

Hudson Valley Research Park Water-Works Corp.

Income Statement and Revenue Requirement

		2020*
1	Annual Operating Revenue	\$3,926,104
	O & M Expense Summary	
2	Certified Operator	\$22,126
3	Technician & Engr. Labor	150,114
4	Materials & Supplies	44,000
5	Office Expenses	
6	Rent	
7	Power Purchases	16,531
8	Purification Chemicals	
9	Transportation	
10	Bookkeeping	
11	Billing & Meter Reading	
12	Insurance	
13	Repairs & Maintenance	106,000
14	Accounting	
15	Professional Fees	50,000
16	Water Testing Expenses	10,000
17	Rate Case Expenses	
18	Water Supply	2,536,168
20	Total O&M Expenses (Lines 2 through 19)	\$2,934,939
21	Amortizations	
22	Depreciation	207,991
23	Property Taxes	
24	Revenue Taxes	
25	Total Operating Taxes	0
26	Federal Income Tax	
27	Total Deductions (Lines 20 through 26)	\$3,142,930
28	Net Operating Income (Line 1 - Line 27)	\$783,174
29	Rate Base	\$8,596,217
30	Pre Tax Rate of Return (Line 28/29)	9%

* Actual allocated expenses and pro forma Rate Base.

Hudson Valley Research Park Water-Works Corp. Rate Base and Depreciation

Date Facilities Dedicated to Public Service 6/30/21

Date one-half way through first year rates will be in effect 6/30/2022

Year Installed	Description	Replacement Cost New (RCN)	Depreciation	Value of Utility Plant	Life	Annual Deprc %	Annual Depreciation Expense	Years In Service	Accumulated Depreciation
6/30/21	Land								
6/30/21	Franchise & Consent	\$20,000		\$20,000					
6/30/21	Organizational Costs (Water-Works Co)	\$10,000		\$10,000					
6/30/21	Pump House				40	2.50%	\$0	1.0	\$0
6/30/21	Buildings				40	2.50%	\$0	1.0	\$0
6/30/21	Water Tower	\$4,923,907	\$2,965,477	\$1,958,430	50	2.00%	\$98,478	1.0	\$98,478
6/30/21	2 Million Gallon Tank	\$3,058,518	\$305,852	\$2,752,666	50	2.00%	\$61,170	1.0	\$61,170
6/30/21	Hydrants/Blow Offs				60	1.67%	\$0	1.0	\$0
6/30/21	Mains and Valves	\$4,834,343	\$1,027,233	\$3,807,110	100	1.00%	\$48,343	1.0	\$48,343
6/30/21	Services				50	2.00%	\$0	1.0	\$0
6/30/21	Meters				30	3.33%	\$0	1.0	\$0
6/30/21	Power and Pumping				20	5.00%	\$0	1.0	\$0
6/30/21	Purification System				10	10.00%	\$0	1.0	\$0
6/30/21	Equipment				40	2.50%	\$0	1.0	\$0
6/30/21	Purification System Control				40	2.50%	\$0	1.0	\$0
6/30/21	Office Furniture and Equipment				5	20.00%	\$0	1.0	\$0
6/30/21	Vehicles				5	20.00%	\$0	1.0	\$0
	Total	\$12,846,768		\$8,548,206			\$207,991		\$207,991

Average Rate Base for Year Ending 12/31/2022

<u>Utility Plant in Service</u>	\$8,548,206
Less: Accumulated Depreciation	(207,991)
Net Plant	<u>\$8,340,215</u>

Allowance for Cash Working Capital (CWC)

O&M Expenses	\$2,934,939
Less: 50% of Purchased Water	(858,480)
Total Expenses for CWC Allowance	<u>\$2,076,459</u>
Monthly Billing Allowance %	
Average Service Lag	15
Lag in Collections	<u>30</u>
Total	45
% Allowance for CWC: ((30/2) + 30)/365	12.33%
Cash Working Capital Allowance From O&M	\$256,002

	<u>\$256,002</u>
Total Rate Base	\$8,596,217