

| Line No. | Description | Reference | Base Period | | | Adjustments to Reflect Requested Return | Test Period Total |
|----------|--|--------------------|-----------------|-------------------------|-----------------|---|-------------------|
| | | | Not Normalized | Normalizing Adjustments | Normalized | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| | | | \$ | \$ | \$ | \$ | \$ |
| 1 | Operating Income before Income Taxes | Stmt M, Sch 1 | \$ 34,978,548 | \$ (9,611,175) | \$ 25,367,373 | \$ 30,827,340 | \$ 56,194,713 |
| 2 | Less Interest Expense | Line 63 | \$ (10,866,498) | \$ (5,981,267) | \$ (16,847,765) | \$ - | \$ (16,847,765) |
| 3 | | | | | | | |
| 4 | Subtotal before Tax Adjustments | | \$ 24,112,050 | \$ (15,592,442) | \$ 8,519,608 | \$ 30,827,340 | \$ 39,346,948 |
| 5 | | | | | | | |
| 6 | <u>Tax Adjustments - Permanent Differences</u> | | | | | | |
| 7 | Lobbying Expenses | | \$ 39,402 | \$ (39,402) | \$ - | \$ - | \$ - |
| 8 | Meals & Entertainment | | \$ 5,800 | \$ 106,945 | \$ 112,745 | \$ - | \$ 112,745 |
| 9 | Officers Life Insurance | | \$ 3,700 | \$ - | \$ 3,700 | \$ - | \$ 3,700 |
| 10 | Excess Compensation | | \$ 111,213 | \$ (111,213) | \$ - | \$ - | \$ - |
| 11 | Restricted Stock | | \$ (98,709) | \$ 98,709 | \$ - | \$ - | \$ - |
| 12 | | | | | | | |
| 13 | Total Permanent Differences | | \$ 61,405 | \$ 55,040 | \$ 116,445 | \$ - | \$ 116,445 |
| 14 | | | | | | | |
| 15 | <u>Tax Adjustments - Temporary Differences</u> | | | | | | |
| 16 | AFUDC net of Capitalized Interest | | \$ (3,258,305) | \$ - | \$ (3,258,305) | \$ - | \$ (3,258,305) |
| 17 | Bad Debts | | \$ 17,126 | \$ - | \$ 17,126 | \$ - | \$ 17,126 |
| 18 | Bonuses & Compensation | | \$ (2,711,567) | \$ - | \$ (2,711,567) | \$ - | \$ (2,711,567) |
| 19 | Capitalized Overheads | | \$ 11,801,881 | \$ (11,801,881) | \$ - | \$ - | \$ - |
| 20 | Contributions in Aid of Construction | | \$ 180,842 | \$ - | \$ 180,842 | \$ - | \$ 180,842 |
| 21 | Deferred Interest | | \$ 2,754 | \$ - | \$ 2,754 | \$ - | \$ 2,754 |
| 22 | Deferred Power Costs | | \$ 8,534,407 | \$ - | \$ 8,534,407 | \$ - | \$ 8,534,407 |
| 23 | Deferred Revenue | | \$ (2,898,298) | \$ - | \$ (2,898,298) | \$ - | \$ (2,898,298) |
| 24 | Environmental Liability | | \$ (775,925) | \$ - | \$ (775,925) | \$ - | \$ (775,925) |
| 25 | FAS 106 & 112 Liability | | \$ 64,196 | \$ - | \$ 64,196 | \$ - | \$ 64,196 |
| 26 | Future SISP | | \$ (666,749) | \$ - | \$ (666,749) | \$ - | \$ (666,749) |
| 27 | Injuries & Damages | | \$ (51,844) | \$ - | \$ (51,844) | \$ - | \$ (51,844) |
| 28 | Insurance-LTD-Self Insured | | \$ (22) | \$ - | \$ (22) | \$ - | \$ (22) |
| 29 | Loss on Recquired Debt | | \$ 8,605 | \$ - | \$ 8,605 | \$ - | \$ 8,605 |
| 30 | Meters | | \$ (39,768) | \$ - | \$ (39,768) | \$ - | \$ (39,768) |
| 31 | Miscellaneous | | \$ 637,354 | \$ - | \$ 637,354 | \$ - | \$ 637,354 |
| 32 | Non-Qualified Retirement Comp & Benefits | | \$ 1,542,863 | \$ - | \$ 1,542,863 | \$ - | \$ 1,542,863 |
| 33 | Partnership Income/(Loss) | | \$ (3,367) | \$ - | \$ (3,367) | \$ - | \$ (3,367) |
| 34 | Pension Liability | | \$ 639,289 | \$ - | \$ 639,289 | \$ - | \$ 639,289 |
| 35 | Property Taxes | | \$ 239,132 | \$ - | \$ 239,132 | \$ - | \$ 239,132 |
| 36 | Regulatory Asset-Field Inventory | | \$ 52,151 | \$ - | \$ 52,151 | \$ - | \$ 52,151 |
| 37 | Regulatory Asset-Pension | | \$ (1,029,774) | \$ - | \$ (1,029,774) | \$ - | \$ (1,029,774) |
| 38 | Removal Costs net of Salvage | | \$ (1,770,649) | \$ (545,409) | \$ (2,316,058) | \$ - | \$ (2,316,058) |
| 39 | Repairs | | \$ (11,608,146) | \$ - | \$ (11,608,146) | \$ - | \$ (11,608,146) |
| 40 | Restricted Stock-Deferred | | \$ 55,348 | \$ - | \$ 55,348 | \$ - | \$ 55,348 |
| 41 | Retirements | | \$ 363,521 | \$ - | \$ 363,521 | \$ - | \$ 363,521 |
| 42 | Research & Experimental Expenses | | \$ 215,784 | \$ - | \$ 215,784 | \$ - | \$ 215,784 |
| 43 | Accelerated Tax Depreciation - Flow Thru | Stmt K-2, Ln 5 | \$ (1,191,356) | \$ 3,860,811 | \$ 2,669,455 | \$ - | \$ 2,669,455 |
| 44 | Accelerated Tax Depreciation - Deferred | Stmt K-2, Ln 12 | \$ (8,381,529) | \$ 6,980,304 | \$ (1,401,225) | \$ - | \$ (1,401,225) |
| 45 | ASC 740 Repairs/Depreciation | | \$ (20,651) | \$ - | \$ (20,651) | \$ - | \$ (20,651) |
| 46 | Vacation Pay | | \$ 4,631 | \$ - | \$ 4,631 | \$ - | \$ 4,631 |
| 47 | | | | | | | |
| 48 | Total Temporary Differences | | \$ (10,048,065) | \$ (1,506,175) | \$ (11,554,240) | \$ - | \$ (11,554,240) |
| 49 | | | | | | | |
| 50 | Taxable Income / (NOL) | | \$ 14,125,391 | \$ (17,043,577) | \$ (2,918,187) | \$ 30,827,340 | \$ 27,909,153 |
| 51 | Net Operating Loss Carryforward | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 52 | | | | | | | |
| 53 | Taxable Income | | \$ 14,125,391 | \$ (17,043,577) | \$ (2,918,187) | \$ 30,827,340 | \$ 27,909,153 |
| 54 | Federal Tax Rate | | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 55 | | | | | | | |
| 56 | Federal Income Tax - Current before Credits/Adjmts | | \$ 2,966,332 | \$ (3,579,151) | \$ (612,819) | \$ 6,473,741 | \$ 5,860,922 |
| 57 | | | | | | | |
| 58 | <u>Tax Credits/Adjustments</u> | | | | | | |
| 59 | R & D Tax Credit | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 60 | Production Tax Credit | | \$ (8,663,153) | \$ - | \$ (8,663,153) | \$ - | \$ (8,663,153) |
| 61 | Production Tax Deferred | | \$ 6,815,071 | \$ - | \$ 6,815,071 | \$ - | \$ 6,815,071 |
| 62 | Prior Year True-Up Adjustments | | \$ 1,802,057 | \$ (1,802,057) | \$ - | \$ - | \$ - |
| 63 | | | | | | | |
| 64 | Total Credits/Adjustments | | \$ (46,025) | \$ (1,802,057) | \$ (1,848,082) | \$ - | \$ (1,848,082) |
| 65 | | | | | | | |
| 66 | Federal Income Tax - Current after Credits/Adjmts | | \$ 2,920,307 | \$ (5,381,208) | \$ (2,460,901) | \$ 6,473,741 | \$ 4,012,840 |
| 67 | | | | | | | |
| 68 | <u>Deferred Income Tax</u> | | | | | | |
| 69 | Deferred Income Tax on Adjustments and Credits | | \$ (10,255,765) | \$ 2,814,588 | \$ (7,441,177) | \$ - | \$ (7,441,177) |
| 70 | Investment Tax Credit Amortization | | \$ (39) | \$ - | \$ (39) | \$ - | \$ (39) |
| 71 | TCJA EDIT PLANT | | \$ (681,736) | \$ 245,406 | \$ (436,330) | \$ - | \$ (436,330) |
| 72 | TCJA EDIT NOL | | \$ 138,139 | \$ - | \$ 138,139 | \$ - | \$ 138,139 |
| 73 | TCJA EDIT UNPROTECTED NON PLANT | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 74 | REMOVAL AMORTIZATION | | \$ - | \$ 560,462 | \$ 560,462 | \$ - | \$ 560,462 |
| 75 | Prior Year True-Up Adjustments | | \$ 175,311 | \$ (175,311) | \$ - | \$ - | \$ - |
| 76 | | | | | | | |
| 77 | Total Deferred Income Tax | | \$ (10,624,090) | \$ 3,445,145 | \$ (7,178,946) | \$ - | \$ (7,178,946) |
| 78 | | | | | | | |
| 79 | Total Federal Income Tax - Operating | | \$ (7,703,783) | \$ (1,936,064) | \$ (9,639,847) | \$ 6,473,741 | \$ (3,166,106) |
| 80 | | | | | | | |
| 81 | | | | | | | |
| 82 | <u>Computation of Interest Expense</u> | | | | | | |
| 83 | | | | | | | |
| 84 | Net Rate Base | Stmt M, Sch 9, L21 | \$ 755,965,209 | \$ 31,313,543 | \$ 787,278,751 | \$ - | \$ 787,278,751 |
| 85 | Interest Component of Cost of Capital | Stmt G, Pg1, Ln 1 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 86 | | | | | | | |
| 87 | Interest Expense | | \$ 10,866,498 | \$ 5,981,267 | \$ 16,847,765 | \$ - | \$ 16,847,765 |