

| Description | 2022 Records | Adjustments | Division Recommended Rate Base | Reference |
|--|--------------|-------------|--------------------------------|-------------------------|
| Rate base Summary | | | | |
| Utility Plant in Service | | | \$ - | (From Line 15) |
| Net Working Capital | | | \$ 7,529.01 | (From Line 25) |
| Total Rate Base (Line 2 + Line 3): | | | \$ 7,529.01 | [To Exhibit 2.9] |
| <i>Line 2, Utility Plant in Service and Line 3, Net Working Capital are calculated starting on Lines 7 and 17, respectively.</i> | | | | |

| Utility Plant in Service (Investment Included in Rate base) | | | | |
|---|-----------------|-------------------|----------------|-----------------------|
| Utility Plant In Service | \$ 1,709,887.00 | \$ (1,639,887.00) | \$ 70,000.00 | [From Exhibit 2.6] |
| Accumulated Depreciation | (1,047,246.00) | 1,043,508.00 | (3,738.00) | [From Exhibit 2.6] |
| Net Utility Plant In Service | \$ 662,641.00 | \$ (596,379.00) | \$ 66,262.00 | |
| Contributions In Aid of Construction | \$ (866,305.00) | \$ 796,305.00 | \$ (70,000.00) | [From Exhibit 2.7] |
| Accum. Amor. CIAC | 33,730.00 | \$ (29,992.00) | 3,738.00 | [From Exhibit 2.7] |
| Net Contributions In Aid of Construction | \$ (832,575.00) | \$ 766,313.00 | \$ (66,262.00) | |
| Net Utility Plant in Service (Investment Included in Rate Base): | | | \$ - | (Lines 10 +14) |

| Working Capital | | | | |
|--|-------------|---------------|--------------------|------------------------|
| Customer Deposits | | \$ - | \$ - | |
| Cash Working Capital (To allow for 45 days of cash on hand) | | | | |
| Cash on Hand (Per 2022 Records) | \$ 5,063.59 | | \$ 5,063.59 | |
| Total Operations & Maintenance Expense | 61,005.05 | \$ (2,000.00) | 59,005.05 | [From Exhibit 2.3] |
| Less: Purchased Water | (2,970.50) | \$ (29.50) | (3,000.00) | [From Exhibit 2.3] |
| Adjusted Total Operations & Maintenance Exp. | 63,098.14 | (2,029.50) | 61,068.64 | |
| Cash Working Capital (Line 21 X (45/365)) | \$ 7,779.22 | \$ (250.21) | \$ 7,529.01 | |
| Net Working Capital: | | | \$ 7,779.22 | \$ (250.21) |
| | | | \$ 7,529.01 | (Lines 18 + 24) |

Comments:

The rate base is the value of the property, or infrastructure, on which a public utility is permitted to earn a specified rate of return. The rate base is essentially the utility's original investment when the assets were placed in service, less the accumulated depreciation. Additionally, contributions in aid of construction (CIAC), which are asset amounts contributed originally by the developer or later additions to the company, are subtracted from the asset amounts. The rate base also includes a working capital allowance with reasonable prepayments for operating expenses and an allowance of 45 days of operational and maintenance expenses.

In this case, all remaining assets were contributed by the developer and, therefore, are not earning a rate of return.