

Appendix B

Projects Deemed Imprudent - Rate Base Calculations

Capital Projects - Deemed Imprudent	Tariff	Original Cost	Annual Deprec.	Ending Accum. Depr.	Rate Base	Source of Amounts
Project 1 - Del Bay Main Replacement	Island	\$ 793,082	\$ 15,862	\$ 2,644	\$ 790,438	De Villiers, Exh. SDV-17 "Prudence Adjustments" Worksheet
Project 2 - CAL Waterworks Distribution System Loop at Beachwood Drive	Island	\$ 6,310	\$ 126	\$ 158	\$ 6,152	De Villiers, Exh. SDV-17 "Prudence Adjustments" Worksheet
Project 3 - CAL Waterworks Pumphouse/Reservoir	Island	\$ 1,089,519	\$ 30,797	\$ 9,632	\$ 1,079,888	Exh. MJR-11T-WP1, "Inputs", resulting variance when "ex" entered in cell B85
Project 4 - W&B Waterworks - Main Replacement and PRV - Mutiny Ln	Island	\$ 178,655	\$ 3,573	\$ 5,360	\$ 173,295	De Villiers, Exh. SDV-17 "Prudence Adjustments" Worksheet
Project 5 - W&B Waterworks - Mutiny Bay RD PRV	Island	\$ 146,837	\$ 5,873	\$ 1,999	\$ 144,838	De Villiers, Exh. SDV-17 "Prudence Adjustments" Worksheet
Project 6 - Rolf Bruun Disinfection	Island	\$ 133,997	\$ 6,771	\$ 3,362	\$ 130,635	Exh. MJR-11T-WP1, "Inputs" Rows 873, 1156-1174
Project 8 - W&B Reservoir, Pumphouse, Trement, Main Replacement	Island	\$ 1,571,479	\$ 31,430	\$ 15,715	\$ 1,555,764	Exh. MJR-11T-WP1, "Inputs", resulting variance when "ex" entered in cell B87
Project 9 - Seaview Source Development	Island	\$ 157,580	\$ 6,303	\$ 3,323	\$ 154,257	De Villiers, Exh. SDV-17 "Prudence Adjustments" Worksheet
Project 12 - Generators (Island Portion)	Island	\$ 245,351	\$ 16,357	\$ 2,877	\$ 242,474	Exh. MJR-11T-WP1, "Inputs", resulting variance when "ex" entered in cell B88
Project 13 - SCADA (Island Portion)	Island	\$ 95,053	\$ 9,472	\$ 17,089	\$ 77,964	Exh. MJR-11T-WP1, "Inputs", resulting variance when "ex" entered in cell B89
		\$ 4,417,864		\$ 62,158	\$ 4,355,706	Rate Base Deemed Imprudent - Sum of amounts above
				Net Pro Forma Rate Base - Island	\$ 6,181,569	Exh. MJR-11T-WP1, "PFIS" cell I59
				Prudent Rate Base - Island	\$ 1,825,863	
Project 7 - Estates Reservoir	Peninsula	\$ 1,550,572	\$ 31,214	\$ 15,775	\$ 1,534,796	Exh. MJR-11T-WP2, "Inputs", resulting variance when "ex" entered in cell B86
Project 10 - Diamond Point Chlorination	Peninsula	\$ 140,000	\$ 7,000	\$ 3,500	\$ 136,500	Exh. MJR-11T-WP2, "Inputs" Row 1196
Project 11 - Agate West Chlorination	Peninsula	\$ 110,000	\$ 5,500	\$ 2,750	\$ 107,250	Exh. MJR-11T-WP2, "Inputs" Row 1197
Project 12 Generators (Peninsula Portion)	Peninsula	\$ 287,477	\$ 19,165	\$ 12,012	\$ 275,464	Exh. MJR-11T-WP2, "Inputs", resulting variance when "ex" entered in cell B88
Project 13 SCADA (Peninsula Portion)	Peninsula	\$ 124,121	\$ 12,373	\$ 21,874	\$ 102,247	Exh. MJR-11T-WP2, "Inputs", resulting variance when "ex" entered in cell B89
		\$ 2,212,170		\$ 55,912	\$ 2,156,258	Rate Base Deemed Imprudent - Sum of amounts above
				Net Pro Forma Rate Base - Peninsula	\$ 3,529,679	Exh. MJR-11T-WP2, "PFIS" cell I59
				Prudent Rate Base - Peninsula	\$ 1,373,421	
Project 13 SCADA (Pelican Point Portion)	Pelican Point	\$ 24,030	\$ 2,080	\$ 4,187	\$ 19,843	De Villiers, Exh. SDV-17 "Prudence Adjustments" Worksheet
				Net Pro Forma Rate Base - Pelican Point	\$ 803,556	Exh. MJR-11T-WP3, "PFIS" cell I59
				Prudent Rate Base - Pelican Point	\$ 783,713	

Note: The Company's workpapers served as the primary source of the values shown above and were derived by inputting "ex" in the formula box located in Exh. MJR-11T-WP1 and MJR11T-WP2 for each project individually and comparing the results to the original amounts. This function, which served to identify the individual asset entries to their respective Capital Projects, was not available for all capital projects deemed imprudent, so the Commission used the analysis provided by Public Counsel in Exh. SDV-17 in the "Prudence Adjustments" worksheet to determine the disallowance for certain other projects. In instances where neither process was available, the Commission sourced the amounts directly from the Company workpapers (cited above). Because the record is insufficient to effectuate an adjustment to the meter installations made since the Company's last rate case, that adjustment is not contained here and is to be made by the Company in its compliance filing.