Restating and Pro Forma Adjustment Work Sheet

Restating Adjustments - PFIS

1) Line 5 – Remove non-regulated revenue of $676.

2) Line 32 – Net Depreciation/Amortization - Produced by Workbook per Accounting Firm - Appears primarily due to difference in asset lives.

3) Line 33 – Utility Excise Tax - Produced by Workbook per Accounting Firm - Difference between excise tax actually paid and Workbook calculation: still under review.

4) Line 49 – Accumulated Depreciation - Produced by Workbook per Accounting Firm - Appears primarily due to difference in asset lives.

5) Line 52 – CIAC Accumulated Amortization - Produced by Workbook per Accounting Firm - Appears primarily due to difference in asset lives.

Pro Forma Adjustments – PFIS

1) Line 13 – Wage Increase - $38/hour in 2017 increased to $40/hour in 2018.

2) Line 18 – Contractual engineering – Estimate from NW Water Solutions for Water System

Plant Update ($5,650) and DOH required Coliform Monitoring Plan ($1,200) using a 6 year amortization, plus DOH requested Capacity Analysis ($3,600) (expensed).

3) Line 27 – Rate Case Expense – Estimated as follows: $10,000 legal plus $5,000 accounting plus $6,000 above normal activity for Burton = $21,000/3 year amortization = $7,000.

4) Line 32 – Net Dep/Amortization (related to Pro Forma Number 2).

5) Line 35 – Payroll taxes (related to Pro Forma Number 1).

6) Line 36 – Other taxes – King County Rent - $27,429 – Information previously provided.

7) Line 48 – Utility Plant in Service – Estimate of additions per Accounting Firm.