

Appendix E
Peninsula Systems - Results of Operations

	Company End of Year	Commission Adjustments	Restating Adjustments	Pro Forma Adjustments	Pro Forma Results	Revised Revenue	Results
Revenues	1,051,471				1,051,471	341,441	1,392,912
Salary and Wages - Employees	274,676	(21,451)		112,697	365,921		365,921
Salary and Wages - Officers	-				-		-
Employee Pensions and Benefits	31,401				31,401		31,401
Purchased Power/Water	42,456				42,456		42,456
Chemicals & Testing	16,412				16,412		16,412
Material & Supplies	4,781				4,781		4,781
Contractual Engineer	2,307				2,307		2,307
Contractual Accounting	9,838				9,838		9,838
Contractual Legal	-				-		-
Contractual Operations	-				-		-
Jobbing	-				-		-
Rental of Building, Property, and Equipment	4,981				4,981		4,981
Transportation	28,262				28,262		28,262
Insurance - Vehicle, General Liability	27,589				27,589		27,589
Regulatory Commission Expenses - Fees	1,016	(156)		3,345	4,206	1,366	5,572
Regulatory Commission Expenses - Amort. Rate Case	41,694				41,694		41,694
Travel, Education, CCR, and Public Relations	17,975	(437)			17,538		17,538
Office, Postage, Phone, and Bank Charges	50,963	(2,065)			48,898		48,898
Bad Debt	3,111		2,147		5,257	1,707	6,965
Repairs	45,524				45,524		45,524
Net Depreciation/Amortization	164,017			57,161	221,178		221,178
Utility Excise Tax	-		52,878		52,878	17,171	70,050
Property Tax	27,561				27,561		27,561
Payroll Tax (ESD, L&I, Workman's Comp)	29,105				29,105		29,105
Other Licenses (DOH, DOE, County or City)	4,370	(374)		8,396	12,392		12,392
Miscellaneous (Shared Services, Lab, and Tech)	137,403				137,403		137,403
OPERATING EXPENSES	965,440	(24,483)	55,025	181,599	1,177,582	20,244	1,197,826
Operating Income Before Interest & Taxes	86,030				(126,111)		195,086
Interest Expense	49,099			57,497	106,596		106,596
Fed Income Tax - 21%			7,755	(56,624)	(48,869)	67,451	18,583
TOTAL OPERATING EXPENSE	1,014,540				1,235,309		1,323,005
NET INCOME (LOSS)	36,931				(183,839)		69,907
NET OPERATING INCOME	86,030				(77,242)		176,503
Utility Plant in Service (UPIS)	4,345,758			1,909,750	6,255,509		6,255,509
Accumulated Depreciation	(2,483,404)			(28,581)	(2,511,984)		(2,511,984)
Deferred Taxes	22,701				22,701		22,701
Contributions In Aid of Construction (CIAC) Plant in Service	(281,798)				(281,798)		(281,798)
Accumulated Amortization	45,252				45,252		45,252
NET RATE BASE	1,648,510				3,529,679		3,529,679
Rate of return	5.22%				-2.19%		5.00%
Net Plant	1,862,355				3,743,524		3,743,524
Net CIAC	(236,546)				(236,546)		(236,546)
Net Rate Base (min. Def. Tax.)	1,625,808				3,506,978		3,506,978