEPRECIATION, AND STATE AND LOCAL PROPERTY TAXES

Schedule 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Div #	Name	Acct #	Non-Revenue Producing	Total Division	Annual Depreciation	Net Plant	State Utility Taxes @ \$6.60	Local Property Tax Rates	Local Property Taxes	Total Property Taxes
1	Far Echo Harbor									
	F&W Pump	311	\$ 10,566		\$ 1,057	\$ 9,509	\$ 63	\$ 5.35	\$ 51	\$ 114
	Meters	334	1,767		88	1,679	11	5.35	9	20
	Telemetry	339	4,199	\$ 16,532	600	3,599	24	5.35	19	43
2	Paradise Shores									
	Woodstream Main - 400' of 4" Fusion	331	2,514		50	2,464	16	5.35	13	29
	Main - 300' Liesure Lane	333	1,389		35	1,354	9	5.35	7	16
	Meters	334	5,257	9,160	263	4,994	33	5.35	27	60
3	West Point									
	Meters	334	540		27	513	3	5.35	3	6
	Storage	339	648	1,188	32	616	4	5.35	3	7
4	Waterville Valley Gateway									
	Meters	334	628	628	31	597	4	18.33	11	15
5	Hidden Valley									
	Meters	334	1,625	1,625	81	1,544	10	7.78	12	22
6	Wentworth Cove									
	REPCO Panel	304	8,963		179	8,784	58	17.80	156	214
	Pumpstation upgrades	304	29,633		593	29,040	192	17.80	517	709
	Submersible Pump	311	3,630		363	3,267	22	17.80	58	80
	Water-Right Customer Care Unit	320	10,237		365	9,872	65	17.80	176	241
	Meters	334	502		25	477	3	17.80	8	12
	Telemetry	339	3,952		565	3,387	22	17.80	60	83
	Pressure Tank	339	2,241		1,494	747	5	17.80	13	18
	Compressor	339	1,008	60,166	672	336	2	17.80	6	8
7	Pendelton Cove									
	Meters	334	708	708	35	673	4	17.80	12	16
8	Deer Run									
	Meters	334	351	351	18	333	2	22.27	7	10
9	Woodland Grove									
	Meters	334	458	458	23	435	3	15.39	7	10
10	Echo Lake Woods									
	Meters	334	448	448	22	426	3	15.39	7	9
11	Brake Hill									
	No additions		-	-				13.98	-	-

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LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
2020 PLANT, DEPRECIATION, AND STATE AND LOCAL PROPERTY TAXES

Schedule 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Div #	Name	Acct #	Non-Revenue Producing	Total Division	Annual Depreciation	Net Plant	State Utility Taxes @ \$6.60	Local Property Tax Rates	Local Property Taxes	Total Property Taxes
12	Tamworth Water Works									
	Well Pump	311	4,665		467	4,199	28	20.64	87	114
	Transducer	339	1,703	6,368	170	1,533	10	20.64	32	42
13	175 Estates									
	Anion Softners	320	7,453	7,453	266	7,187	47	18.33	132	179
14	Deer Cove									
	No additions		-	-				17.20	-	-
15	Lake Ossipee Village									
	Telemetry	339	3,556	3,556	508	3,048	20	8.97	27	47
16	Indian Mound									
	Main - Richard Rd 550 2" HDPE	331	2,754		55	2,699	18	16.70	45	63
	Richard Rd - 3 Services / 1 Blowoff	333	1,066	3,820	27	1,039	7	16.70	17	24
17	Gunstock Glen									
	No additions		-	-				13.19	-	-
18	Dockham Shores									
	No additions		-	-				13.19	-	-
19	Wildwood									
	Subdrive	311	1,864		186	1,678	11	10.34	17	28
	Sump Pump	311	297	2,161	30	267	2	10.34	3	5
50	Administrative									
	Driveway - paving	304	9,723		194	9,529	63	5.35	51	114
	Portable Generator	310	34,350		3,435	30,915	N/A	5.35	N/A	-
	Hypotherm 45 Plasma Cutter	343	2,483		124	2,359	N/A	5.35	N/A	-
	2011 Vermeer Vacuum	343	35,000		1,750	33,250	N/A	5.35	N/A	-
	TEGA Electrofusion Processor	343	4,800		240	4,560	N/A	5.35	N/A	-
	Utility Cloud	347	5,000		1,000	4,000	N/A	5.35	N/A	-
	Front Desk Computer	347	843	92,199	169	674	N/A	5.35	N/A	-
	Total Plant Placed in Service		\$ 206,821	\$ 206,821	\$ 15,240	\$ 191,581	\$ 764		\$ 1,594	\$ 2,358

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
2020 RETIREMENTS AND RELATED DEPRECIATION

Schedule 2a

Account #	Account Description	Cost	2019 Depr Exp	2019 Ending A/D
311	Pumps	\$ 5,874	\$ -	\$ 5,874
331	Mains	1,600	13	1,438
334	Meters	13,884	169	8,046
339	Misc Equipment	3,952	228	2,206
347	Computer Equipment	2,593	258	2,593
Total		\$ 27,903	\$ 668	\$ 20,157

LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
2021 PLANT, DEPRECIATION, AND STATE AND LOCAL PROPERTY TAXES

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Div #	Name	Acct #	Non-Revenue Producing	Revenue Producing	Total Division	CoBank T06 Loan	Annual Depr On Non-Rev. Producing	2021 Proforma Depreciation on 2021 Additions	2021 Net Plant	Utility Prop Taxes \$6.60	Local Property Tax Rates	Local Property Taxes	Total Property Taxes
1	Far Echo Harbor												
	Bed Rock Well Pump	311	\$ 270				\$ 27						
	Bosster #2 (transferred from CWIP)	311	\$ 3,834				383						
	Meters	334	916				46						
	Transducer	339	915		\$ 5,935		131	\$ 587	\$ 5,348	\$ 35	\$ 5.31	\$ 28	\$ 64
2	Paradise Shores												
	Well #5 Electrical Upgrades (transferred from CWIP)	304	\$ 13,445				\$ 269						
	Mt. Roberts Badger M2000 Meter	311	2,704				270						
	Well #5 Pump (transferred from CWIP)	311	18,696				1,870						
	T&D mains - Robin Lane	331	58,763			\$ 58,873	1,175						
	Paving - Robin Lane (Spring '22) - Settlement	331	15,417				308						
	T&D mains - Sunrise Dr.	331	41,523				830						
	Paving - Sunrise Dr. (Spring '22) - Settlement	331	11,719				234						
	T&D mains - Glen Forest Dr.	331	25,692				514						
	Paving - Glen Forest Dr. (Spring '22) - Settlement	331	9,014				180						
	Services - Robin Lane	333	10,000			7,127	250						
	Services - Sunrise Dr.	333	15,000				375						
	Services - Glen forest	333	5,000				125						
	Services - Blueberry Ln (12/21/21)	333	2,050				51						
	Well #5 transducer (transferred from CWIP)	339	2,113				53						
	Meters	334	3,085	534	\$ 234,221		154	\$ 6,391	\$ 227,830	\$ 1,504	\$ 5.31	\$ 1,210	\$ 2,713
Note: The additions listed above in accounts 331 and 333 are all part of the mains/services replacement project at Paradise Shores.													
3	West Point												
	Meters	334	\$ 526	\$ 176	\$ 526		26	\$ 26	\$ 500	\$ 3	\$ 5.31	\$ 3	\$ 6
4	Waterville Valley												
	Meters	334	\$ 188		\$ 188		9	\$ 9	\$ 179	\$ 1	\$ 19.00	\$ 3	\$ 5
5	Hidden Valley												
	Meters	334	\$ 535		\$ 535		27	\$ 27	\$ 508	\$ 3	\$ 8.38	\$ 4	\$ 8
6	Wentworth Cove												
	Meters	334	\$ 565		\$ 565		28	\$ 28	\$ 537	\$ 4	\$ 17.03	\$ 9	\$ 13
7	Pendleton Cove												
	1" Well Meter	311	\$ 420				\$ 42						
	Meters	334	891	145	\$ 1,311		45	\$ 87	\$ 1,224	\$ 8	\$ 17.03	\$ 21	\$ 29
8	Deer Run												
	BRW#1 Meter	311	\$ 250		\$ 250		\$ 25	\$ 25	\$ 225	\$ 1	\$ 23.14	\$ 5	\$ 7
9	Woodland Grove												
	Meters	334	\$ 170		\$ 170		9	\$ 9	\$ 162	\$ 1	\$ 15.54	\$ 3	\$ 4
11	Brake Hill												
	Pump BRW#1	311	\$ 4,257				\$ 426						
	Meters	334	364		\$ 5 of 1,321		18	\$ 444	\$ 4,177	\$ 28	\$ 10.77	\$ 45	\$ 73

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT

2021 PLANT, DEPRECIATION, AND STATE AND LOCAL PROPERTY TAXES

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Div #	Name	Acct #	Non-Revenue Producing	Revenue Producing	Total Division	CoBank T06 Loan	Annual Depr On Non- Rev. Producing	2021 Proforma Depreciation on 2021 Additions	2021 Net Plant	Utility Prop Taxes \$6.60	Local Property Tax Rates	Local Property Taxes	Total Property Taxes
13	175 Estates												
	1" Inline Meter	311	\$ 420				\$ 42						
	BRW#1	311		7,252			725						
	Treatment	320		9,774			977						
	Transducer	339		905			91						
	Transducer BRW1	339		3,254	\$ 21,605		465	\$ 2,300	\$ 19,305	\$ 127	\$ 19.00	\$ 367	\$ 494
15	Lake Ossipee												
	Pumps & Meter	311	\$ 8,508				\$ 851						
	Treatment Equipment	320		18,239	\$ 26,747		657	\$ 1,507	\$ 25,240	\$ 167	\$ 9.17	\$ 231	\$ 398
17	Gunstock Glen												
	Services	333		3,351	3,351		84	84	\$ 3,267	\$ 22	\$ 10.77	\$ 35	\$ 57
18	Dockham Shores												
	200' HDPE 2" Water Main	331		10,240	10,240		205	205	\$ 10,035	\$ 66	\$ 10.77	\$ 108	\$ 174
19	Wildwood												
	Pumpstation	304	\$ 167,416				\$ 4,185						
	Power Generator Equipment	310		23,628			2,363						
	Pumping Equipment	311		22,306			2,231						
	Treatment Equipment	320		20,724			746						
	Tank	330		36,127			795						
	Misc. Equipment	339		3,488	\$ 273,689	\$ 260,000	498	\$ 10,818	\$ 262,871	\$ 1,735	\$ 10.70	\$ 2,813	\$ 4,548
	Note: The additions listed above are all part of the system upgrades at Wildwood.												
50	General Administration												
	Leak Detector w/Headset	339	\$ 5,672				810						
	Magnetic Locator	339		1,584			226						
	Cable puller	339		973			139						
	2021 Sure Trac Alum 7x12 Trailer	341		4,378			876						
	2021 Sure Trac LPDump Trailer 6x10 w/tarp	341		8,231			1,646						
	2021 Ford F350	341		57,308			11,462						
	2021 Dodge Ram 1500	341		70,669			14,134						
	2021 Ford 350 New Motor	341		3,072			614						
	2021 Vermeer Vac Restoration	343		13,285	\$ 165,172		1,898	\$ 31,805	\$ 133,367	\$ -		\$ -	\$ -
	Grand Total		\$ 749,126	\$ 855	\$ 749,126	\$ 326,000	\$ 54,620	\$ 54,351	\$ 694,775	\$ 3,705		\$ 4,885	\$ 8,591

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
2021 RETIREMENTS AND RELATED DEPRECIATION

Schedule 3a

Account	Account Description	Costs	2019 Depr Exp, per Co.	2019 Ending A/D, per Co.
304	Structures	\$ 54,984	\$ 196	\$ 50,154
311	Pumps	56,189	831	22,483
320	Treatment Equipment	5,197	158	3,970
331	Mains	7,049	-	7,049
333	Services	2,760	-	3,385
334	Meters	7,865	242	2,096
339	Misc Equipment	17,359	243	304
341	Transportation Equipment	71,793	13,108	64,063
347	Computer Equipment	5,870	587	2,981
Total		\$ 229,066	\$ 15,365	\$ 156,485

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
WAGE INCREASE PER SETTLEMENT

Schedule 4

	2021 Actual Wages	2022 Wage Inc 3% (a)	Less: Capitalized Wages (b)	Increase in Annual Wages	Increase in Annual Payroll Tax Expense (c)
President	\$ 81,758	\$ 2,453	\$ (128)	\$ 2,325	\$ 178
Field Supervisor	64,521	1,936	(101)	1,835	140
Utility Manager	61,366	1,841	(96)	1,745	133
Field Staff	138,327	4,150	(216)	3,933	301
Office Staff	83,790	2,514	(131)	2,383	182
Total	\$ 429,762	\$ 12,893	\$ (672)	\$ 12,220	\$ 935

(a) Per Energy 2-18

(b) See Att 1; Sch 3a; Adj #'s 35 and 38

2019 Capitalized Wages (Co's 2019 Ann'l Rpt, Sch F-58, Lines 26-27)	\$ 20,029
2019 Actual Wages (Energy 2-18)	÷ 383,999
Calculated Capitalized Wage Percentage	= <u>5.22%</u>

(c) Multiplied by combined SS and FICA Percentage

7.65%

LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
CALCULATION OF POASI SPECIAL CONTRACT REVENUE ADJUSTMENT
SUMMARY

	Volume Basis	Customer Allocation Basis	POASI	Non - POASI	TOTAL
Revenue Requirement after Tax Effect (Schedule 4b)	\$ 22,368	\$ 2,585	\$ -	\$ 4,410	\$ 29,362
Total Operating Expenses (Schedule 4d)	11,344	2,732	-	1,612	15,688
Less: Other Operating Revenues	-	-	-	-	-
Total Revenues to be Collected via All Water Rates	\$ 33,712	\$ 5,317	\$ -	\$ 6,022	\$ 45,050
Revenues Specific to POASI Special Contract	\$ 33,712	\$ 5,317	\$ -	\$ -	\$ 39,028
	CCF Usage	Customers	Customers		
POASI	15,176	1	1		
Paradise Shores	9,496	414	-		
Total	24,672	415	1		
Rates	\$ 1.37 /ccf	\$ 12.81 /cust	\$ - POASI only		
Revenues:					
POASI	\$ 20,736	\$ 13	\$ -	\$ -	\$ 20,749
Paradise Shores	12,975	5,304	-	6,022	24,301
Total	\$ 33,712	\$ 5,317	\$ -	\$ 6,022	\$ 45,050

LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
CALCULATION OF POASI SPECIAL CONTRACT REVENUE ADJUSTMENT
REVENUE REQUIREMENT

	Volume Basis	Customer Allocation Basis	POASI	Non - POASI	TOTAL
NET PLANT IN RATE BASE:					
Total Utility Plant in Service (Schedule 4c)	201,187	24,146	-	38,915	264,248
Less: Accumulated Depreciation (Schedule 4c)	(10,236)	(2,016)	-	(1,161)	(13,413)
Net Utility Plant in Service	190,951	22,130	-	37,754	250,835
Contributions in Aid of Construction (CIAC)	-	-	-	-	-
Less: Accumulated Amortization - CIAC	-	-	-	-	-
Net Contributions in Aid of Construction	-	-	-	-	-
Net Utility Plant in Rate Base	190,951	22,130	-	37,754	250,835
WORKING CAPITAL IN RATE BASE:					
Materials and Supplies	-	-	-	-	-
Deferred Assets	-	-	-	-	-
Customer Deposits	-	-	-	-	-
Accumulated Deferred Income Taxes - Depreciation	-	-	-	-	-
Subtotal	-	-	-	-	-
Calculation of Cash Working Capital:					
Operation & Maintenance Expenses	2,694	-	-	-	2,694
Cash Working Capital % (75 days ÷ 365 days)	x 20.55%	x 20.55%	x 20.55%	x 20.55%	x 20.55%
Cash Working Capital	554	-	-	-	554
Total Working Capital in Rate Base	554	-	-	-	554
Total Rate Base	191,505	22,130	-	37,754	251,389
Rate of Return @ Schedule 1a	x 8.52%	x 8.52%	x 8.52%	x 8.52%	x 8.52%
Revenue Requirement before Tax Effect	16,310	1,885	-	3,215	21,410
Income Tax Gross-up Factor @ 0.37142	6,058	700	-	1,194	7,952
Revenue Requirement after Tax Effect	\$ 22,368	\$ 2,585	\$ -	\$ 4,410	\$ 29,362

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT

Schedule 5c

**CALCULATION OF POASI SPECIAL CONTRACT REVENUE ADJUSTMENT
UTILITY PLANT IN SERVICE**

	Volume Basis	Customer Allocation Basis	POASI	Non - POASI	TOTAL
UTILITY PLANT IN SERVICE:					
303.20 Land and Land Rights	-	-	-	-	-
304.20 Structures and Improvements	-	-	-	-	-
307.20 Wells and Springs	-	-	-	-	-
311.20 Pumping Equipment	2,704	-	-	-	2,704
339.21 Other Miscellaneous Equipment (Division)	-	-	-	-	-
339.22 Other Miscellaneous Equipment (Common)	-	-	-	-	-
339.30 Other Miscellaneous Equipment (Treatment)	-	-	-	-	-
330.40 Distribution Reservoirs and Standpipes	-	-	-	-	-
331.40 Transmission and Distribution Mains	164,642	-	-	-	164,642
333.40 Services	-	-	-	31,389	31,389
334.40 Meters and Meter Installation	-	-	-	7,526	7,526
335.40 Hydrants	-	-	-	-	-
339.41 Other Miscellaneous Equipment (Division)	-	-	-	-	-
339.42 Other Miscellaneous Equipment (Common) (\$7,256 x 22.89%)	1,661	-	-	-	1,661
303.50 Land and Land Rights	-	-	-	-	-
304.50 Structures and Improvements (\$9,723 x 22.89%)	-	2,226	-	-	2,226
310.50 Power Generation Equipment (\$34,350 x 22.89%)	-	7,863	-	-	7,863
340.50 Office Furniture and Equipment	-	-	-	-	-
341.51 Transportation Equipment - Construction (\$12,609 x 22.89%)	2,886	-	-	-	2,886
341.52 Transportation Equipment - Pickups (\$127,977 x 22.89%)	29,294	-	-	-	29,294
343.50 Tools, Shop, and Garage Equipment (\$55,568 x 22.89%)	-	12,720	-	-	12,720
344.50 Laboratory Equipment	-	-	-	-	-
346.00 Communication Equipment	-	-	-	-	-
347.50 Miscellaneous Equipment (\$5,843 x 22.89%)	-	1,337	-	-	1,337
348.50 Other Tangible Plant (Rounding)	-	-	-	-	-
Total Utility Plant in Service	<u>\$ 201,187</u>	<u>\$ 24,146</u>	<u>\$ -</u>	<u>\$ 38,915</u>	<u>\$ 264,248</u>
ACCUMULATED DEPRECIATION:					
303.20 Land and Land Rights	-	-	-	-	-
304.20 Structures and Improvements	-	-	-	-	-
307.20 Wells and Springs	-	-	-	-	-
311.20 Pumping Equipment	(270)	-	-	-	(270)
339.21 Other Miscellaneous Equipment (Division)	-	-	-	-	-
339.22 Other Miscellaneous Equipment (Common)	-	-	-	-	-
339.30 Other Miscellaneous Equipment (Treatment)	-	-	-	-	-
330.40 Distribution Reservoirs and Standpipes	-	-	-	-	-
331.40 Transmission and Distribution Mains	(3,293)	-	-	-	(3,293)
333.40 Services	-	-	-	(785)	(785)
334.40 Meters and Meter Installation	-	-	-	(376)	(376)
335.40 Hydrants	-	-	-	-	-
339.41 Other Miscellaneous Equipment (Division)	-	-	-	-	-
339.42 Other Miscellaneous Equipment (Common) (\$1,036 x 22.89%)	(237)	-	-	-	(237)
303.50 Land and Land Rights	-	-	-	-	-
304.50 Structures and Improvements (\$194 x 22.89%)	-	(44)	-	-	(44)
310.50 Power Generation Equipment (\$3,435 x 22.89%)	-	(786)	-	-	(786)
340.50 Office Furniture and Equipment	-	-	-	-	-
341.51 Transportation Equipment - Construction (\$2,522 x 22.89%)	(577)	-	-	-	(577)
341.52 Transportation Equipment - Pickups (\$25,596 x 22.89%)	(5,859)	-	-	-	(5,859)
343.50 Tools, Shop, and Garage Equipment (\$4,012 x 22.89%)	-	(918)	-	-	(918)
344.50 Laboratory Equipment	-	-	-	-	-
346.00 Communication Equipment	-	-	-	-	-
347.50 Miscellaneous Equipment (\$1,169 x 22.89%)	-	(268)	-	-	(268)
348.50 Other Tangible Plant (Rounding)	-	-	-	-	-
Total Accumulated Depreciation	<u>\$ (10,236)</u>	<u>\$ (2,016)</u>	<u>\$ -</u>	<u>\$ (1,161)</u>	<u>\$ (13,413)</u>

DW 20-187
LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT

CALCULATION OF POASI SPECIAL CONTRACT REVENUE ADJUSTMENT
UTILITY PLANT IN SERVICE

	Volume Basis	Customer Allocation Basis	POASI	Non - POASI	TOTAL
DEPRECIATION EXPENSE:					
303.20 Land and Land Rights	-	-	-	-	-
304.20 Structures and Improvements	-	-	-	-	-
307.20 Wells and Springs	-	-	-	-	-
311.20 Pumping Equipment	270	-	-	-	270
339.21 Other Miscellaneous Equipment (Division)	-	-	-	-	-
339.22 Other Miscellaneous Equipment (Common)	-	-	-	-	-
339.30 Other Miscellaneous Equipment (Treatment)	-	-	-	-	-
330.40 Distribution Reservoirs and Standpipes	-	-	-	-	-
331.40 Transmission and Distribution Mains	3,293	-	-	-	3,293
333.40 Services	-	-	-	785	785
334.40 Meters and Meter Installation	-	-	-	376	376
335.40 Hydrants	-	-	-	-	-
339.41 Other Miscellaneous Equipment (Division)	-	-	-	-	-
339.42 Other Miscellaneous Equipment (Common) (\$1,036 x 22.89%)	237	-	-	-	237
303.50 Land and Land Rights	-	-	-	-	-
304.50 Structures and Improvements (\$194 x 22.89%)	-	44	-	-	44
310.50 Power Generation Equipment (\$3,435 x 22.89%)	-	786	-	-	786
340.50 Office Furniture and Equipment	-	-	-	-	-
341.51 Transportation Equipment - Construction (\$2,522 x 22.89%)	577	-	-	-	577
341.52 Transportation Equipment - Pickups ((\$25,596 - \$13,108) x 22.89%)	2,859	-	-	-	2,859
343.50 Tools, Shop, and Garage Equipment (\$4,012 x 22.89%)	-	918	-	-	918
344.50 Laboratory Equipment	-	-	-	-	-
346.00 Communication Equipment	-	-	-	-	-
347.50 Miscellaneous Equipment ((\$1,169 - \$258) x 22.89%)	-	209	-	-	209
348.50 Other Tangible Plant (Rounding)	-	-	-	-	-
Total Depreciation Expense	<u>\$ 7,236</u>	<u>\$ 1,957</u>	<u>\$ -</u>	<u>\$ 1,161</u>	<u>\$ 10,354</u>

LAKES REGION WATER COMPANY, INC.
STEP ADJUSTMENT
CALCULATION OF POASI SPECIAL CONTRACT REVENUE ADJUSTMENT
OPERATING EXPENSES

	<u>Volume Basis</u>	<u>Customer Allocation Basis</u>	<u>POASI</u>	<u>Non - POASI</u>	<u>TOTAL</u>
OPERATING EXPENSES:					
Operation & Maintenance Expenses:					
Source of Supply Expenses	-	-	-	-	-
Pumping Expenses	-	-	-	-	-
Water Treatment Expenses	-	-	-	-	-
Transmission and Distribution Expenses	-	-	-	-	-
Customer Account Expense	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative and General Expenses:					
Salary and Wages Expense:					
Superintendent (1.0) (\$2,292 x 22.89%)	525	-	-	-	525
Field Personnel (3.0) (\$5,588 x 22.89%)	1,279	-	-	-	1,279
Office (0.5) (\$1,693 x 50% x 22.89%)	194	-	-	-	194
Office (2.5) ((\$2,196 + (\$1,693 x 50%)) x 22.89%)	-	696	-	-	696
Total Salary and Wages Expense	<u>1,998</u>	<u>696</u>	<u>-</u>	<u>-</u>	<u>2,694</u>
Outside Professional Services	-	-	-	-	-
Outside Professional Services - Discount	-	-	-	-	-
Property Insurance Expense (Allocated by Utility Plant)	-	-	-	-	-
Group Insurance (Allocated by Wages)	-	-	-	-	-
Pension Plan	-	-	-	-	-
Rate Case Expenses	-	-	-	-	-
Regulatory Commission Expense	-	-	-	-	-
Materials	-	-	-	-	-
Contracted Services	-	-	-	-	-
Heat / Electric Expense - Office	-	-	-	-	-
Telephone Expense	-	-	-	-	-
Office Expense	-	-	-	-	-
Dig Safe Expense	-	-	-	-	-
Bank Charges Expense	-	-	-	-	-
Operating Permits Expense	-	-	-	-	-
Total Administrative and General Expenses	<u>1,998</u>	<u>696</u>	<u>-</u>	<u>-</u>	<u>2,694</u>
Total Operation & Maintenance Expenses	1,998	696	-	-	2,694
Depreciation Expense (Schedule 4c)	7,236	1,957	-	1,161	10,354
Amortization of Contributions in Aid of Construction	-	-	-	-	-
Amortization Expense - Other	-	-	-	-	-
Payroll Tax Expense (Allocated by Wages)	153	53	-	-	206
Property Tax Expense	<u>1,957</u>	<u>26</u>	<u>-</u>	<u>451</u>	<u>2,434</u>
Total Operating Expenses	<u>\$ 11,344</u>	<u>\$ 2,732</u>	<u>\$ -</u>	<u>\$ 1,612</u>	<u>\$ 15,688</u>

Property Tax Exp - Customer Allocation Basis:

\$114 x 22.89% = \$26