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SANLANDO CENTER  
2180 W. STATE ROAD 434, SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

LAW OFFICES  
**ROSE, SUNDBSTROM & BENTLEY, LLP**  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

(850) 877-6555  
FAX (850) 656-4029  
www.rsbatorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

June 19, 2007

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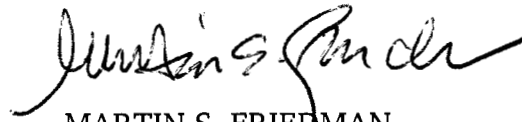
Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Docket No.: 060726-WS; Application of Silver Lake Utilities, Inc., to Operate a Water Utility in Glades and Highlands Counties, Florida, and a Wastewater Utility in Glades County, Florida  
Our File No.: 40001.01

Dear Ms. Cole:

The Utility's response to the Staff's First Data Request which was filed on May 25, 2007, referenced that the Utility would be filing supplemental information regarding the revenue requirement and rates. Enclosed herewith is that supplement to the Data Request in the form of a Special Report dated June 15, 2007.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/mp  
Enclosure

cc: Charles P. Lykes, Jr., Executive Vice President (w/enclosure)  
Frederick J. Bennett, Vice President & CFO (w/enclosure)  
Mr. Joe Collins (w/enclosure)  
Cari Lynn Roth, Esquire (w/enclosure)  
Lonnie Howard, P.E. (w/enclosure)  
Robert C. Nixon, CPA (w/enclosure)

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**Silver Lake Utilities, Inc.**

**Special Report**

**Original Certificate Application (Revised)**

**June 15, 2007**

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*Cronin, Jackson, Nixon & Wilson*  
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.  
PAUL E. DECHARIO, C.P.A.  
KATHERINE U. JACKSON, C.P.A.  
ROBERT H. JACKSON, C.P.A.  
CHERYL T. LOSEE, C.P.A.  
ROBERT C. NIXON, C.P.A.  
JEANETTE SUNG, C.P.A.  
HOLLY M. TOWNER, C.P.A.  
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD  
SUITE 200  
CLEARWATER, FLORIDA 33765-4432  
(727) 791-4020  
FACSIMILE  
(727) 797-3602  
e-mail  
[cpas@cjnw.net](mailto:cpas@cjnw.net)

June 15, 2007

Officers and Directors  
Silver Lake Utilities, Inc.

In accordance with your request, we have prepared the accompanying Special Report of Silver Lake Utilities, Inc. consisting of the schedules listed in the preceding Index.

This report is intended solely for use as part of an original certificate application and request for initial rates and charges to be filed with the Florida Public Service Commission and should not be used for any other purpose.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

  
CRONIN, JACKSON, NIXON & WILSON

Silver Lake Utilities, Inc.  
Original Certificate Application  
Special Report

Index

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Silver Lake Utilities, Inc.  
Original Certificate Application  
Special Report

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Silver Lake Utilities, Inc.  
Original Certificate Application  
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Silver Lake Utilities, Inc.  
Original Certificate Application  
Total System  
Proposed Rates and Service Availability Charges

Line No.		Proposed Monthly Rates				
		Existing System	Muse Village Water	Bulk Raw Water	Bulk Treated Water	Muse Village Wastewater
1	<u>Residential</u>					
2	Base Facility Charges:					
3	5/8" x 3/4"	\$ 24.16	\$ 29.87			\$ 25.51
4	1"	60.40	74.68			63.78
5	1.5"	120.80	149.35			127.55
6	2"	193.28	238.96			204.08
7	3"	386.56	477.92			408.16
8	4"	604.00	746.75			637.75
9	6"	1,208.00	1,493.50			1,275.50
10	Gallage charge per 1,000 gallons	3.70				
11	Gallage charge 0 to 5,000 gallons		4.47			
12	Gallage charge over 5,000 gallons		7.61			
13	Gallage charge (maximum of 10,000 gallons)					4.28
14						
15	<u>General Service</u>					
16	Base Facility Charges:					
17	5/8" x 3/4"	24.16	29.87			25.51
18	1"	60.40	74.68			63.78
19	1.5"	120.80	149.35			127.55
20	2"	193.28	238.96			204.08
21	3"	386.56	477.92			408.16
22	4"	604.00	746.75			637.75
23	6"	1,208.00	1,493.50			1,275.50
24	Gallage charge per 1,000 gallons	3.70	4.47			5.03
25	<u>Bulk Water</u>					
26	Base Facility Charges:			<u>5 MGD</u>	<u>.350 MGD</u>	
27	Fixed base charge					
28	0.5mgd (2000 ERC's) / .350mgd (1400 ERC's)			\$ 5,500	\$ 21,518	
29	Gallage charge per 1,000 gallons			0.91	3.70	
30	Minimum charge (Take or Pay)			13,840	39,390	
31	<u>Service Availability Charges</u>					
32	System Capacity Charge:					
33	Per ERC - 250 gpd	<u>N/A</u>	<u>\$ 2,200</u>	<u>\$ 875</u>	<u>\$ 3,750</u>	<u>\$ 1,500</u>
34	General Service/Bulk per gallon					
35	of daily demand	<u>N/A</u>	<u>\$ 8.80</u>	<u>\$ 3.50</u>	<u>\$ 15.00</u>	<u>\$ 6.00</u>
36	Meter Fee:					
37	5/8" x 3/4"	<u>N/A</u>	<u>\$ 300</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
38	Over 5/8 x 3/4"	<u>Actual Cost</u>	<u>Actual Cost</u>	<u>Actual Cost</u>	<u>Actual Cost</u>	<u>Actual Cost</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Total System  
Proforma Capital Structure and Cost of Capital  
When Plant is Operating at the Designed Capacity of Phases I & II and  
Statement Regarding Financing of Utility Operations

Line No.		Estimated Amount	Percent Ratio	Cost of Each Percent (3)	Weighted Cost
1	Equity (2)	\$ 4,235,814	40%	11.78%	4.71%
2	Debt (2)	<u>6,353,721</u>	<u>60%</u>	9.25%	<u>5.55%</u>
3	Total	<u>\$ 10,589,535</u>	<u>100%</u>		<u>10.26%</u>

4 Notes: (1) Equity contributions or advances from Related Entities will be made as  
5 required by the Utility ownership to finance Utility operations in the initial years of  
6 development.

7 (2) A Proforma capital structure consisting of 40% equity and 60% debt is  
8 proposed in order that the initial rates established in this proceeding will provide  
9 adequate financial resources to the Company.

10 (3) The cost of equity is based on the current PSC leverage graph. The cost of  
11 debt is based on the current Prime Rate (8.25%) plus 1.00%.



Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Proforma Rate Base, Rate of Return and Operating Income

Line No.		Schedule Reference	<u>Balance</u>
1	Utility Plant in Service	B-2	\$ 492,156
2	Accumulated Depreciation	B-2	(204,618)
3	Contributions in Aid of Construction (CIAC)	B-6	(208,379)
4	Accumulated Amortization of CIAC	B-6	<u>83,099</u>
5			162,258
6	Allowance For Working Capital (1)		<u>12,658</u>
7	Proforma Rate Base		<u>\$ 174,916</u>
8	Proforma Rate of Return	A-2	<u>10.26%</u>
9	Proforma Operating Income	B-8	<u>\$ 17,946</u>
10	Note (1): Based on 12.5% of O&M expense per Schedule No. B-9.		

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Summary of Proposed Utility Plant Cost, Capacities, Accumulated Depreciation and Expense

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation Expense	Accumulated Depreciation	Capacities(2)	
			Original Cost	Depreciation Rate %			ERC's	Gallons
<u>Original System costs</u>								
1	301	Organization (1)	\$ 40,000	2.50	\$ 1,000	\$ 1,000	228	57,000
2	307	Wells	178,867	3.33	5,956	92,966	228	57,000
3	311	Pumping Equipment	5,572	5.00	279	4,394	228	57,000
4	320	Water Treatment Equipment	17,694	4.55	805	14,393	228	57,000
5	330	Distribution Reservoirs & Standpipes	14,344	2.70	387	7,634	228	57,000
6	331	Transmission & Distribution Mains	208,379	2.33	4,855	83,099	228	57,000
7	334	Meters & Installations	<u>27,300</u>	5.00	<u>1,365</u>	<u>1,132</u>	228	57,000
8		Total	<u>\$ 492,156</u>		<u>\$ 14,647</u>	<u>\$ 204,618</u>	<u>228</u>	<u>57,000</u>

9 Notes:(1) Organization costs are based on 20% of the total estimated legal, accounting and engineering costs incurred to  
10 obtain an original PSC certificate. Such costs have been allocated equally to the five types of service to be provided.

11 (2) Capacities are based on Table 2-1 per the engineering report of Johnson Engineering.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Estimated Cost of Proposed Water Utility Plant in Service  
By Primary Accounts

Line No.	Plant	Plant Costs Excl. AFUDC	Percent	Permitting / Contingency / Engineering (2)	Total Costs Before AFUDC	Percent	AFUDC	Total Plant Costs
1	<u>Original Potable Water System costs</u>							
2	Wells	178,867		-	178,867		-	178,867
3	Pumping Equipment	5,572		-	5,572		-	5,572
4	Water Treatment Equipment	17,694		-	17,694		-	17,694
5	Distribution Reservoirs	14,344		-	14,344		-	14,344
6	Transmission & Distribution Mains	208,379		-	208,379		-	208,379
7	Meters & Installations (1)	<u>27,300</u>		<u>-</u>	<u>27,300</u>		<u>-</u>	<u>27,300</u>
8	Total Original Potable Water System Plant						-	
9	Costs	<u>\$ 452,156</u>		<u>\$ -</u>	<u>\$ 452,156</u>		<u>\$ -</u>	<u>\$ 452,156</u>
10	Note (1): The Company will meter each user of the existing potable water system with and ERT meter. The cost is based on 91 meters							
11	and an average cost of \$300.							

Silver Lake Utilities, Inc.  
 Original Certificate Application  
 Existing Potable Water System  
 Original Certificate Application  
 Calculation of AFUDC Excluding Meters

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
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- 1 No AFUDC or interest during construction was charged in the construction of the original sites or
- 2 distribution systems.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Projected Accumulated Depreciation and Expense

Line No.	NARUC Acct. No.	Description	Estimated Cost	PSC Depreciation Rate	Accumulated Depreciation (1)	Depreciation Expense
1	301	Organization	\$ 40,000	2.50	\$ 1,000	\$ 1,000
2	307	Wells	178,867	3.33	92,966	5,956
3	311	Pumping Equipment	5,572	5.00	4,394	279
4	320	Water Treatment Equipment	17,694	4.55	14,393	805
5	330	Distribution Reservoirs & Standpipes	14,344	2.70	7,634	387
6	331	Transmission & Distribution Mains	208,379	2.33	83,099	4,855
7	334	Meters & Installations	27,300	5.00	1,132	1,365
8		Total	<u>\$ 492,156</u>		<u>\$ 204,618</u>	<u>\$ 14,647</u>

9 Note (1): Accumulated depreciation through December 31, 2006 was calculated using PSC guideline rates, estimated original  
10 costs per Johnson Engineering, and the age of each plant facility per Appendix B of the Engineering Report.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Calculation of Proposed Service Availability Charges, CIAC Level at Build-out and  
Statement Regarding Proposed Service Availability Policy

<u>Line No.</u>		<u>T&amp;D Cost</u>	<u>Accumulated Amortization</u>	<u>Annual Amortization</u>	<u>Net CIAC</u>
1	<u>Property CIAC</u>				
2	Transmission & Distribution Mains	\$ 208,379	\$ 83,099	\$ 4,855	\$ 125,280

3     The cost of transmission and distribution mains has been classified as CIAC to meet the minimum guideline  
4     requirements of Rule 25-30.580. Future additions to the transmission and distribution system (if any) will be  
5     contributed.

Silver Lake Utilities, Inc.  
 Original Certificate Application  
 Existing Potable Water System  
 CIAC , Accumulated Amortization of CIAC and Annual Amortization

<u>Line No.</u>	<u>Year</u>	<u>Description</u>	<u>No. of New ERC's</u>	<u>Proposed Charge Per ERC</u>	<u>Total CIAC</u>	<u>Amortization Rate(1)</u>	<u>Accumulated Amortization</u>	<u>Annual Amortization</u>
1		The existing potable water system is built out; therefore, no future collections are projected and						
2		this schedule is not applicable.						

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Constructed Statement of Operations

Line No.		<u>Estimated Amount</u>	<u>Proforma Adjustments</u>		<u>Proforma Amount</u>	<u>Schedule Reference</u>
1	Operating Revenue		\$ 143,161	(A)	\$ 143,161	
2	Operating Expenses:					
3	O&M expense	\$ 101,260			101,260	B-9
4	Depreciation	14,647			14,647	B-5
5	Amortization of CIAC	(4,855)			(4,855)	B-6
6	Taxes other than income	7,720	6,442	(B)	14,162	B-10
7		<u>118,772</u>	<u>6,442</u>		<u>125,214</u>	
8	Operating Income (loss)	<u>\$ (118,772)</u>	<u>\$ 136,718</u>		<u>\$ 17,946</u>	B-1
9	Rate Base	<u>\$ 174,916</u>			<u>\$ 174,916</u>	B-1
10	Rate of Return	<u>-67.90%</u>			<u>10.26%</u>	A-2
11	Proforma Adjustments:					
12	(A) Total revenue requested to realize a 10.26% rate of return				<u>\$ 143,161</u>	
13	(B) Regulatory assessment fees (RAF's):					
14	Total revenue requested				\$ 143,161	
15	RAF rate				4.50%	
16	Regulatory Assessment Fees				<u>\$ 6,442</u>	



Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Detail of Proforma O&M Expenses and  
Engineer's Estimate of Plant Operating Expenses

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	601	Salaries & Wages (1)	\$ 33,600
2	610	Purchased Water (Royalties) (1)	2,820
3	615	Purchased Power (1)	8,840
4	618	Chemicals (1)	7,000
5		Contractual Services:	
6	631	Engineering	1,000
7	632	Outside Accounting - Annual Report, RAF Return, Index Adjustments	3,500
8		& Tax Returns)	
9	633	Contract Legal	1,000
10	634	Testing (1)	9,000
11	635	Management Fees (Billing, customer accounts, accounting, administration)	8,000
12	641	Rental of Building/Real Property (1)	22,000
13	655	Insurance - Property, Casualty & Liability	3,500
14	675	Miscellaneous	<u>1,000</u>
15		Total estimated O&M expense	<u>\$ 101,260</u>

16                   (1) Per engineering estimate of Johnson Engineering. Other costs were estimated by  
17                   Cronin, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for  
18                   similar sized utilities.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Projected Taxes Other Than Income Taxes

Line No.	<u>Description</u>	<u>Cost</u>	<u>Millage Rate</u>	<u>Projected Tax</u>
1	<u>Tangible Personal Property (Excludes Organization)</u>			
2	Total projected cost	\$ 452,156		
3	Accumulated depreciation	<u>(203,618)</u>		
4	Estimated taxable value	<u>\$ 248,538</u>	2.07230%	\$ 5,150
5	<u>Payroll Taxes</u>			
6	Total Salaries & Wages	<u>\$ 33,600</u>	7.65%	<u>2,570</u>
7	Total Taxes other than income			<u>\$ 7,720</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Existing Potable Water System  
Rate Computation

Line No.		Total	Percent Allocation		Rate Component	
			BFC	Gallorage	BFC	Gallorage
1	<u>Operation &amp; Maintenance (O&amp;M):</u>					
2	Salaries & Wages	\$ 33,600	50.00%	50.00%	\$ 16,800	\$ 16,800
3	Purchased Water (Royalties)	2,820		100.00%	-	2,820
4	Purchased Power	8,840	50.00%	50.00%	\$ 4,420	4,420
5	Chemicals	7,000	50.00%	50.00%	3,500	3,500
6	Contractual Services:					
7	Engineering	1,000	50.00%	50.00%	500	500
8	Outside Accounting - Annual Report, RAF Return, Index	3,500	50.00%	50.00%	1,750	1,750
9	Adjustments and Tax Returns)					
10	Contract Legal	1,000	50.00%	50.00%	500	500
11	Testing	9,000	50.00%	50.00%	4,500	4,500
12	Management Fees (Billing, customer accounts,					
13	accounting, administration)	8,000	50.00%	50.00%	4,000	4,000
14	Rental of Building/Real Property	22,000	50.00%	50.00%	11,000	11,000
15	Insurance - Property, Casualty & Liability	3,500	50.00%	50.00%	1,750	1,750
16	Miscellaneous	1,000	50.00%	50.00%	500	500
17	Total estimated O&M expense	<u>101,260</u>				
18	Depreciation Expense - Net	<u>9,792</u>	100.00%	0.00%	9,792	-
19	<u>Taxes Other than Income:</u>					
20	Real estate & property taxes	5,150	50.00%	50.00%	2,575	2,575
21	Regulatory Assessment Fees	6,442	50.00%	50.00%	3,221	3,221
22	Payroll Taxes	2,570	50.00%	50.00%	1,285	1,285
23		<u>14,162</u>				
24	Operating Income	<u>17,946</u>	0.00%	100.00%	-	<u>17,946</u>
25	Total revenue requested	<u>\$ 143,161</u>			<u>\$ 66,094</u>	<u>\$ 77,067</u>
26	No. of ERC's at buildout level of operation				228	228
27	No of months				<u>12</u>	
28	Annual No. of monthly ERC's				2,736	
29	Average daily demand per ERC (gpd)					<u>250</u>
30	Daily demand per ERC					57,000
31	Days in year					<u>365</u>
32	Estimated annual gallons sold - thousands					<u>20,805</u>
33	Rates - Base Facility Charge / Gallorage Charge per 1,000 Gallons				<u>\$ 24.16</u>	<u>\$ 3.70</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Proforma Rate Base, Rate of Return and Operating Income  
When Operating at Designed Capacity of Phases I & II

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	C-2	\$ 28,211,842
2	Capacity Allocated to future phase costs (2)		(5,838,348)
3	Accumulated Depreciation	C-2	(7,024,762)
4	Contributions in Aid of Construction (CIAC)	C-7	(13,812,500)
5	Accumulated Amortization of CIAC	C-7	<u>2,171,519</u>
6			3,707,751
7	Allowance For Working Capital (1)		<u>51,336</u>
8	Proforma Rate Base		<u>\$ 3,759,087</u>
9	Proforma Rate of Return	A-2	<u>10.26%</u>
10	Proforma Operating Income	C-8	<u>\$ 385,682</u>
11	Notes: (1) Based on 12.5% of O&M expense per Schedule No. C-9.		
12	(2) Reverse osmosis concentrate disposal will be deep well injection. The well and other		
13	major system components are sized to provide water treatment and brine disposal for all three phases		
14	of development with a build-out capacity of 873,333 GPD (average daily flow basis) and will be		
15	constructed in Phase I. Since proposed rates are based on the capacity of plant for Phases I and II,		
16	an adjustment is necessary to match disposal capacity of the deepwell to the plant capacity of the		
17	first two phases.		
18	Total future phase costs per C-2.		\$ 7,452,985
19	Total future phase depreciation per C-2.		<u>(1,614,637)</u>
20	Net adjustment for phase III costs		<u>\$ 5,838,348</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Summary of Proposed Utility Plant Cost, Capacities, Accumulated Depreciation and Expense  
When Operating at the Designed Capacity of Phases I and II

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation Expense	Accumulated Depreciation	Capacities(2)	
			Original Cost	Depreciation Rate %			ERC's	Gallons
1		Phase 1 and 2						
2	301	Organization (1)	\$ 21,400	2.50	\$ 535	\$ 5,082	1,868	466,667
3	304	Structures	1,151,728	3.13	36,049	342,459	1,868	466,667
4	307	Wells	610,204	3.33	20,320	173,384	1,868	466,667
5	309	Supply Mains	2,428,555	2.86	69,457	592,658	1,868	466,667
6	310	Power Generation Equipment	617,495	5.00	30,875	288,606	1,868	466,667
7	311	Pumping Equipment	312,731	5.00	15,637	140,868	1,868	466,667
8	320	Water Treatment Equipment	1,372,562	4.55	62,452	532,901	1,868	466,667
9	330	Distribution Reservoirs & Standpipes	766,176	2.70	20,687	196,535	1,868	466,667
10	331	Transmission & Distribution Mains	11,174,570	2.33	260,367	1,852,298	1,868	466,667
11	334	Meters & Installations	600,000	5.00	30,000	150,000	1,868	466,667
12	339	Other Plant/Misc Equip (SCADA)	48,100	4.00	1,924	20,112	1,868	466,667
13	339	Other Plant/Misc Equip (Injection Well)	1,655,336	4.00	66,213	1,115,222	1,868	466,667
14		Total	\$ 20,758,857		\$ 614,516	\$ 5,410,125	1,868	466,667
15		Estimated future costs (Phase 3) (C-2a)						
16	301	Organization (1)	\$ 18,600	2.50	\$ 465	\$ 4,418	1,625	406,666
17	304	Structures	926,408	3.13	28,997	275,475	1,625	406,666
18	307	Wells	530,536	3.33	17,667	150,759	1,625	406,666
19	309	Supply Mains	324,194	2.86	9,272	79,138	1,625	406,666
20	310	Power Generation Equipment	536,980	5.00	26,849	250,945	1,625	406,666
21	311	Pumping Equipment	271,991	5.00	13,600	122,535	1,625	406,666
22	320	Water Treatment Equipment	645,301	4.55	29,361	250,546	1,625	406,666
23	330	Distribution Reservoirs & Standpipes	666,006	2.70	17,982	170,820	1,625	406,666
24	331	Transmission & Distribution Mains	2,053,013	2.33	47,835	239,176	1,625	406,666
25	334	Meters & Installations	-	5.00	-	-	1,625	406,666
26	339	Other Plant/Misc Equip (SCADA)	43,106	4.00	1,724	11,016	1,625	406,666
27	339	Other Plant/Misc Equip (Injection Well)	1,436,850	4.00	57,474	59,809	1,625	406,666
28		Total	\$ 7,452,985		\$ 251,226	\$ 1,614,637	1,625	406,666
29		Total cost to build out						
30	301	Organization (1)	\$ 40,000	2.50	\$ 1,000	\$ 9,500	3,493	873,333
31	304	Structures	2,078,136	3.13	65,046	617,934	3,493	873,333
32	307	Wells	1,140,740	3.33	37,986	324,143	3,493	873,333
33	309	Supply Mains	2,752,749	2.86	78,728	671,796	3,493	873,333
34	310	Power Generation Equipment	1,154,475	5.00	57,724	539,551	3,493	873,333
35	311	Pumping Equipment	584,722	5.00	29,236	263,403	3,493	873,333
36	320	Water Treatment Equipment	2,017,863	4.55	91,813	783,447	3,493	873,333
37	330	Distribution Reservoirs & Standpipes	1,432,182	2.70	38,669	367,355	3,493	873,333
38	331	Transmission & Distribution Mains	13,227,583	2.33	308,203	2,091,474	3,493	873,333
39	334	Meters & Installations	600,000	5.00	30,000	150,000	3,493	873,333
40	339	Other Plant/Misc Equip (SCADA)	91,206	4.00	3,649	31,128	3,493	873,333
41	339	Other Plant/Misc Equip (Injection Well)	3,092,186	4.00	123,687	1,175,031	3,493	873,333
42		Total	\$ 28,211,842		\$ 865,741	\$ 7,024,762	3,493	873,333

43 Notes:(1) Organization costs are based on 20% of the total estimated legal, accounting and engineering costs incurred to  
44 obtain an original PSC certificate. Such costs have been allocated equally to the five types of service to be provided.

45 (2) Total capacity of Phases I and II (Average Daily Flow). Initial rates are based on total operating capacity of  
46 Phases I & II since Phase II plant will be in operation three years after completion of Phase I.  
47 This approach will result in economies of scale in the initial rates and charges proposed by the Utility.

Silver Lake Utilities, Inc.  
Original Certificate Application (Revised)  
Allocation of Costs to Future Development Phases

Line No.	Description	Account No.	Cost	Phases Sized For	ADF Flow (MGD)	ADF Phase I & II Flow (MGD)	Phase I & II Percent	Future Phases Percent	Future Phases Costs	Factor for AFUDC & Other Alloc. Costs (1)	Total Future Phase Costs	Total Accum. Depr.	Factor for Accum. Depr. (2)	Future Phase Accum. Depr.
1	Organization Costs	301	\$ 40,000	3	0.873	0.467	53.5%	46.5%	\$ 18,600	0.000	\$ 18,600	\$ 9,500	0.4650	\$ 4,418
2	Structures & Improvements:	304												
3	Building - Process Office,													
4	Lab		1,161,335	3	0.873	0.467	53.5%	46.5%	540,021	1.237	668,006			
5	Outside Electrical		69,541	2	0.467	0.467	100.0%	0.0%	-	1.237	-			
6	Injection Pump Station,													
7	Surface Facilities, Controls													
8	and Valves		177,330	3	0.873	0.467	53.5%	46.5%	82,459	1.237	102,001			
9	Site Work		271,905	3	0.873	0.467	53.5%	46.5%	126,436	1.237	156,401			
10			<u>1,680,111</u>						<u>748,915</u>		<u>926,408</u>	<u>617,934</u>	0.4458	<u>275,475</u>
11	Wells & Springs	307												
12	Well - each		<u>937,500</u>	3	0.873	0.467	53.5%	46.5%	<u>435,938</u>	1.217	<u>530,536</u>	<u>324,143</u>	0.4651	<u>150,759</u>
13	Supply Mains	309												
14	Treatment Plant-Raw Water													
15	Main/Yard Appurtenances		222,531	2	0.467	0.467	100.0%	0.0%	-	1.217	-			
16	Treatment Plant-RO Trains													
17	w/ Feed Pump Unit		1,466,968	2	0.467	0.467	100.0%	0.0%	-	1.217	-			
18	Treatment Plant-Yard Piping,													
19	Valves, etc.		295,376	3	0.873	0.467	53.5%	46.5%	137,350	1.217	167,155			
20	Potable Raw Water													
21	Transmission Pipeline		183,750	3	0.873	0.467	53.5%	46.5%	85,444	1.217	103,985			
22	Wells-Discharge													
23	Head/Piping - each		<u>93,750</u>	3	0.873	0.467	53.5%	46.5%	<u>43,594</u>	1.217	<u>53,054</u>			
24			<u>2,262,375</u>						<u>266,387</u>		<u>324,194</u>	<u>671,796</u>	0.1178	<u>79,138</u>
25	Power Generation Equipment	310												
26	Treatment Plant-													
27	Miscellaneous Electrical													
28	Power, Instrumentation,													
29	Lighting, HVAC, Engine-													
30	Gen, CIP Tanks		785,814	3	0.873	0.467	53.5%	46.5%	365,404	1.234	450,908			
31	Wells-Backup Power - each		<u>150,000</u>	3	0.873	0.467	53.5%	46.5%	<u>69,750</u>	1.234	<u>86,072</u>			
32			<u>935,814</u>						<u>435,154</u>		<u>536,980</u>	<u>539,551</u>	0.4651	<u>250,945</u>
33	Pumping Equipment	311												
34	Treatment Plant-High													
35	Service Pumping Units		232,962	3	0.873	0.467	53.5%	46.5%	108,327	1.227	132,918			
36	Wells-Pump/Controls - each		<u>243,750</u>	3	0.873	0.467	53.5%	46.5%	<u>113,344</u>	1.227	<u>139,073</u>			
37			<u>476,712</u>						<u>221,671</u>		<u>271,991</u>	<u>263,403</u>	0.4652	<u>122,535</u>
38	Water Treatment Equipment	320												
39	Pretreatment Facilities -													
40	Mixer, Micron Filters		257,302	2	0.467	0.467	100.0%	0.0%	-	1.217	-			
41	Chemical Feed Facilities,													
42	Caustic, Anti-scalant		260,779	2	0.467	0.467	100.0%	0.0%	-	1.217	-			
43	Degasifier, Transfer Pumps,													
44	Electrical		1,049,896	3	0.873	0.467	53.5%	46.5%	488,202	1.217	594,141			
45	Hypochlorite Storage Feed													
46	Systems		<u>90,403</u>	3	0.873	0.467	53.5%	46.5%	<u>42,037</u>	1.217	<u>51,160</u>			
47			<u>1,658,380</u>						<u>530,239</u>		<u>645,301</u>	<u>783,447</u>	0.3198	<u>250,546</u>
48	Distribution Reservoirs	330												
49	Water Storage Tanks		<u>1,157,858</u>	3	0.873	0.467	53.5%	46.5%	<u>538,404</u>	1.237	<u>666,006</u>	<u>367,355</u>	0.4650	<u>170,820</u>
50	Transmission & Distribution	331												
51	Spine Potable Water Mains		<u>3,942,038</u>	3	0.873	0.467	53.5%	46.5%	<u>1,833,048</u>	1.120	<u>2,053,013</u>	<u>514,358</u>	0.4650	<u>239,176</u>
52	Other Plant & Misc. Equipment	339												
53	Injection Wells-Tubing &													
54	Packer Injection Well		1,937,500	3	0.873	0.467	53.5%	46.5%	900,938	1.236	1,113,559			
55	Injection Wells-Monitor Well		500,000	3	0.873	0.467	53.5%	46.5%	232,500	1.236	287,370			
56	Piping, Monitoring													
57	Equipment		<u>62,500</u>	3	0.873	0.467	53.5%	46.5%	<u>29,063</u>	1.236	<u>35,921</u>			
58			<u>2,500,000</u>						<u>1,162,500</u>		<u>1,436,850</u>	<u>1,175,031</u>	0.0509	<u>59,809</u>
59														
60	Potable Wells-SCADA		<u>75,000</u>	3	0.873	0.467	53.5%	46.5%	<u>34,875</u>	1.236	<u>43,106</u>	<u>31,128</u>	0.3539	<u>11,016</u>
61	Total		<u>\$ 15,665,788</u>						<u>\$ 6,225,730</u>		<u>\$ 7,452,985</u>	<u>\$ 5,297,646</u>		<u>\$ 1,614,637</u>

62 Notes: (1) The factor for allocating AFUDC, engineering & construction management costs was determined by dividing the total costs for each plant account including such costs by the total cost of each plant account before allocation per Schedule No C-3.

64 (2) Total Future Phase plant costs for each respective account divided by the related total plant cost shown on Schedule C-2 and C-5 for invested property.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Original Certificate Application  
Allocation of Engineering, Permitting, Contingency, and AFUDC to Water Utility Plant in Service  
By Primary Accounts

Line No.	Description	Plant Costs Excl. AFUDC	Engineering & Permitting (12%)	Total Costs Before AFUDC	Phase 1 and 2		Phase 3		Total Plant Costs
					Percent	AFUDC	Percent	AFUDC	
1	304 Structures	\$ 1,680,111	\$ 201,613	\$ 1,881,724	16.96%	\$ 196,412	-	\$ 2,078,136	
2	307 Wells-Ph 1 & 2	625,000	75,000	700,000	6.31%	73,075	-	773,075	
3	307 Wells-Ph 3	312,500	37,500	350,000			17.60%	17,665	367,665
4	309 Supply Mains - Ph 1 & 2	1,508,250	180,990	1,689,240	15.22%	176,261	-	1,865,501	
5	309 Supply Mains - Ph 3	754,125	90,495	844,620			42.47%	42,628	887,248
6	310 Power Generation Equipment-Ph 1 & 2	885,814	106,298	992,112	8.94%	103,533	-	1,095,645	
7	310 Power Generation Equipment-Ph 3	50,000	6,000	56,000			2.82%	2,830	58,830
8	311 Pumping Equipment-Ph 1 & 2	395,462	47,455	442,917	3.99%	46,208	-	489,125	
9	311 Pumping Equipment-Ph 3	81,250	9,750	91,000			4.58%	4,597	95,597
10	320 Water Treatment Equipment-Ph 1 & 2	1,105,587	132,670	1,238,257	11.16%	129,243	-	1,367,500	
11	320 Water Treatment Equipment-Ph 3	552,793	66,335	619,128			31.12%	31,235	650,363
12	330 Distribution Reservoirs & Standpipes	1,157,858	138,943	1,296,801	11.69%	135,381		1,432,182	
13	331 Transmission & Distribution Mains (1)	3,942,038	473,045	4,415,083				4,415,083	
14	339 Other Plant/Misc Equip (SCADA)-Ph 1 & 2	50,000	6,000	56,000	0.50%	5,790		61,790	
15	339 Other Plant/Misc Equip (SCADA)-Ph 3	25,000	3,000	28,000			1.41%	1,416	29,416
16	339 Other Plant/Misc Equip (Injection Well)	2,500,000	300,000	2,800,000	25.23%	292,186	-	3,092,186	
17	Total Utility Plant Cost	<u>\$ 15,625,788</u>	<u>\$ 1,875,094</u>	<u>\$ 17,500,882</u>	<u>100.00%</u>	<u>\$ 1,158,089</u>	<u>100.00%</u>	<u>\$ 100,371</u>	<u>\$ 18,759,342</u>

18 Note (1): Due to the nature and timing of construction of the off-site Transmission and Distribution Mains, such costs are excluded from the calculation  
19 of AFUDC.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Original Certificate Application  
Calculation of AFUDC Excluding Organization, Meters, and Contributed Property

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	Phase 1						
2	1	\$ 462,377		\$ 462,377	\$ 231,189	\$ 1,889	\$ 464,266
3	2	462,377	\$ 464,266	926,643	695,455	5,684	932,327
4	3	462,377	932,327	1,394,704	1,163,516	9,509	1,404,213
5	4	462,377	1,404,213	1,866,590	1,635,402	13,365	1,879,955
6	5	462,377	1,879,955	2,342,332	2,111,144	17,253	2,359,585
7	6	462,377	2,359,585	2,821,962	2,590,774	21,173	2,843,135
8	7	462,377	2,843,135	3,305,512	3,074,324	25,125	3,330,637
9	8	462,377	3,330,637	3,793,014	3,561,826	29,109	3,822,123
10	9	462,377	3,822,123	4,284,500	4,053,312	33,126	4,317,626
11	10	462,377	4,317,626	4,780,003	4,548,815	37,175	4,817,178
12	11	462,377	4,817,178	5,279,555	5,048,367	41,258	5,320,813
13	12	462,377	5,320,813	5,783,190	5,552,002	45,374	5,828,564
14	13	462,377	5,828,564	6,290,941	6,059,753	49,523	6,340,464
15	14	462,378	6,340,464	6,802,842	6,571,653	53,707	6,856,549
16	15	462,378	6,856,549	7,318,927	7,087,738	57,924	7,376,851
17	16	462,378	7,376,851	7,839,229	7,608,040	62,176	7,901,405
18	17	462,378	7,901,405	8,363,783	8,132,594	66,463	8,430,246
19	18	462,378	8,430,246	8,892,624	8,661,435	70,785	8,963,409
20	19	462,378	8,963,409	9,425,787	9,194,598	75,143	9,500,930
21	20	462,378	9,500,930	9,963,308	9,732,119	79,535	10,042,843
22	21	462,378	10,042,843	10,505,221	10,274,032	83,964	10,589,185
23	22	462,378	10,589,185	11,051,563	10,820,374	88,429	11,139,992
24	23	462,378	11,139,992	11,602,370	11,371,181	92,931	11,695,301
25	24	462,378	11,695,301	12,157,679	11,926,490	97,469	12,255,148
26	TOTAL	11,097,059				1,158,089	12,255,148
27	Phase 2						
28	1	165,728		\$ 165,728	\$ 82,864	\$ 677	\$ 166,405
29	2	165,728	\$ 166,405	332,133	249,269	2,037	334,170
30	3	165,728	334,170	499,898	417,034	3,408	503,306
31	4	165,728	503,306	669,034	586,170	4,790	673,824
32	5	165,728	673,824	839,552	756,688	6,184	845,736
33	6	165,728	845,736	1,011,464	928,600	7,589	1,019,053
34	7	165,728	1,019,053	1,184,781	1,101,917	9,005	1,193,786
35	8	165,728	1,193,786	1,359,514	1,276,650	10,433	1,369,947
36	9	165,728	1,369,947	1,535,675	1,452,811	11,873	1,547,548
37	10	165,729	1,547,548	1,713,277	1,630,413	13,324	1,726,601
38	11	165,729	1,726,601	1,892,330	1,809,466	14,788	1,907,118
39	12	165,729	1,907,118	2,072,847	1,989,983	16,263	2,089,110
40	TOTAL	1,988,739				\$ 100,371	\$ 2,089,110
41	TOTAL	\$ 13,085,798				\$ 1,258,460	\$ 14,344,258

42 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a  
43 monthly rate of 0.8172466%



Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Projected Accumulated Depreciation and Expense  
When Operating at the Designed Capacity of Phases I and II

Line No.	NARUC Acct. No.	Description	Estimated Cost	Years to Design Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	301	Organization	\$ 40,000	10	2.50	\$ 9,500	\$ 1,000
2	304	Structures	2,078,136	10	3.13	617,934	65,046
3	307	Wells - Ph 1 & 2	773,075	10	3.33	244,562	25,743
4	307	Wells - Ph 3	367,665	7	3.33	79,581	12,243
5	309	Supply Mains - Ph 1 & 2	1,865,501	10	2.86	506,857	53,353
6	309	Supply Mains - Ph 3	887,248	7	2.86	164,939	25,375
7	310	Power Generation Equipment-Ph 1 & 2	1,095,645	10	5.00	520,431	54,782
8	310	Power Generation Equipment-Ph 3	58,830	7	5.00	19,120	2,942
9	311	Pumping Equipment-Ph 1 & 2	489,125	10	5.00	232,334	24,456
10	311	Pumping Equipment-Ph 3	95,597	7	5.00	31,069	4,780
11	320	Water Treatment Equipment - Ph 1 & 2	1,367,500	10	4.55	591,102	62,221
12	320	Water Treatment Equipment - Ph 3	650,363	7	4.55	192,345	29,592
13	330	Distribution Reservoirs & Standpipes	1,432,182	10	2.70	367,355	38,669
14	331	Transmission & Distribution Mains - Year 1	441,508	10	2.33	97,728	10,287
15	331	Transmission & Distribution Mains - Year 2	441,508	9	2.33	87,441	10,287
16	331	Transmission & Distribution Mains - Year 3	441,508	8	2.33	77,154	10,287
17	331	Transmission & Distribution Mains - Year 4	441,508	7	2.33	66,866	10,287
18	331	Transmission & Distribution Mains - Year 5	441,508	6	2.33	56,579	10,287
19	331	Transmission & Distribution Mains - Year 6	441,508	5	2.33	46,292	10,287
20	331	Transmission & Distribution Mains - Year 7	441,508	4	2.33	36,005	10,287
21	331	Transmission & Distribution Mains - Year 8	441,509	3	2.33	25,718	10,287
22	331	Transmission & Distribution Mains - Year 9	441,509	2	2.33	15,431	10,287
23	331	Transmission & Distribution Mains - Year 10	441,509	1	2.33	5,144	10,287
24	331	Contributed Transmission & Distribution Mains - Year 1	4,218,750	10	2.33	933,820	98,297
25	331	Contributed Transmission & Distribution Mains - Year 2	937,500	9	2.33	185,672	21,844
26	331	Contributed Transmission & Distribution Mains - Year 3	937,500	8	2.33	163,828	21,844
27	331	Contributed Transmission & Distribution Mains - Year 4	937,500	7	2.33	141,984	21,844
28	331	Contributed Transmission & Distribution Mains - Year 5	468,750	6	2.33	60,070	10,922
29	331	Contributed Transmission & Distribution Mains - Year 6	468,750	5	2.33	49,148	10,922
30	331	Contributed Transmission & Distribution Mains - Year 7	234,375	4	2.33	19,113	5,461
31	331	Contributed Transmission & Distribution Mains - Year 8	234,375	3	2.33	13,652	5,461
32	331	Contributed Transmission & Distribution Mains - Year 9	234,375	2	2.33	8,191	5,461
33	331	Contributed Transmission & Distribution Mains - Year 10	140,625	1	2.33	1,638	3,277
34	334	Meters & Installations - Year 1	60,000	10	5.00	28,500	3,000
35	334	Meters & Installations - Year 2	60,000	9	5.00	25,500	3,000
36	334	Meters & Installations - Year 3	60,000	8	5.00	22,500	3,000
37	334	Meters & Installations - Year 4	60,000	7	5.00	19,500	3,000
38	334	Meters & Installations - Year 5	60,000	6	5.00	16,500	3,000
39	334	Meters & Installations - Year 6	60,000	5	5.00	13,500	3,000
40	334	Meters & Installations - Year 7	60,000	4	5.00	10,500	3,000
41	334	Meters & Installations - Year 8	60,000	3	5.00	7,500	3,000
42	334	Meters & Installations - Year 9	60,000	2	5.00	4,500	3,000
43	334	Meters & Installations - Year 10	60,000	1	5.00	1,500	3,000
44	339	Other Plant/Misc Equip (SCADA)-Ph 1 & 2	61,790	10	4.00	23,480	2,472
45	339	Other Plant/Misc Equip (SCADA)-Ph 3	29,416	7	4.00	7,648	1,177
46	339	Other Plant/Miscellaneous Equipment (Deep well)	3,092,186	10	4.00	1,175,031	123,687
47		Total	<u>\$28,211,842</u>			<u>\$ 7,024,762</u>	<u>\$ 865,741</u>

48 Note: Meters and meter installations are based on 2,000 ERC's and a proposed charge of \$300 per  
49 meter. See Schedule No C-6 for calculation of the proposed meter charge.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Calculation of Proposed Service Availability Charges, CIAC Level at Build-out of Phases I & II and  
Statement Regarding Proposed Service Availability Policy

Line No.	Plant Cost	Plant Capacity (ERC's)	Total Cost per ERC	Proposed Capacity Charge per ERC
1	<u>Calculation of proposed system capacity charge</u>			
2	Depreciable plant cost per Schedule No. C-2 (Excluding			
3	\$ 15,667,156	1,868	8,387	\$ 1,600
	3,092,186	5,231	591	600
4	<u>\$ 18,759,342</u>		<u>\$ 8,978</u>	<u>\$ 2,200</u>
5	<u>Calculation of Meter &amp; Installation Fee (5/8x3/4")</u>			
6	\$ 200			
7	20			
8	60			
9	280			
10	<u>20</u>			
11	<u>\$ 300</u>			
12	<u>CIAC Level at Build-out of Phases I and II</u>			
13			\$ 28,211,842	
14			(5,838,348)	
15			<u>(7,024,762)</u>	
16				<u>15,348,732</u>
17				13,812,500
18				<u>(2,171,519)</u>
19				<u>11,640,981</u>
20				<u>\$ 3,707,751</u>
21				75.84%
22				<u>24.16%</u>
23				<u>100.00%</u>

24 Statement Regarding Proposed Service Availability Policy

25 The Company proposes a service availability policy based on a plant capacity charge and meter fees,  
26 as well as developer contribution of the on-site transmission and distribution mains. This policy is designed to  
27 comply with the CIAC Guideline Levels in Rule 25-30.580.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
CIAC , Accumulated Amortization of CIAC and Annual Amortization  
When Plant is Operating at Build-out of Phases I and II

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization
1	1	System Capacity Charge - plant	200	2,200	\$ 440,000	2.02%	9.5	\$ 84,436	
2		Meter Fees	200	300	60,000	5.00%	9.5	28,500	
3		Contributed On-site Mains			4,218,750	2.33%	9.5	933,820	
4	2	System Capacity Charge - plant	200	2,200	440,000	2.02%	8.5	75,548	
5		Meter Fees	200	300	60,000	5.00%	8.5	25,500	
6		Contributed On-site Mains			937,500	2.33%	8.5	185,672	
7	3	System Capacity Charge - plant	200	2,200	440,000	2.02%	7.5	66,660	
8		Meter Fees	200	300	60,000	5.00%	7.5	22,500	
9		Contributed On-site Mains			937,500	2.33%	7.5	163,828	
10	4	System Capacity Charge - plant	200	2,200	440,000	2.02%	6.5	57,772	
11		Meter Fees	200	300	60,000	5.00%	6.5	19,500	
12		Contributed On-site Mains			937,500	2.33%	6.5	141,984	
13	5	System Capacity Charge - plant	200	2,200	440,000	2.02%	5.5	48,884	
14		Meter Fees	200	300	60,000	5.00%	5.5	16,500	
15		Contributed On-site Mains			468,750	2.33%	5.5	60,070	
16	6	System Capacity Charge - plant	200	2,200	440,000	2.02%	4.5	39,996	
17		Meter Fees	200	300	60,000	5.00%	4.5	13,500	
18		Contributed On-site Mains			468,750	2.33%	4.5	49,148	
19	7	System Capacity Charge - plant	200	2,200	440,000	2.02%	3.5	31,108	
20		Meter Fees	200	300	60,000	5.00%	3.5	10,500	
21		Contributed On-site Mains			234,375	2.33%	3.5	19,113	
22	8	System Capacity Charge - plant	200	2,200	440,000	2.02%	2.5	22,220	
23		Meter Fees	200	300	60,000	5.00%	2.5	7,500	
24		Contributed On-site Mains			234,375	2.33%	2.5	13,652	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
CIAC , Accumulated Amortization of CIAC and Annual Amortization  
When Plant is Operating at Build-out of Phases I and II

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization
1	9	System Capacity Charge - plant	200	2,200	440,000	2.02%	1.5	13,332	
2		Meter Fees	200	300	60,000	5.00%	1.5	4,500	
3		Contributed On-site Mains			234,375	2.33%	1.5	8,191	
4	10	System Capacity Charge - plant	200	2,200	440,000	2.02%	0.5	4,444	
5		Meter Fees	200	300	60,000	5.00%	0.5	1,500	
6		Contributed On-site Mains			<u>140,625</u>	2.33%	0.5	<u>1,638</u>	
7		Total			<u>\$ 13,812,500</u>			<u>\$ 2,171,519</u>	<u>\$ 324,213</u>
8	Note (1): The composite amortization rate is calculated as follows:								
9	Total depreciation expense							\$ 614,516	
10	Less: Depreciation expense - Organization Costs							(535)	
11	Depreciation expense - Meters							(30,000)	
12	Depreciation expense - Contributed Property							<u>(205,333)</u>	
13	System depreciation expense							<u>\$ 378,648</u>	
14	Total depreciable plant excluding organization costs, meters, and contributed property							<u>\$ 18,759,342</u>	
15	Composite capacity charge amortization rate							<u>2.02%</u>	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Constructed Statement of Operations  
When Operating at the Designed Capacity of Phases I and II

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		<u>\$ 1,614,460</u> (A)	<u>\$ 1,614,460</u>	
2	Operating Expenses:				
3	O&M expense	\$ 410,689		410,689	C-9
4	Depreciation	614,516		614,516	C2
5	Amortization of CIAC	(324,213)		(324,213)	C-7
6	Taxes other than income	<u>455,136</u>	<u>72,651</u> (B)	<u>527,787</u>	C-10
7		<u>1,156,128</u>	<u>72,651</u>	<u>1,228,779</u>	
8	Operating Income (loss)	<u>\$ (1,156,128)</u>	<u>\$ 1,541,809</u>	<u>\$ 385,682</u>	
9	Rate Base	<u>\$ 3,759,087</u>		<u>\$ 3,759,087</u>	C-1
10	Rate of Return	<u>-30.76%</u>		<u>10.26%</u>	A-2
11	Proforma Adjustments:				
12	(A) Total revenue requested to realize a 10.26% rate of return			<u>\$ 1,614,460</u>	
13	(B) <u>Regulatory assessment fees (RAF's):</u>				
14	Total revenue requested			\$ 1,614,460	
15	RAF rate			<u>4.50%</u>	
16	Regulatory Assessment Fees			<u>\$ 72,651</u>	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Detail of Proforma O&M Expenses and  
Engineer's Estimate of Plant Operating Expenses  
When Operating at the Designed Capacity of Phases I and II

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	601	Salaries & Wages (1)	\$ 218,400
2	610	Purchased Water (Royalties) (1)	29,400
3	615	Purchased Power (1)	19,700
4	618	Chemicals (1)	8,000
5		Contractual Services:	
6	631	Engineering (1)	20,000
7	632	Outside Accounting - Annual Report, RAF Return, Index Adjustments	
8		& Tax Returns	5,000
9	633	Legal	5,000
10	634	Testing (1)	8,000
11	635	Management Fees (Accounting, Customer Accounts, Billing, Management)	40,000
12	636	Plant Maintenance (1)	13,000
13	641	Rental of Building/Real property (1)	29,189
14	655	Insurance - Property, Casualty & Liability	10,000
15	675	Miscellaneous	<u>5,000</u>
16		Total estimated O&M expense	<u>\$ 410,689</u>
17		(1) Per engineering estimate of Johnson Engineering. Other costs were estimated by	
18		Cronin, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for	
19		similar sized utilities.	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Projected Taxes Other Than Income Taxes

Line No.	<u>Description</u>	<u>Cost</u>	<u>Millage Rate</u>	<u>Projected Tax</u>
1	<u>Tangible Personal Property (1)</u>			
2	Total projected cost	\$ 28,171,842		
3	Accumulated depreciation when operating at the			
4	designed capacity of Phases I & II	<u>(7,015,262)</u>		
5	Estimated taxable value	<u>\$ 21,156,580</u>	2.07230%	\$ 438,428
6	<u>Payroll Taxes</u>			
7	Total Salaries & Wages	<u>\$ 218,400</u>	7.65%	<u>16,708</u>
8	Total Taxes other than income			<u>\$ 455,136</u>
9	(1) Excludes cost of Organization and associated accumulated depreciation.			

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Potable Water System  
Rate Computation

Line No.	Total	Percent Allocation		Rate Component	
		BFC	Gallorage	BFC	Gallorage
1	Operation & Maintenance (O&M):				
2	218,400	50.00%	50.00%	\$ 109,200	\$ 109,200
3	29,400	50.00%	50.00%	14,700	14,700
4	19,700	50.00%	50.00%	9,850	9,850
5	8,000	50.00%	50.00%	4,000	4,000
6	Contractual Services:				
7	20,000	50.00%	50.00%	10,000	10,000
8	Outside Accounting - Annual Report, RAF Return, Index				
9	5,000	50.00%	50.00%	2,500	2,500
10	5,000	50.00%	50.00%	2,500	2,500
11	8,000	50.00%	50.00%	4,000	4,000
12	Management Fees (Accounting, Customer Accounts,				
13	40,000	50.00%	50.00%	20,000	20,000
14	13,000	50.00%	50.00%	6,500	6,500
15	29,189	50.00%	50.00%	14,595	14,595
16	10,000	50.00%	50.00%	5,000	5,000
17	5,000	50.00%	50.00%	2,500	2,500
18	<u>410,689</u>				
19	<u>290,303</u>	69.00%	31.00%	200,309	89,994
20	Taxes Other than Income:				
21	438,428	50.00%	50.00%	219,214	219,214
22	16,708	50.00%	50.00%	8,354	8,354
23	72,651	50.00%	50.00%	36,326	36,326
24	<u>527,787</u>				
25	<u>385,682</u>	0.00%	100.00%	-	<u>385,682</u>
26	<u>\$ 1,614,461</u>			<u>\$ 669,547</u>	<u>\$ 944,914</u>
27					<u>\$ 500,804</u>
28					<u>\$ 444,110</u>
29				1,868	1,868
30				<u>12</u>	<u>5</u>
31				22,416	9,340
32					<u>12</u>
33					112,080
34					<u>170,455</u>
35					<u>58,375</u>
36				<u>\$ 29.87</u>	
37					<u>\$ 4.47</u>
38					<u>\$ 7.61</u>



Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Proforma Rate Base, Rate of Return and Operating Income

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	D-2	\$ 2,333,713
2	Accumulated Depreciation	D-2	(78,686)
3	Contributions in Aid of Construction (CIAC)	D-7	(1,750,000)
4	Accumulated Amortization of CIAC	D-7	<u>59,325</u>
			564,352
5	Allowance For Working Capital (1)		<u>11,897</u>
6	Proforma Rate Base		<u>\$ 576,249</u>
7	Proforma Rate of Return	A-2	<u>10.26%</u>
8	Proforma Operating Income	D-8	<u>\$ 59,123</u>
9	Note (1): Based on 12.5% of O&M expense per Schedule No. D-9.		

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Summary of Proposed Utility Plant Cost, Capacities, Accumulated Depreciation and Expense

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation Expense	Accumulated Depreciation	Capacities(2)	
			Original Cost	Depreciation Rate %			ERC's	Gallons
1		<u>Bulk Raw Water Costs</u>						
2	301	Organization (1)	\$ 40,000	2.50	\$ 1,000	\$ 1,000	2,000	500,000
3	304	Structures & Improvements	161,643	3.13	5,059	5,059	2,000	500,000
4	307	Wells	850,350	3.33	28,317	28,317	2,000	500,000
5	309	Supply Mains	895,198	2.86	25,603	25,603	2,000	500,000
6	310	Power Generation Equipment	123,683	5.00	6,184	6,184	2,000	500,000
7	311	Pumping Equipment	200,987	5.00	10,049	10,049	2,000	500,000
8	339	Other Plant/Misc Equip (SCADA)	<u>61,852</u>	4.00	<u>2,474</u>	<u>2,474</u>	2,000	500,000
9		Total	<u>\$ 2,333,713</u>		<u>\$ 78,686</u>	<u>\$ 78,686</u>	<u>2,000</u>	<u>500,000</u>

10 Notes:(1) Organization costs are based on 20% of the total estimated legal, accounting and engineering costs incurred to  
11 obtain an original PSC certificate. Such costs have been allocated equally to the five types of service to be provided.

12 (2) Per engineering estimates of Johnson Engineering. Because the bulk potable water plant will not be constructed  
13 until a contract for a firm take or pay demand of 0.5 mgd is reached, the initial rates are based on the total proposed initial  
14 sizing of the facility.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Original Certificate Application  
Estimated Cost of Proposed Water Utility Plant in Service  
By Primary Accounts

Line No.	Acct No.	Description	Plant Costs Excl. AFUDC	Engineering & Permitting (12%)	Total Costs Before AFUDC	Percent	AFUDC	Total Plant Costs
1	304	Structures & Improvements	\$ 130,680	\$ 15,682	\$ 146,362	7.05%	\$ 15,281	\$ 161,643
2	307	Wells	687,500	82,500	770,000	37.07%	80,350	850,350
3	309	Supply Mains	723,750	86,850	810,600	39.03%	84,598	895,198
4	310	Power Generation Equipment	100,000	12,000	112,000	5.39%	11,683	123,683
5	311	Pumping Equipment	162,500	19,500	182,000	8.76%	18,987	200,987
6	339	Other Plant/Misc Equip (SCADA)	50,000	6,000	56,000	2.70%	5,852	61,852
7		Total Bulk Raw Water Plant Costs	<u>\$ 1,854,430</u>	<u>\$ 222,532</u>	<u>\$ 2,076,962</u>	<u>100.00%</u>	<u>\$ 216,751</u>	<u>\$ 2,293,713</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Original Certificate Application  
Calculation of AFUDC

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 86,540		\$ 86,540	\$ 43,270	\$ 354	\$ 86,894
2	2	86,540	\$ 86,894	173,434	130,164	1,064	174,498
3	3	86,540	174,498	261,038	217,768	1,780	262,818
4	4	86,540	262,818	349,358	306,088	2,501	351,859
5	5	86,540	351,859	438,399	395,129	3,229	441,628
6	6	86,540	441,628	528,168	484,898	3,963	532,131
7	7	86,540	532,131	618,671	575,401	4,702	623,373
8	8	86,540	623,373	709,913	666,643	5,448	715,361
9	9	86,540	715,361	801,901	758,631	6,200	808,101
10	10	86,540	808,101	894,641	851,371	6,958	901,599
11	11	86,540	901,599	988,139	944,869	7,722	995,861
12	12	86,540	995,861	1,082,401	1,039,131	8,492	1,090,893
13	13	86,540	1,090,893	1,177,433	1,134,163	9,269	1,186,702
14	14	86,540	1,186,702	1,273,242	1,229,972	10,052	1,283,294
15	15	86,540	1,283,294	1,369,834	1,326,564	10,841	1,380,675
16	16	86,540	1,380,675	1,467,215	1,423,945	11,637	1,478,852
17	17	86,540	1,478,852	1,565,392	1,522,122	12,439	1,577,831
18	18	86,540	1,577,831	1,664,371	1,621,101	13,248	1,677,619
19	19	86,540	1,677,619	1,764,159	1,720,889	14,064	1,778,223
20	20	86,540	1,778,223	1,864,763	1,821,493	14,886	1,879,649
21	21	86,540	1,879,649	1,966,189	1,922,919	15,715	1,981,904
22	22	86,540	1,981,904	2,068,444	2,025,174	16,551	2,084,995
23	23	86,541	2,084,995	2,171,536	2,128,266	17,393	2,188,929
24	24	<u>86,541</u>	2,188,929	2,275,470	2,232,200	<u>18,243</u>	<u>2,293,713</u>
25	TOTAL	\$ <u>2,076,962</u>				\$ <u>216,751</u>	\$ <u>2,293,713</u>

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a  
27 monthly rate of 0.8172466%

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Projected Accumulated Depreciation and Expense

Line No.	NARUC Acct. No.	Description	Estimated Cost	Years to Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	301	Organization	\$ 40,000	1	2.50	\$ 1,000	\$ 1,000
2	304	Structures & Improvements	161,643	1	3.13	5,059	5,059
3	307	Wells	850,350	1	3.33	28,317	28,317
4	309	Supply Mains	895,198	1	2.86	25,603	25,603
5	310	Power Generation Equipment	123,683	1	5.00	6,184	6,184
6	311	Pumping Equipment	200,987	1	5.00	10,049	10,049
7	339	Other Plant/Misc Equip (SCADA)	61,852	1	4.00	2,474	2,474
8		Total	<u>\$ 2,333,713</u>			<u>\$ 78,686</u>	<u>\$ 78,686</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Calculation of Proposed Service Availability Charges, CIAC Level at Build-out  
and Statement Regarding Proposed Service Availability Policy

Line No.	<u>Plant Cost</u>	<u>Plant Capacity (ERC's)</u>	<u>Total Cost per ERC</u>	<u>Proposed Capacity Charge per ERC</u>
1	<u>Calculation of proposed system capacity charge</u>			
2				
3	\$ 2,293,713	2,000	\$ 1,147	\$ 875
4	<u>CIAC Level at Build-out</u>			
5				\$ 2,333,713
6				<u>(78,686)</u>
7				<u>2,255,027</u>
8				1,750,000
9				<u>(59,325)</u>
10				<u>1,690,675</u>
11				<u>\$ 564,352</u>
12				74.97%
13				<u>25.03%</u>
14				<u>100.00%</u>
15	<u>Statement Regarding Proposed Service Availability Policy</u>			
16	The Company proposes a service availability policy based on a system capacity charge and bulk meter			
17	contribution which will generally conform to the guidelines of Rule 25-30.580 when a contract is made for			
18	.500 MGD bulk service. No estimates for the cost of a bulk meter are available at this time, but the impact			
19	on the CIAC level would be immaterial.			

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
CIAC , Accumulated Amortization of CIAC and Annual Amortization

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization
1	1	System Capacity Charge - plant	<u>2,000</u>	<u>\$ 875</u>	<u>\$ 1,750,000</u>	<u>3.39%</u>	<u>1.0</u>	<u>\$ 59,325</u>	<u>\$ 59,325</u>
2	Note (1): The composite amortization rate is calculated as follows:								
3	Total depreciation expense (excluding Organization)				<u>\$ 77,686</u>				
4	Total depreciable plant excluding Organization costs				<u>\$ 2,293,713</u>				
5	Composite capacity charge amortization rate				<u>3.39%</u>				

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Constructed Statement of Operations

Line No.	Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue	<u>\$ 231,796</u>	(A) <u>\$ 231,796</u>	
2	Operating Expenses:			
3	O&M expense	\$ 95,176	95,176	D-9
4	Depreciation	78,686	78,686	D-5
5	Amortization of CIAC	(59,325)	(59,325)	D-7
6	Taxes other than income	<u>47,705</u>	(B) <u>58,136</u>	D-10
7		<u>162,242</u>	<u>10,431</u>	
8	Operating Income (loss)	<u>\$ (162,242)</u>	<u>\$ 221,365</u>	
9	Rate Base	<u>\$ 576,249</u>	<u>\$ 576,249</u>	D-1
10	Rate of Return	<u>-28.00%</u>	<u>10.26%</u>	A-2
11	Proforma Adjustments:			
12	(A) Total revenue requested to realize a 10.26% rate of return		<u>\$ 231,796</u>	
13	(B) Regulatory assessment fees (RAF's):			
14	Total revenue requested		\$ 231,796	
15	RAF rate		<u>4.50%</u>	
16	Regulatory Assessment Fees		<u>\$ 10,431</u>	



Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Detail of Proforma O&M Expenses and  
Engineer's Estimate of Plant Operating Expenses

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	601	Salaries & Wages (1)	\$ 23,296
2	610	Purchased Water (Royalties) (1)	36,500
3	615	Purchased Power (1)	4,380
4		Contractual Services:	
5	631	Engineering (1)	2,000
6	632	Outside Accounting - Annual Report, RAF Return, Index Adjustments	
7		& Tax Returns	3,000
8	633	Legal	2,000
9	635	Management Fees (Accounting, Customer Accounts, Billing, Management)	5,000
10	636	Plant Maintenance (1)	6,000
11	641	Rental of Building/Real property (1)	2,000
12	655	Insurance - Property, Casualty & Liability	6,000
13	675	Miscellaneous	<u>5,000</u>
14		Total estimated O&M expense	<u>\$ 95,176</u>
15		(1) Per engineering estimate of Johnson Engineering. Other costs were estimated by	
16		Cronin, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for	
17		similar sized utilities.	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Projected Taxes Other Than Income Taxes

Line No.	Description	Cost	Millage Rate	Projected Tax
1	<u>Tangible Personal Property (excluding Organization)</u>			
2	Total projected cost	\$ 2,293,713		
3	Accumulated depreciation	<u>(77,686)</u>		
4	Estimated taxable value	<u>\$ 2,216,027</u>	2.07230%	\$ 45,923
5	<u>Payroll Taxes</u>			
6	Total Salaries & Wages	<u>\$ 23,296</u>	7.65%	<u>1,782</u>
7	Total Taxes other than income			<u>\$ 47,705</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Raw Water System  
Rate Computation

Line No.		Total	Percent Allocation		Rate Component	
			BFC	Gallonage	BFC	Gallonage
1	Operation & Maintenance (O&M):					
2	Salaries & Wages	23,296	50.00%	50.00%	\$ 11,648	\$ 11,648
3	Purchased Water (Royalties)	36,500		100.00%	-	36,500
4	Purchased Power	4,380		100.00%	-	4,380
5	Contractual Services:					
6	Engineering	2,000	50.00%	50.00%	1,000	1,000
7	Outside Accounting - Annual Report, RAF Return, Index					
8	Adjustments and Tax Returns	3,000	50.00%	50.00%	1,500	1,500
9	Legal	2,000	50.00%	50.00%	1,000	1,000
10	Management Fees (Accounting, Customer Accounts,					
11	Billing, Management)	5,000	50.00%	50.00%	2,500	2,500
12	Plant Maintenance	6,000	50.00%	50.00%	3,000	3,000
13	Rental of Building/Real property	2,000	50.00%	50.00%	1,000	1,000
14	Insurance - Property, Casualty & Liability	6,000	50.00%	50.00%	3,000	3,000
15	Miscellaneous	5,000	50.00%	50.00%	2,500	2,500
16	Total Estimated O&M Expenses	95,176				
17	Depreciation Expense - Net	19,361	50.00%	50.00%	9,681	9,681
18	<u>Taxes Other than Income:</u>					
19	Real estate & property taxes	45,923	50.00%	50.00%	22,962	22,962
20	Payroll Taxes	1,782	50.00%	50.00%	891	891
21	Regulatory Assessment Fees	10,431	50.00%	50.00%	5,215	5,215
22		58,136				
23	Operating Income	59,123		100.00%	-	59,123
24	Total revenue requested	\$ 231,796			\$ 65,896	\$ 165,899
25	No. of ERC's				2,000	2,000
26	No of months				12	
27	Annual No. of monthly ERC's				24,000	
28	Average daily demand per ERC (gpd)					250
29	Daily demand per ERC					500,000
30	Days in year					365
31	Estimated annual gallons sold - thousands					182,500
32	Rates - Base Facility Charge / Gallonage Charge per 1,000 Gallons				\$ 2.75	\$ 0.91
33	Monthly base facility charge for .500 MGD (2000 ERC's)				\$ 5,500	
34	Monthly take or pay gallonage charge					\$ 13,840

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Proforma Rate Base, Rate of Return and Operating Income

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	E-2	\$ 12,324,638
2	Excess Capacity of Effluent Disposal (2)		(5,109,487)
3	Accumulated Depreciation	E-2	(463,006)
4	Contributions in Aid of Construction (CIAC)	E-7	(5,250,000)
5	Accumulated Amortization of CIAC	E-7	<u>197,400</u>
6			1,699,545
7	Allowance For Working Capital (1)		<u>39,481</u>
8	Proforma Rate Base		<u>\$ 1,739,026</u>
9	Proforma Rate of Return	A-2	<u>10.26%</u>
10	Proforma Operating Income	E-8	<u>\$ 178,424</u>
11	Note (1): Based on 12.5% of O&M expense per Schedule No. E-9.		
12	(2) Effluent disposal will be deep well injection. The well is sized to provide disposal for 2.51 MGD		
13	and will be constructed when the first contract for .350 MGD of treated bulk water is obtained.		
14	An adjustment is necessary to match disposal capacity of the deepwell to the first increment of		
15	plant capacity to be constructed.		
16	ERC capacity of first .350 MGD of plant @ 250 GPD		<u>1,400</u>
17	ERC capacity of deepwell @ 250 GPD		<u>10,040</u>
18	Percentage used at 80% of Phase I and II capacity		<u>13.94%</u>
19	Percentage not used		<u>86.06%</u>
20	Net cost of deepwell when operating at designed capacity of 2.51 MGD		<u>\$ 5,937,122</u>
21	Net cost of excess capacity		<u>\$ 5,109,487</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Summary of Proposed Utility Plant Cost, Capacities, Accumulated Depreciation and Expense

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation Expense	Accumulated Depreciation	Capacities(2)	
			Original Cost	Depreciation Rate %			ERC's	Gallons
1	301	Organization (1)	\$ 40,000	2.50	\$ 1,000	\$ 1,000	1,400	350,000
2	304	Structures & Improvements	1,127,399	3.13	35,288	35,288	1,400	350,000
3	307	Wells	850,333	3.33	28,316	28,316	1,400	350,000
4	309	Supply Mains	1,098,013	2.86	31,403	31,403	1,400	350,000
5	310	Power Generation Equipment	471,777	5.00	23,589	23,589	1,400	350,000
6	311	Pumping Equipment	690,685	5.00	34,534	34,534	1,400	350,000
7	320	Water Treatment Equipment	679,253	4.55	30,906	30,906	1,400	350,000
8	330	Distribution Reservoirs & Standpipes	541,079	2.70	14,609	14,609	1,400	350,000
9	331	Transmission & Distribution Mains	579,793	2.33	13,509	13,509	1,400	350,000
10	339	Other Plant/Misc Equip (SCADA)	61,804	4.00	2,472	2,472	1,400	350,000
11	339	Other Plant/Misc Equip (Injection Well)	<u>6,184,502</u>	4.00	<u>247,380</u>	<u>247,380</u>	<u>6,800</u>	<u>1,700,000</u>
12		Total	<u>\$ 12,324,638</u>		<u>\$ 463,006</u>	<u>\$ 463,006</u>	<u>-</u>	<u>-</u>

Notes:(1) Organization costs are based on 20% of the total estimated legal, accounting and engineering costs incurred to obtain an original PSC certificate. Such costs have been allocated equally to the five types of service to be provided.

(2) Per engineering estimates of Johnson Engineering. Because the bulk potable water plant will not be constructed until a contract for a firm take or pay demand for 0.350 mgd is reached, the initial rates are based on the total proposed sizing

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Original Certificate Application  
Estimated Cost of Proposed Water Utility Plant in Service  
By Primary Accounts

Line No.	Acct. No.	Plant	Plant Costs Excl. AFUDC	Engineering & Permitting (12%)	Total Costs Before AFUDC	Percent	AFUDC	Total Plant Costs
1	304	Structures & Improvements	\$ 911,456	\$ 109,375	\$ 1,020,831	9.18%	\$ 106,568	\$ 1,127,399
2	307	Wells	687,500	82,500	770,000	6.92%	80,333	850,333
3	309	Supply Mains	887,706	106,525	994,231	8.94%	103,782	1,098,013
4	310	Power Generation Equipment	381,428	45,771	427,199	3.84%	44,578	471,777
5	311	Pumping Equipment	558,432	67,012	625,444	5.62%	65,241	690,685
6	320	Water Treatment Equipment	549,158	65,899	615,057	5.53%	64,196	679,253
7	330	Distribution Reservoirs & Standpipes	437,500	52,500	490,000	4.40%	51,079	541,079
8	331	Transmission & Distribution Mains	468,750	56,250	525,000	4.72%	54,793	579,793
9	339	Other Plant/Misc Equip (SCADA)	50,000	6,000	56,000	0.50%	5,804	61,804
10	339	Other Plant/Misc Equip (Injection Well)	5,000,000	600,000	5,600,000	50.35%	584,502	6,184,502
11		Total Bulk Raw Water Plant Costs	\$ 9,931,930	\$ 1,191,832	\$ 11,123,762	100.00%	\$ 1,160,875	\$ 12,284,638

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Original Certificate Application  
Calculation of AFUDC

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 463,490	-	\$ 463,490	\$ 231,745	\$ 1,894	\$ 465,384
2	2	463,490	\$ 465,384	928,874	697,129	5,697	934,571
3	3	463,490	934,571	1,398,061	1,166,316	9,532	1,407,593
4	4	463,490	1,407,593	1,871,083	1,639,338	13,397	1,884,480
5	5	463,490	1,884,480	2,347,970	2,116,225	17,295	2,365,265
6	6	463,490	2,365,265	2,828,755	2,597,010	21,224	2,849,979
7	7	463,490	2,849,979	3,313,469	3,081,724	25,185	3,338,654
8	8	463,490	3,338,654	3,802,144	3,570,399	29,179	3,831,323
9	9	463,490	3,831,323	4,294,813	4,063,068	33,205	4,328,018
10	10	463,490	4,328,018	4,791,508	4,559,763	37,265	4,828,773
11	11	463,490	4,828,773	5,292,263	5,060,518	41,357	5,333,620
12	12	463,490	5,333,620	5,797,110	5,565,365	45,483	5,842,593
13	13	463,490	5,842,593	6,306,083	6,074,338	49,642	6,355,725
14	14	463,489	6,355,725	6,819,214	6,587,470	53,836	6,873,050
15	15	463,489	6,873,050	7,336,539	7,104,795	58,064	7,394,603
16	16	463,489	7,394,603	7,858,092	7,626,348	62,326	7,920,418
17	17	463,489	7,920,418	8,383,907	8,152,163	66,623	8,450,530
18	18	463,489	8,450,530	8,914,019	8,682,275	70,956	8,984,975
19	19	463,489	8,984,975	9,448,464	9,216,720	75,323	9,523,787
20	20	463,489	9,523,787	9,987,276	9,755,532	79,727	10,067,003
21	21	463,489	10,067,003	10,530,492	10,298,748	84,166	10,614,658
22	22	463,489	10,614,658	11,078,147	10,846,403	88,642	11,166,789
23	23	463,489	11,166,789	11,630,278	11,398,534	93,154	11,723,432
24	24	<u>463,489</u>	<u>11,723,432</u>	<u>12,186,921</u>	<u>11,955,177</u>	<u>97,703</u>	<u>12,284,624</u>
25		<u>\$ 11,123,749</u>				<u>\$ 1,160,875</u>	<u>\$ 12,284,624</u>

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a  
27 monthly rate of 0.8172466%

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Projected Accumulated Depreciation and Expense

Line No.	NARUC Acct. No.	Description	Estimated Cost	Years to Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	301	Organization	\$ 40,000	1	2.50	\$ 1,000	\$ 1,000
2	304	Structures & Improvements	1,127,399	1	3.13	35,288	35,288
3	307	Wells	850,333	1	3.33	28,316	28,316
4	309	Supply Mains	1,098,013	1	2.86	31,403	31,403
5	310	Power Generation Equipment	471,777	1	5.00	23,589	23,589
6	311	Pumping Equipment	690,685	1	5.00	34,534	34,534
7	320	Water Treatment Equipment	679,253	1	4.55	30,906	30,906
8	330	Distribution Reservoirs & Standpipes	541,079	1	2.70	14,609	14,609
9	331	Transmission & Distribution Mains	579,793	1	2.33	13,509	13,509
10	339	Other Plant/Misc Equip (SCADA)	61,804	1	4.00	2,472	2,472
11	339	Other Plant/Misc Equip (Injection Well)	6,184,502	1	4.00	247,380	247,380
12		Total	<u>\$ 12,324,638</u>			<u>\$ 463,006</u>	<u>\$ 463,006</u>



Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Calculation of Proposed Service Availability Charges, CIAC Level at Build-out and  
Statement Regarding Proposed Service Availability Policy

Line No.	Plant Cost	Plant Capacity (ERC's)	Total Cost per ERC	Proposed Capacity Charge per ERC
1	<u>Calculation of proposed system capacity charge</u>			
2	Depreciable plant cost excluding Organization			
3				
3	\$ 6,100,136	1,400	4,357	\$ 3,100
4	6,184,502	10,040	616	650
5	<u>\$ 12,284,638</u>			<u>\$ 3,750</u>
6	<u>CIAC Level at Build-out</u>			
7	Utility plant in service			
8	Excess capacity of Deep Well Disposal System			
9	Accumulated depreciation			
10				<u>6,752,145</u>
11				5,250,000
12				<u>(197,400)</u>
13				<u>5,052,600</u>
14				<u>\$ 1,699,545</u>
15				74.83%
16				<u>25.17%</u>
17				<u>100.00%</u>

18 Statement Regarding Proposed Service Availability Policy

19 The Company proposes a service availability policy based on a system capacity charge and bulk meter  
20 contribution which will generally conform to the guidelines of Rule 25-30.580 when a contract is made for  
21 .350 MGD bulk service. No estimates for the cost of a bulk meter are available at this time, but the impact  
22 on the CIAC level would be immaterial.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
CIAC , Accumulated Amortization of CIAC and Annual Amortization

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization
1	1	System Capacity Charge - plant	<u>1,400</u>	<u>\$ 3,750</u>	<u>\$ 5,250,000</u>	<u>3.76%</u>	<u>1.0</u>	<u>\$ 197,400</u>	<u>\$ 197,400</u>
2	Note (1): The composite amortization rate is calculated as follows:								
3		Total depreciation expense			\$ 463,006				
4		Less depreciation expense - Organization			<u>(1,000)</u>				
5		System depreciation expense			<u>\$ 462,006</u>				
6		Total depreciable plant excluding organization			<u>\$ 12,284,638</u>				
7		Composite capacity charge amortization rate				<u>3.76%</u>			

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Constructed Statement of Operations

<u>Line No.</u>	<u>Estimated Amount</u>	<u>Proforma Adjustments</u>	<u>Proforma Amount</u>	<u>Schedule Reference</u>
1	Operating Revenue	\$ 731,259	(A) \$ 731,259	
2	Operating Expenses:			
3	O&M expense	\$ 315,849	315,849	E-9
4	Depreciation	463,006	(212,895) (B)	E-5
5	Amortization of CIAC	(197,400)	(197,400)	E-7
6	Taxes other than income	257,252	(72,977) (C)	E-10
7		<u>838,707</u>	<u>(285,872)</u>	
8	Operating Income (loss)	<u>\$ (838,707)</u>	<u>\$ 1,017,131</u>	<u>\$ 178,424</u>
9	Rate Base	<u>\$ 1,739,026</u>	<u>\$ 1,739,026</u>	E-1
10	Rate of Return	<u>-48.23%</u>	<u>10.26%</u>	A-2
11	Proforma Adjustments:			
12	(A) Total revenue requested to realize a 10.26% rate of return		<u>\$ 731,259</u>	
13	(B) <u>Depreciation</u>			
14	Excess capacity percentage of effluent disposal system per Schedule F-1		<u>86.06%</u>	
15	Annual depreciation of effluent disposal system per Schedule F-5, Acct 380		<u>\$ (247,380)</u>	
16	Annual Depreciation expense adjustment		<u>\$ (212,895)</u>	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Detail of Proforma O&M Expenses and  
Engineer's Estimate of Plant Operating Expenses

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	601	Salaries & Wages (1)	\$ 160,160
2	610	Purchased Water (Royalties) (1)	36,500
3	615	Purchased Power (1)	13,000
4	618	Chemicals (1)	15,000
5		Contractual Services:	
6	631	Engineering (1)	8,000
7	632	Outside Accounting - Annual Report, RAF Return, Index Adjustments	
8		& Tax Returns	4,000
9	633	Legal	2,000
10	634	Testing (1)	15,000
11	635	Management Fees (Accounting, Customer Accounts, Billing, Management)	5,000
12	636	Plant Maintenance (1)	13,000
13	641	Rental of Building/Real property (1)	29,189
14	655	Insurance - Property, Casualty & Liability	10,000
15	675	Miscellaneous	<u>5,000</u>
16		Total estimated O&M expense	<u>\$ 315,849</u>

17 (1) Per engineering estimate of Johnson Engineering. Other costs were estimated by  
18 Cronin, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for  
19 similar sized utilities.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Projected Taxes Other Than Income Taxes

Line No.	Description	Cost	Millage Rate	Projected Tax
1	<u>Tangible Personal Property (Excluding Organization)</u>			
2	Total projected cost	\$ 12,284,638		
3	Accumulated depreciation	<u>(462,006)</u>		
4	Estimated taxable value	<u>\$ 11,822,632</u>	2.07230%	\$ 245,000
5	<u>Payroll Taxes</u>			
6	Total Salaries & Wages	<u>\$ 160,160</u>	7.65%	<u>12,252</u>
7	Total Taxes other than income			<u>\$ 257,252</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Bulk Treated Water Costs  
Rate Computation

Line No.		Total	Percent Allocation		Rate Component	
			BFC	Gallorage	BFC	Gallorage
1	Operation & Maintenance (O&M):					
2	Salaries & Wages	\$ 160,160	50.00%	50.00%	\$ 80,080	\$ 80,080
3	Purchased Water (Royalties)	36,500		100.00%	-	36,500
4	Purchased Power	13,000	50.00%	50.00%	6,500	6,500
5	Chemicals	15,000	50.00%	50.00%	7,500	7,500
6	Contractual Services:					
7	Engineering	8,000	50.00%	50.00%	4,000	4,000
8	Outside Accounting - Annual Report, RAF Return, Index					
9	Adjustments & Tax Returns	4,000	50.00%	50.00%	2,000	2,000
10	Legal	2,000	50.00%	50.00%	1,000	1,000
11	Testing	15,000	50.00%	50.00%	7,500	7,500
12	Management Fees (Accounting, Customer Accounts,					
13	Billing, Management)	5,000	50.00%	50.00%	2,500	2,500
14	Plant Maintenance	13,000	50.00%	50.00%	6,500	6,500
15	Rental of Building/Real property	29,189	50.00%	50.00%	14,595	14,595
16	Insurance - Property, Casualty & Liability	10,000	50.00%	50.00%	5,000	5,000
17	Miscellaneous	5,000	50.00%	50.00%	2,500	2,500
18	Total Estimated O&M Expenses	<u>315,849</u>				
19	Depreciation Expense - Net	<u>52,711</u>	50.00%	50.00%	26,356	26,356
20	<u>Taxes Other than Income:</u>					
21	Real estate & property taxes	139,116	50.00%	50.00%	69,558	69,558
22	Payroll Taxes	12,252	50.00%	50.00%	6,126	6,126
23	Regulatory Assessment Fees	<u>32,907</u>	50.00%	50.00%	16,453	16,453
24		<u>184,275</u>				
25	Operating Income	<u>178,424</u>	0.00%	100.00%	-	178,424
26	Total revenue requested	<u>\$ 731,259</u>			<u>\$ 258,168</u>	<u>\$ 473,092</u>
27	No. of ERC's				1,400	1,400
28	No of months				<u>12</u>	
29	Annual No. of monthly ERC's				16,800	
30	Average daily demand per ERC (gpd)					<u>250</u>
31	Daily demand per ERC					<u>350,000</u>
32	Days in year					<u>365</u>
33	Estimated annual gallons sold - thousands					<u>127,750</u>
34	Rates - Base Facility Charge / Gallorage Charge per 1,000 Gallons				<u>\$ 15.37</u>	<u>\$ 3.70</u>
35	Monthly base facility charge for .350 MGD (1400 ERC's)				<u>\$ 21,518</u>	
36	Monthly take or pay gallorage charge					<u>\$ 39,390</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Proforma Rate Base, Rate of Return and Operating Income  
When Operating at the Designed Capacity of (Phases I and II)

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	F-2	\$ 43,785,558
2	Excess Capacity for future phase costs (2)		(4,520,484)
3	Accumulated Depreciation	F-2	(17,356,559)
4	Contributions in Aid of Construction (CIAC)	F-7	(24,474,976)
5	Accumulated Amortization of CIAC	F-7	<u>6,859,747</u>
6			4,293,286
7	Allowance For Working Capital (1)		<u>46,972</u>
8	Proforma Rate Base		<u>\$ 4,340,258</u>
9	Proforma Rate of Return	A-2	<u>10.26%</u>
10	Proforma Operating Income	F-8	<u>\$ 445,310</u>
11	Notes: (1) Based on 12.5% of O&M expense per Schedule No. F-9.		
12	(2) Effluent disposal will be deep well injection. The well and other major system components		
13	are sized to provide wastewater treatment and disposal for all three phases of development with a		
14	build-out capacity of 923,076 GPD (average daily flow basis) and will be constructed in Phase I.		
15	Since proposed rates are based on the capacity of plant for Phases I and II, an adjustment is		
16	necessary to match disposal capacity of the deepwell to the plant capacity of the first two phases.		
17	Total future phase costs per F-2.		\$ 6,594,676
18	Total future phase depreciation per F-2.		<u>(2,074,192)</u>
19	Net adjustment for Phase III costs		<u>\$ 4,520,484</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Summary of Proposed Utility Plant Cost, Capacities, Accumulated Depreciation and Expense  
When Operating at the Designed Capacity (Phases I and II)

Line No.	NARUC		Estimated	PSC	Depreciation	Accumulated	Capacities (2), (3)	
	Acct. No.	Description	Original Cost	Rate %	Expense	Depreciation	ERC's	Gallons
1	<u>Phases 1 and 2</u>							
2	351	Organization (1)	\$ 26,640	2.50	\$ 666	\$ 8,991	2,462	615,385
3	354	Structures & Improvements	3,872,222	3.13	121,201	1,376,209	2,462	615,385
4	355	Power Generation Equipment	463,297	5.00	23,165	312,704	2,462	615,385
5	360	Collection Sewers-Force	2,402,809	3.33	80,014	704,326	2,462	615,385
6	361	Collection Sewers-Gravity	17,456,252	2.22	387,529	4,373,540	2,462	615,385
7	370	Lift Stations	2,107,657	4.00	84,306	977,984	2,462	615,385
8	371	Pumping Equipment	455,765	5.56	25,341	301,245	2,462	615,385
9	380	Treatment & Disposal Equip	7,758,647	2.86	221,897	5,877,987	2,462	615,385
10	381	Plant Sewers	303,832	2.86	8,690	103,303	2,462	615,385
11	389	Other Plant/Misc Equip (SCADA)	284,401	4.00	11,376	133,980	5,231	1,307,692
12	389	Other Plant/Misc Equip (Injection Well)	2,059,359	4.00	82,374	1,112,098	5,231	1,307,692
13	Total		\$ 37,190,882		\$ 1,046,559	\$ 15,282,367	2,462	615,385
14	<u>Estimated future costs (Phase 3) (C-2a)</u>							
15	351	Organization (1)	\$ 13,360	2.50	\$ 334	\$ 4,509	1,230	307,692
16	354	Structures & Improvements	1,941,343	3.13	60,763	689,861	1,230	307,692
17	355	Power Generation Equipment	232,401	5.00	11,620	156,892	1,230	307,692
18	360	Collection Sewers-Force	698,183	3.33	23,246	162,746	1,230	307,692
19	361	Collection Sewers-Gravity	-	2.22	-	-	1,230	307,692
20	370	Lift Stations	232,401	4.00	9,296	125,503	1,230	307,692
21	371	Pumping Equipment	228,644	5.56	12,712	151,142	1,230	307,692
22	380	Treatment & Disposal Equip	1,920,360	2.86	316,255	106,769	1,230	307,692
23	381	Plant Sewers	152,429	2.86	4,359	51,830	1,230	307,692
24	389	Other Plant/Misc Equip (SCADA)	142,660	4.00	5,706	67,221	5,231	1,307,692
25	389	Other Plant/Misc Equip (Injection Well)	1,032,895	4.00	41,316	557,719	5,231	1,307,692
26	Total		\$ 6,594,676		\$ 485,607	\$ 2,074,192	1,230	307,692
27	<u>Total cost to build out</u>							
28	351	Organization (1)	40,000	2.50	1,000	13,500	3,692	923,077
29	354	Structures & Improvements	5,813,565	3.13	181,964	2,066,070	3,692	923,077
30	355	Power Generation Equipment	695,698	5.00	34,785	469,596	3,692	923,077
31	360	Collection Sewers-Force	3,100,992	3.33	103,260	867,072	3,692	923,077
32	361	Collection Sewers-Gravity	17,456,252	2.22	387,529	4,373,540	3,692	923,077
33	370	Lift Stations	2,340,058	4.00	93,602	1,103,487	3,692	923,077
34	371	Pumping Equipment	684,409	5.56	38,053	452,387	3,692	923,077
35	380	Treatment & Disposal Equip	9,679,007	2.86	538,152	5,984,756	3,692	923,077
36	381	Plant Sewers	456,261	2.86	13,049	155,133	3,692	923,077
37	389	Other Plant/Misc Equip (SCADA)	427,061	4.00	17,082	201,201	5,231	1,307,692
38	389	Other Plant/Misc Equip (Injection Well)	3,092,254	4.00	123,690	1,669,817	5,231	1,307,692
39	Total		\$ 43,785,558		\$ 1,532,166	\$ 17,356,559	3,692	923,077

Notes:(1) Organization costs are based on 20% of the total estimated legal, accounting and engineering costs incurred to obtain an original PSC certificate. Such costs have been allocated equally to the five types of service to be provided.

(2) Capacities are based on Table 9-1 per the engineering report of Johnson Engineering.

(3) Total capacity of Phases I and II (Average Daily Flow). Initial rates are being based on total average daily flow of Phases I & II since Phase II plant will be in operation five years after completion of the Phase I. This approach will result in economies of scale in the initial rates and charges proposed by the Utility.



Silver Lake Utilities, Inc.  
Original Certificate Application (Revised)  
Allocation of Costs to Future Development Phases

Line No.	Description	Account No.	Cost	Phases Sized For	ADF Sized Flow (MGD)	ADF Phase I & II Flow (MGD)	Phase I & II Percent	Future Phases Percent	Future Phases Costs	Factor for AFUDC & Other Alloc. Costs (1)	Total Future Phase Costs	Total Accum. Depr.	Factor for Accum. Depr. (2)	Future Phase Accum. Depr.
1	Organization Costs	351	\$ 40,000	3	0.923	0.615	66.6%	33.4%	\$ 13,360	0.000	\$ 13,360	\$ 13,500	0.3340	\$ 4,509
2	Structures & Improvements:	354												
3	Treatment Plant-Flow Equalization													
4	Facilities		1,011,194	3	0.923	0.615	66.6%	33.4%	337,739	1.210	408,664			
5	Treatment Plant-Site Work		298,974	3	0.923	0.615	66.6%	33.4%	99,857	1.210	120,827			
6	Treatment Plant-Miscellaneous, Driveway, Fence, Seeding,													
7	Monitoring Wells, Control/Lab													
8	Building, Site Lighting, Engine-													
9	Gen, etc		1,805,970	3	0.923	0.615	66.6%	33.4%	603,194	1.210	729,865			
10	Lift Stations-Concrete Wetwell		1,312,500	3	0.923	0.615	66.6%	33.4%	438,375	1.210	530,434			
11	Lift Stations-Electrical		375,000	3	0.923	0.615	66.6%	33.4%	125,250	1.210	151,553			
12			<u>4,803,638</u>						<u>1,604,415</u>		<u>1,941,343</u>	<u>2,066,070</u>	0.3339	<u>689,861</u>
13														
14	Power Generation Equipment	355												
15	Lift Stations-Generator		562,500	3	0.923	0.615	66.6%	33.4%	187,875	1.237	232,401			
16			<u>562,500</u>						<u>187,875</u>		<u>232,401</u>	<u>469,596</u>	0.3341	<u>156,892</u>
17	Collection Sewers - Force	360												
18	Spine Wastewater Force Mains		1,866,400	3	0.923	0.615	66.6%	33.4%	623,378	1.120	698,183			
19			<u>1,866,400</u>						<u>623,378</u>		<u>698,183</u>	<u>487,264</u>	0.3340	<u>162,746</u>
20	Lift Stations	370												
28	Treatment Plant-Plant Site Lift													
29	Station		562,500	3	0.923	0.615	66.6%	33.4%	187,875	1.237	232,401			
30			<u>562,500</u>						<u>187,875</u>		<u>232,401</u>	<u>287,257</u>	0.4369	<u>125,503</u>
31	Pumping Equipment	371												
32	Lift Stations-Pumps (2 - 700gpm													
33	pumps and one low flow jockey													
34	pump)		562,500	3	0.923	0.615	66.6%	33.4%	187,875	1.217	228,644	452,387	0.3341	151,142
35	Wastewater Treatment Plant	380												
36	Treatment Plant-Headworks -													
37	Structure & Mechanical Bar													
38	Screen		767,724	3	0.923	0.615	66.6%	33.4%	256,420	1.207	309,499			
39	Treatment Plant-Closed Loop													
40	Reactor/Clarifier w/ tanks,													
41	walkway, equipment		3,252,799	2	0.615	0.615	100.0%	0.0%	-	1.207	-			
42	Treatment Plant-Aerobic Digestors		365,672	3	0.923	0.615	66.6%	33.4%	122,134	1.207	147,416			
43	Treatment Plant-ABW Effluent													
44	Polishing Filters		1,565,299	3	0.923	0.615	66.6%	33.4%	522,810	1.207	631,032			
45	Treatment Plant-Chlorination													
46	Facilities, Tanks, Equipment		629,664	3	0.923	0.615	66.6%	33.4%	210,308	1.207	253,842			
47	Treatment Plant-Substandard													
48	Storage Pond		298,974	3	0.923	0.615	66.6%	33.4%	99,857	1.207	120,528			
49	Treatment Plant-Wet Weather													
50	Storage Pond		573,694	3	0.923	0.615	66.6%	33.4%	191,614	1.207	231,278			
51	Lift Stations-Odor Control System		562,500	3	0.923	0.615	66.6%	33.4%	187,875	1.207	226,765			
52			<u>8,016,326</u>						<u>1,591,018</u>		<u>1,920,360</u>	<u>538,152</u>	0.1984	<u>106,769</u>
53	Plant Sewers	381												
54	Lift Stations-Piping		375,000	3	0.923	0.615	66.6%	33.4%	125,250	1.217	152,429	155,133	0.3341	51,830
55	Other Plant & Misc. Equipment	389												
56	Injection Wells-Tubing & Packer													
57	Injection Well		1,937,500	3	0.923	0.615	66.6%	33.4%	647,125	1.237	800,494			
58	Injection Wells-Monitor Well		500,000	3	0.923	0.615	66.6%	33.4%	167,000	1.237	206,579			
59	Injection Wells-Well Heads, Piping,													
60	Monitoring Equipment		62,500	3	0.923	0.615	66.6%	33.4%	20,875	1.237	25,822			
61			<u>2,500,000</u>						<u>835,000</u>		<u>1,032,895</u>	<u>1,669,817</u>	0.3340	<u>557,719</u>
62	Lift Stations-Telemetry / SCADA	389												
63	Controls		375,000	3	0.923	0.615	66.6%	33.4%	125,250	1.139	142,660	201,201	0.3341	67,221
64	Total		\$ 19,663,864						\$ 5,481,296		\$ 6,594,676	\$ 6,340,377		\$ 2,074,192

65 Notes: (1) The factor for allocating AFUDC, engineering & construction management costs was determined by dividing the total costs for each plant account including such costs by the total cost  
66 of each plant account before allocation per Schedule No F-3.

67 (2) Total Future Phase plant costs for each respective account divided by the related total plant cost shown on Schedule F-2 and F-5 for invested property.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Original Certificate Application  
Estimated Cost of Proposed Wastewater Utility Plant in Service Phases I & II  
By Primary Accounts

Line No.	Description	Plant Costs Excl. AFUDC	Engineering & Permitting (12%)	Total Costs Before AFUDC	Phase 1 and 2		Phase 3		Total Plant Costs
					Percent	AFUDC	Percent	AFUDC	
1	354 Structures & Improvements - Ph 1 & 2	\$ 2,683,069	\$ 321,968	\$ 3,005,037	24.06%	\$ 313,632	\$ -	\$ 3,318,669	
2	354 Structures & Improvements - Ph 3	2,120,569	254,468	2,375,037		-	32.76% 119,860	2,494,897	
3	355 Power Generation Equipment	562,500	67,500	630,000	5.04%	65,698		695,698	
4	360 Collection Sewers-Force (1)	1,866,400	223,968	2,090,368				2,090,368	
5	370 Lift Stations (Master Pump Stations)	430,037	51,604	481,641	3.86%	50,317		531,958	
6	371 Pumping Equipment-Ph 1 & 2	375,000	45,000	420,000	3.36%	43,799		463,799	
7	371 Pumping Equipment-Ph 3	187,500	22,500	210,000		-	2.90% 10,610	220,610	
8	380 Treatment & Disposal Equip-Ph 1 & 2	4,101,913	492,230	4,594,143	36.78%	479,442		5,073,585	
9	380 Treatment & Disposal Equip-Ph 3	3,914,413	469,730	4,384,143			60.48% 221,279	4,605,422	
10	381 Plant Sewers-Ph 1 & 2	250,000	30,000	280,000	2.24%	29,199		309,199	
11	381 Plant Sewers-Ph 3	125,000	15,000	140,000			1.93% 7,061	147,061	
12	389 Other Plant/Misc Equip (Injection Well)-Ph 1 & 2	2,500,000	300,000	2,800,000	22.42%	292,254		3,092,254	
13	389 Other Plant/Misc Equip (SCADA)-Ph 1 & 2	250,000	30,000	280,000	2.24%			280,000	
14	389 Other Plant/Misc Equip (SCADA)-Ph 3	125,000	15,000	140,000		-	1.93% 7,061	147,061	
15	Total Utility Plant Cost	<u>\$ 19,491,401</u>	<u>\$ 2,338,968</u>	<u>\$ 21,830,369</u>	<u>100.00%</u>	<u>\$ 1,303,540</u>	<u>100.00%</u>	<u>\$ 365,872</u>	<u>\$ 23,470,582</u>

16 Note (1): Due to the nature and timing of construction of the off-site Force Mains, such costs are excluded from the calculation of AFUDC.

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Original Certificate Application  
Calculation of AFUDC Excluding Contributed Property & Off-Site Force Mains

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 520,451		\$ 520,451	\$ 260,226	\$ 2,127	\$ 522,578
2	2	520,451	\$ 522,578	1,043,029	782,804	6,397	1,049,426
3	3	520,451	1,049,426	1,569,877	1,309,652	10,703	1,580,580
4	4	520,451	1,580,580	2,101,031	1,840,806	15,044	2,116,075
5	5	520,451	2,116,075	2,636,526	2,376,301	19,420	2,655,946
6	6	520,451	2,655,946	3,176,397	2,916,172	23,832	3,200,229
7	7	520,451	3,200,229	3,720,680	3,460,455	28,280	3,748,960
8	8	520,451	3,748,960	4,269,411	4,009,186	32,765	4,302,176
9	9	520,451	4,302,176	4,822,627	4,562,402	37,286	4,859,913
10	10	520,451	4,859,913	5,380,364	5,120,139	41,844	5,422,208
11	11	520,451	5,422,208	5,942,659	5,682,434	46,439	5,989,098
12	12	520,451	5,989,098	6,509,549	6,249,324	51,072	6,560,621
13	13	520,451	6,560,621	7,081,072	6,820,847	55,743	7,136,815
14	14	520,451	7,136,815	7,657,266	7,397,041	60,452	7,717,718
15	15	520,451	7,717,718	8,238,169	7,977,944	65,199	8,303,368
16	16	520,450	8,303,368	8,823,818	8,563,593	69,986	8,893,804
17	17	520,450	8,893,804	9,414,254	9,154,029	74,811	9,489,065
18	18	520,450	9,489,065	10,009,515	9,749,290	79,676	10,089,191
19	19	520,450	10,089,191	10,609,641	10,349,416	84,580	10,694,221
20	20	520,450	10,694,221	11,214,671	10,954,446	89,525	11,304,196
21	21	520,450	11,304,196	11,824,646	11,564,421	94,510	11,919,156
22	22	520,450	11,919,156	12,439,606	12,179,381	99,536	12,539,142
23	23	520,450	12,539,142	13,059,592	12,799,367	104,602	13,164,194
24	24	520,450	13,164,194	13,684,644	13,424,419	109,711	13,794,355
25	TOTAL	12,490,815				1,303,540	13,794,355
26	1	604,099		604,099	302,050	2,468	606,567
27	2	604,099	606,567	1,210,666	908,617	7,426	1,218,092
28	3	604,099	1,218,092	1,822,191	1,520,142	12,423	1,834,614
29	4	604,099	1,834,614	2,438,713	2,136,664	17,462	2,456,175
30	5	604,099	2,456,175	3,060,274	2,758,225	22,541	3,082,815
31	6	604,099	3,082,815	3,686,914	3,384,865	27,663	3,714,577
32	7	604,099	3,714,577	4,318,676	4,016,627	32,826	4,351,502
33	8	604,099	4,351,502	4,955,601	4,653,552	38,031	4,993,632
34	9	604,099	4,993,632	5,597,731	5,295,682	43,279	5,641,010
35	10	604,099	5,641,010	6,245,109	5,943,060	48,569	6,293,678
36	11	604,099	6,293,678	6,897,777	6,595,728	53,903	6,951,680
37	12	604,098	6,951,680	7,555,778	7,253,729	59,281	7,615,059
38		7,249,187				365,872	7,615,059
39		\$ 19,740,002				\$ 1,669,412	\$ 21,409,414

40 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a  
41 monthly rate of 0.8172466%

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Projected Accumulated Depreciation and Expense  
When Operating at the Designed Capacity of Phases I and II

Line No.	NARUC Acct. No.	Description	Estimated Cost	Years to Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	351	Organization	\$ 40,000	14	2.50	\$ 13,500	\$ 1,000
2	354	Structures & Improvements - Ph 1 & 2	3,318,669	14	3.13	1,402,303	103,874
3	354	Structures & Improvements - Ph 3	2,494,897	9	3.13	663,767	78,090
4	355	Power Generation Equipment	695,698	14	5.00	469,596	34,785
5	360	Collection Sewers-Force - Year 1	149,312	14	3.33	67,123	4,972
6	360	Collection Sewers-Force - Year 2	149,312	13	3.33	62,151	4,972
7	360	Collection Sewers-Force - Year 3	149,312	12	3.33	57,179	4,972
8	360	Collection Sewers-Force - Year 4	149,312	11	3.33	52,207	4,972
9	360	Collection Sewers-Force - Year 5	149,312	10	3.33	47,235	4,972
10	360	Collection Sewers-Force - Year 6	149,312	9	3.33	42,263	4,972
11	360	Collection Sewers-Force - Year 7	149,312	8	3.33	37,291	4,972
12	360	Collection Sewers-Force - Year 8	149,312	7	3.33	32,319	4,972
13	360	Collection Sewers-Force - Year 9	149,312	6	3.33	27,346	4,972
14	360	Collection Sewers-Force - Year 10	149,312	5	3.33	22,374	4,972
15	360	Collection Sewers-Force - Year 11	149,312	4	3.33	17,402	4,972
16	360	Collection Sewers-Force - Year 12	149,312	3	3.33	12,430	4,972
17	360	Collection Sewers-Force - Year 13	149,312	2	3.33	7,458	4,972
18	360	Collection Sewers-Force - Year 14	149,312	1	3.33	2,486	4,972
19	360	Contributed Collection Sewers-Force - Year 1	464,063	14	3.33	208,620	15,453
20	360	Contributed Collection Sewers-Force - Year 2	103,125	13	3.33	42,926	3,434
21	360	Contributed Collection Sewers-Force - Year 3	103,124	12	3.33	39,491	3,434
22	360	Contributed Collection Sewers-Force - Year 4	103,125	11	3.33	36,058	3,434
23	360	Contributed Collection Sewers-Force - Year 5	51,563	10	3.33	16,312	1,717
24	360	Contributed Collection Sewers-Force - Year 6	51,562	9	3.33	14,595	1,717
25	360	Contributed Collection Sewers-Force - Year 7	25,781	8	3.33	6,439	859
26	360	Contributed Collection Sewers-Force - Year 8	25,781	7	3.33	5,580	859
27	360	Contributed Collection Sewers-Force - Year 9	25,780	6	3.33	4,722	858
28	360	Contributed Collection Sewers-Force - Year 10	15,469	5	3.33	2,318	515
29	360	Contributed Collection Sewers-Force - Year 11	10,313	4	3.33	1,202	343
30	360	Contributed Collection Sewers-Force - Year 12	10,312	3	3.33	858	343
31	360	Contributed Collection Sewers-Force - Year 13	10,313	2	3.33	515	343
32	360	Contributed Collection Sewers-Force - Year 14	10,313	1	3.33	172	343
33	361	Contributed Collection Sewers-Gravity - Year 1	8,015,625	14	2.22	2,402,283	177,947
34	361	Contributed Collection Sewers-Gravity - Year 2	1,781,250	13	2.22	494,297	39,544
35	361	Contributed Collection Sewers-Gravity - Year 3	1,781,250	12	2.22	454,753	39,544
36	361	Contributed Collection Sewers-Gravity - Year 4	1,781,250	11	2.22	415,209	39,544
37	361	Contributed Collection Sewers-Gravity - Year 5	890,625	10	2.22	187,833	19,772
38	361	Contributed Collection Sewers-Gravity - Year 6	890,625	9	2.22	168,061	19,772
39	361	Contributed Collection Sewers-Gravity - Year 7	445,313	8	2.22	74,145	9,886
40	361	Contributed Collection Sewers-Gravity - Year 8	445,313	7	2.22	64,259	9,886
41	361	Contributed Collection Sewers-Gravity - Year 9	445,313	6	2.22	54,373	9,886
42	361	Contributed Collection Sewers-Gravity - Year 10	267,188	5	2.22	26,692	5,932
43	361	Contributed Collection Sewers-Gravity - Year 11	178,125	4	2.22	13,840	3,954
44	361	Contributed Collection Sewers-Gravity - Year 12	178,125	3	2.22	9,886	3,954
45	361	Contributed Collection Sewers-Gravity - Year 13	178,125	2	2.22	5,932	3,954
46	361	Contributed Collection Sewers-Gravity - Year 14	178,125	1	2.22	1,977	3,954
47	370	Lift Stations (Master Pump Stations) Ph 1 & 2	531,958	14	4.00	287,257	21,278
48	370	Contributed Lift Stations - Year 1	830,250	14	4.00	448,335	33,210
49	370	Contributed Lift Stations - Year 2	184,500	13	4.00	92,250	7,380
50	370	Contributed Lift Stations - Year 3	184,500	12	4.00	84,870	7,380
51	370	Contributed Lift Stations - Year 4	184,500	11	4.00	77,490	7,380
52	370	Contributed Lift Stations - Year 5	92,250	10	4.00	35,055	3,690
53	370	Contributed Lift Stations - Year 6	92,250	9	4.00	31,365	3,690
54	370	Contributed Lift Stations - Year 7	46,125	8	4.00	13,838	1,845
55	370	Contributed Lift Stations - Year 8	46,125	7	4.00	11,993	1,845
56	370	Contributed Lift Stations - Year 9	46,125	6	4.00	10,148	1,845
57	370	Contributed Lift Stations - Year 10	27,675	5	4.00	4,982	1,107
58	370	Contributed Lift Stations - Year 11	18,450	4	4.00	2,583	738
59	370	Contributed Lift Stations - Year 12	18,450	3	4.00	1,845	738
60	370	Contributed Lift Stations - Year 13	18,450	2	4.00	1,107	738
61	370	Contributed Lift Stations - Year 14	18,450	1	4.00	369	738
62	371	Pumping Equipment-Ph 1 & 2	463,799	14	5.56	348,127	25,787
63	371	Pumping Equipment-Ph 3	220,610	9	5.56	104,260	12,266
64	380	Treatment & Disposal Equip-Ph 1 & 2	5,073,585	14	5.56	3,808,233	282,091
65	380	Treatment & Disposal Equip-Ph 3	4,605,422	9	5.56	2,176,523	256,061
66	381	Plant Sewers-Ph 1 & 2	309,199	14	2.86	119,382	8,843
67	381	Plant Sewers-Ph 3	147,061	9	2.86	35,751	4,206
68	389	Other Plant/Misc Equip (Injection Well)-Ph 1 & 2	3,092,254	14	4.00	1,669,817	123,690
69	389	Other Plant/Misc Equip (SCADA)-Ph 1 & 2	280,000	14	4.00	151,200	11,200
70	389	Other Plant/Misc Equip (SCADA)-Ph 3	147,061	9	4.00	50,001	5,882
71		Total	\$ 43,785,558			\$ 17,356,559	\$ 1,532,166

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Calculation of Proposed Service Availability Charges, CIAC Level at Build-out of Phases 1 and II  
and Statement Regarding Proposed Service Availability Policy

Line No.	<u>Plant Cost</u>	<u>Plant Capacity (ERC's)</u>	<u>Total Cost per ERC</u>	<u>Proposed Capacity Charge per ERC</u>
1	<u>Calculation of proposed system capacity charge</u>			
2				
3	\$ 20,378,328	2,462	8,277	\$ 900
4	<u>3,092,254</u>	5,231	<u>591</u>	<u>600</u>
5	<u>\$ 23,470,582</u>		<u>\$ 8,868</u>	<u>\$ 1,500</u>
6	<u>CIAC Level at Build-out</u>			
7				\$ 43,785,558
8				(4,520,484)
9				<u>(17,356,559)</u>
10				<u>21,908,515</u>
11				24,474,976
12				<u>(6,859,747)</u>
13				<u>17,615,229</u>
14				<u>\$ 4,293,286</u>
15				80.40%
16				<u>19.60%</u>
17				<u>100.00%</u>
18	<u>Statement Regarding Proposed Service Availability Policy</u>			
19	The Company proposes a service availability policy based on a plant capacity charge as well as developer			
20	contribution of the on-site transmission and distribution mains. This policy is designed to generally comply with			
21	the CIAC Guideline Levels in Rule 25-30.580.			

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
CIAC , Accumulated Amortization of CIAC and Annual Amortization  
When Operating at the Designed Capacity of Phases I and II

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization
1	1	System Capacity Charge - plant	200	\$ 1,500	\$ 300,000	4.42%	13.5	\$ 179,010	
2		Contributed On-site Property			9,309,938	2.43%	13.5	3,054,125	
3	2	System Capacity Charge - plant	200	1,500	300,000	4.42%	12.5	165,750	
4		Contributed On-site Property		-	2,068,875	2.43%	12.5	628,421	
5	3	System Capacity Charge - plant	200	1,500	300,000	4.42%	11.5	152,490	
6		Contributed On-site Property		-	2,068,874	2.43%	11.5	578,147	
7	4	System Capacity Charge - plant	200	1,500	300,000	4.42%	10.5	139,230	
8		Contributed On-site Property		-	2,068,875	2.43%	10.5	527,873	
9	5	System Capacity Charge - plant	200	1,500	300,000	4.42%	9.5	125,970	
10		Contributed On-site Property		-	1,034,438	2.43%	9.5	238,800	
11	6	System Capacity Charge - plant	200	1,500	300,000	4.42%	8.5	112,710	
12		Contributed On-site Property		-	1,034,437	2.43%	8.5	213,663	
13	7	System Capacity Charge - plant	200	1,500	300,000	4.42%	7.5	99,450	
14		Contributed On-site Property		-	517,219	2.43%	7.5	94,263	
15	8	System Capacity Charge - plant	200	1,500	300,000	4.42%	6.5	86,190	
16		Contributed On-site Property		-	517,219	2.43%	6.5	81,695	
17	9	System Capacity Charge - plant	200	1,500	300,000	4.42%	5.5	72,930	
18		Contributed On-site Property		-	517,218	2.43%	5.5	69,126	
19	10	System Capacity Charge - plant	200	1,500	300,000	4.42%	4.5	59,670	
20		Contributed On-site Property		-	310,332	2.43%	4.5	33,935	
21	11	System Capacity Charge - plant	200	1,500	300,000	4.42%	3.5	46,410	
22		Contributed On-site Property		-	206,888	2.43%	3.5	17,596	
23	12	System Capacity Charge - plant	200	1,500	300,000	4.42%	2.5	33,150	
24		Contributed On-site Property		-	206,887	2.43%	2.5	12,568	
25	13	System Capacity Charge - plant	200	1,500	300,000	4.42%	1.5	19,890	
26		Contributed On-site Property		-	206,888	2.43%	1.5	7,541	
27	14	System Capacity Charge - plant	200	1,500	300,000	4.42%	0.5	6,630	
28		Contributed On-site Property		-	206,888	2.43%	0.5	2,514	
29		<b>Total</b>	<b>2,800</b>		<b>\$ 24,474,976</b>			<b>\$ 6,859,747</b>	<b>\$ 678,320</b>

30 Note (1): The composite amortization rate is calculated as follows:

	Capacity	Contributed
31		
32	Total depreciation expense	\$ 1,532,166
33	Less: Amortization Organization Costs	(1,000)
34	Less depreciation expense - contributed property	(493,505)
35	System depreciation expense	\$ 1,037,661
36	Total plant excluding contributed property & Organization	\$ 23,470,582
37	Composite capacity charge amortization rate	4.42%
	Depreciation-Contributed Force Mains	\$ 33,652
	Depreciation-Contributed Gravity Mains	387,529
	Depreciation-Contributed Lift Stations	72,324
	Contributed System depreciation expense	\$ 493,505
	Total Contributed Plant	\$ 20,274,976
	Composite contributed plant amortization rate	2.43%

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Constructed Statement of Operations  
When Operating at the Designed Capacity of Phases I and II

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		\$ 1,730,221 (A)	\$ 1,730,221	
2	Operating Expenses:				
3	O&M expense	\$ 375,772		375,772	F-9
4	Depreciation	1,532,166	(485,607) (C)	1,046,559	F-5
5	Amortization of CIAC	(678,320)		(678,320)	F-7
6	Taxes other than income	556,718	(15,818) (B)	540,900	F-10
7		<u>1,786,336</u>	<u>(501,425)</u>	<u>1,284,911</u>	
8	Operating Income (loss)	<u>\$ (1,786,336)</u>	<u>\$ 2,231,646</u>	<u>\$ 445,310</u>	
9	Rate Base	<u>\$ 4,340,258</u>		<u>\$ 4,340,258</u>	F-1
10	Rate of Return	<u>-41.16%</u>		<u>10.26%</u>	A-2
11	Proforma Adjustments:				
12	(A) Total revenue requested to realize a 10.26% rate of return			<u>\$ 1,730,221</u>	
13	(B) <u>Taxes Other than Income</u>				
14	<u>Regulatory assessment fees (RAF's):</u>				
15	Total revenue requested			\$ 1,730,221	
16	RAF rate			<u>4.50%</u>	
17	Regulatory Assessment Fees			<u>\$ 77,860</u>	
18	<u>Property Taxes</u>				
19	Net future phase costs per F-2.			4,520,484	
20	Millage rate			<u>2.0723%</u>	
21	Reduction in property tax for future phase costs			<u>(93,678)</u>	
22	Total Taxes Other than Income adjustment			<u>\$ (15,818)</u>	
23	(C) <u>Depreciation</u>				
24	Net future phase costs per F-2.			<u>\$ 6,594,676</u>	
25	Annual future depreciation expense per F-2			<u>\$ 485,607</u>	

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Detail of Proforma O&M Expenses and  
Engineer's Estimate of Plant Operating Expenses  
When Operating at the Designed Capacity of Phases I and II

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	701	Salaries & Wages (1)	\$ 125,216
2	711	Sludge Removal (1)	5,000
3	715	Purchased Power (1)	24,800
4	718	Chemicals (1)	4,000
5		Contractual Services:	
6	731	Engineering (1)	20,000
7	732	Outside Accounting - Annual Report, RAF Return, Index	
8		Adjustments, and Tax Returns	8,000
9	733	Legal	3,000
10	734	Testing (1)	12,000
11	735	Management Fees (Accounting, Customer Accounts,	
12		Billing, Management)	30,000
13	736	Plant Maintenance	20,000
14	741	Rental of Building/Real property (1)	108,756
15	755	Insurance - Property, Casualty & Liability	10,000
16	775	Miscellaneous	<u>5,000</u>
17		Total estimated O&M expense	<u>\$ 375,772</u>
18		(1) Per engineering estimate of Johnson Engineering. Other costs were estimated by	
19		Cronin, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for	
20		similar sized utilities.	



Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Projected Taxes Other Than Income Taxes

Line No.	Description	Cost	Millage Rate	Projected Tax
1	<u>Tangible Personal Property (Excluding Organization)</u>			
2	Total projected cost	\$ 43,745,558		
3	Accumulated depreciation when operating at the			
4	designed capacity of Phases I & II	<u>(17,343,059)</u>		
5	Estimated taxable value	<u>\$ 26,402,499</u>	2.07230%	\$ 547,139
6	<u>Payroll Taxes</u>			
7	Total Salaries & Wages	<u>\$ 125,216</u>	7.65%	<u>9,579</u>
8	Total Taxes other than income			<u>\$ 556,718</u>

Silver Lake Utilities, Inc.  
Original Certificate Application  
Muse Village Wastewater System  
Rate Computation

Line No.		Total	Percent Allocation		Rate Component	
			BFC	Gallorage	BFC	Gallorage
1	<u>Operation &amp; Maintenance (O&amp;M):</u>					
2	Salaries & Wages	125,216	50.00%	50.00%	62,608	62,608
3	Sludge Removal	5,000	50.00%	50.00%	2,500	2,500
4	Purchased Power	24,800	50.00%	50.00%	12,400	12,400
5	Chemicals	4,000	50.00%	50.00%	2,000	2,000
6	Contractual Services:					
7	Engineering	20,000	50.00%	50.00%	10,000	10,000
8	Outside Accounting - Annual Report, RAF Return, Index					
9	Adjustments & Tax Returns	8,000	50.00%	50.00%	4,000	4,000
10	Legal	3,000	50.00%	50.00%	1,500	1,500
11	Testing	12,000	50.00%	50.00%	6,000	6,000
12	Management Fees (Accounting, Customer Accounts,					
13	Billing, Management)	30,000	50.00%	50.00%	15,000	15,000
14	Plant Maintenance	20,000	50.00%	50.00%	10,000	10,000
15	Rental of Building/Real property	108,756	50.00%	50.00%	54,378	54,378
16	Insurance - Property, Casualty & Liability	10,000	50.00%	50.00%	5,000	5,000
17	Miscellaneous	<u>5,000</u>	50.00%	50.00%	2,500	2,500
20	Total Estimated O&M Expenses	<u>375,772</u>				
21	Depreciation Expense - Net	<u>368,239</u>	50.00%	50.00%	184,120	184,120
22	<u>Taxes Other than Income:</u>					
23	Real estate & property taxes	453,461	50.00%	50.00%	226,731	226,731
24	Payroll Taxes	9,579	50.00%	50.00%	4,790	4,790
25	Regulatory Assessment Fees	<u>77,860</u>	50.00%	50.00%	38,930	38,930
26		<u>540,900</u>				
27	Operating Income	<u>445,310</u>	25.00%	75.00%	<u>111,328</u>	<u>333,983</u>
28	Total revenue requested	1,730,221			753,783	976,438
29	Reuse Revenue: Gallons	102,784				
30	Rate \$	<u>0.05</u>		100.00%	<u>-</u>	<u>(5,139)</u>
31	Total revenue for rates	<u>\$ 1,725,082</u>			<u>\$ 753,783</u>	<u>\$ 971,299</u>
32	No. of ERC's at build-out level of operation				2,462	2,462
33	No of months				<u>12</u>	
34	Annual No. of monthly ERC's / average daily demand per ERC (gpd)				29,544	<u>250</u>
35	Daily average usage at 250 gpd					615,500
36	Days in year					<u>365</u>
37	Estimated annual gallons sold - thousands					<u>224,658</u>
38	Residential gallons					211,766
39	General Service gallons					<u>12,892</u>
40	Total Gallons					<u>224,658</u>
41	Factored Gallons for rate differential:					
42	Residential @ 80%					169,413
43	General Service @ 94%					<u>12,118</u>
44	Total factored gallons					<u>181,531</u>
45	Rates - Base Facility Charge / Factored gallonage Charge per 1,000 Gallons				<u>\$ 25.51</u>	<u>\$ 5.35</u>
46	Residential gallonage rate @ 80% of factored gallonage rate					<u>\$ 4.28</u>
47	General service gallonage rate @ 94% of factored gallonage rate					<u>\$ 5.03</u>