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January 17, 2020

VIA HAND DELIVERY

Honorable Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pa. Public Utility Commission v. Twin lakes Utilities Inc.
Docket No. R-2019-3010958
MAIN-BRIEF- ADDENDUM- Judge Guhl's Requested Financial
Information Template**

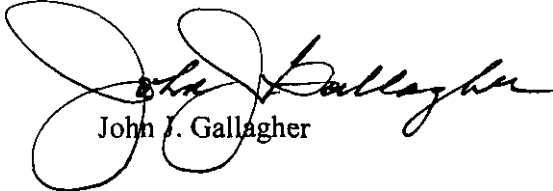
Dear Secretary Chiavetta:

On behalf of the Twin Lakes Utilities, Inc. ("Twin Lakes") please find enclosed a copy of Twin Lakes Financial Information Template which should be made part of Twin Lakes Main Brief which was filed on January 7, 2020.

If you have any questions concerning this filing, please contact me at your convenience.

Copies of this document has been served on the parties listed in the attached Certificate of Service.

Sincerely,



John J. Gallagher

cc: Certificate of Service
Mr. Jay Kooper, Esq.
Mr. A. Bruce O'Connor

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TABLE I
Company Name
INCOME SUMMARY
R-2019-3010958

	Pro Forma Present Rates (1) \$	Company Adjustments (1) \$	Pro Forma Present Rates (Revised) (1) \$	ALJ Adjustments \$	ALJ Pro Forma Present Rates \$	ALJ Revenue Increase \$	Total Allowable Revenues \$
Operating Revenue	133,514	0	133,514	0	133,514	211,794	345,308
Expenses:							
O & M Expense	107,030	56,725	163,755	0	163,755	0	163,755
Depreciation	30,368	766	31,134	0	31,134	0	31,134
Taxes, Other	2,178	0	2,178	0	2,178	0	2,178
Income Taxes:							
State	(7,696)	(3,225)	(10,921)	0	(10,921)	21,158	10,237
Federal	(24,281)	3,617	(20,664)	0	(20,664)	40,033	19,369
Total Expenses	107,601	57,882	165,482	0	165,482	61,191	226,673
Net Inc. Available for Return	25,914	(57,882)	(31,968)	0	(31,968)	149,662	117,694
Rate Base	1,285,777	21,933	1,307,710	0	1,307,710		1,307,710
Rate of Return	2.02%		-2.44%				9.00000000%

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TABLE I(A)
 Company Name
 RATE OF RETURN
 R-2019-3010958

	<u>Structure</u>	<u>Cost</u>	<u>After-Tax Weighted Cost</u>	<u>Effective Tax Rate Complement</u>	<u>Pre-Tax Weighted Cost Rate</u>
Total Cost of Debt			3.50000000%		
Long-term Debt	50.00%	7.00%	3.50000000%		3.50%
Short-term Debt	0.00%	0.00%	0.00000000%		
Preferred Stock	0.00%	0.00%	0.00000000%	0.711079	0.00%
Common Equity	<u>50.00%</u>	11.00%	<u>5.50000000%</u>	0.711079	<u>7.73%</u>
	<u>100.00%</u>		<u>9.00000000%</u>		<u>11.23%</u>
Pre-Tax Interest Coverage	3.21				
After-Tax Interest Coverage	2.57				

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TABLE I(B)
Company Name
REVENUE FACTOR
R-2019-3010958

100%	<u>1.00000000</u>
Less:	
Uncollectible Accounts Factor (*)	0.00000000
PUC, OCA, OSBA Assessment Factors (*)	0.00624192
Gross Receipts Tax	0.00000000
Other Tax Factors	<u>0.00000000</u>
	0.99375808
State Income Tax Rate (*)	<u>0.09990000</u>
Effective State Income Tax Rate	<u>0.09927643</u>
Factor After Local and State Taxes	0.89448165
Federal Income Tax Rate (*)	<u>0.21000000</u>
Effective Federal Income Tax Rate	<u>0.18784115</u>
Revenue Factor (100% - Effective Tax Rates)	<u><u>0.70664050</u></u>

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TABLE III
Company Name
INTEREST SYNCHRONIZATION
R-2019-3010958

	Amount \$
Company Rate Base Claim	1,307,710
ALJ Rate Base Adjustments	<u>0</u>
ALJ Rate Base	1,307,710
Weighted Cost of Debt	<u>3.50000000%</u>
ALJ Interest Expense	45,770
Company Claim (1)	<u>45,770</u>
Total ALJ Adjustment	0
Company Adjustment	<u>0</u>
Net ALJ Interest Adjustment	0
State Income Tax Rate	<u>9.99%</u>
State Income Tax Adjustment	<u>0</u>
Net ALJ Interest Adjustment	0
State Income Tax Adjustment	<u>0</u>
Net ALJ Adjustment for F.I.T.	0
Federal Income Tax Rate	<u>21.00%</u>
Federal Income Tax Adjustment	<u><u>0</u></u>

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TABLE IV
Company Name
CASH WORKING CAPITAL - Interest and Dividends
R-2019-3010958

Accrued Interest	Long-Term Debt Short-Term Debt		Preferred Stock Dividends	
Company Rate Base Claim	\$1,307,710	\$1,307,710	Company Rate Base Claim	\$1,307,710
ALJ Rate Base Adjustments	<u>\$0</u>	<u>\$0</u>	ALJ Rate Base Adjustments	<u>\$0</u>
ALJ Rate Base	\$1,307,710	\$1,307,710	ALJ Rate Base	\$1,307,710
Weighted Cost of Debt	<u>3.50000000%</u>	<u>0.00%</u>	Weighted Cost Pref. Stock	<u>0.00000000%</u>
ALJ Annual Interest Exp.	<u>\$45,770</u>	<u>\$0</u>	ALJ Preferred Dividends	<u>\$0</u>
Average Revenue Lag Days	0.0	0.0	Average Revenue Lag Days	0.0
Average Expense Lag Days	<u>0.0</u>	<u>0.0</u>	Average Expense Lag Days	<u>0.0</u>
Net Lag Days	<u>0.0</u>	<u>0.0</u>	Net Lag Days	<u>0.0</u>
Average Revenue/Expense lags days was not populated because the Company did not use a lead/lag study to develop Cash Working Capital. The Company used the 1/8 O&M Method to calculate Cash Working Capital.				
Working Capital Adjustment				
ALJ Daily Interest Exp.	\$125	\$0	ALJ Daily Dividends	\$0
Net Lag Days	<u>0.0</u>	<u>0.0</u>	Net Lag Days	<u>0.0</u>
ALJ Working Capital Company Claim (1)	<u>\$0</u>	<u> </u>	Company Claim (1)	<u> </u>
ALJ Adjustment	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Total Interest & Dividend Adj.	<u>\$0</u>			

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TABLE V
Company Name
CASH WORKING CAPITAL -TAXES
R-2019-3010958

Description	Company Proforma Tax Expense Present Rates	ALJ Adjustments	ALJ Pro forma Tax Expense Present Rates	ALJ Allowance	ALJ Adjusted Taxes at Present Rates	Daily Expense	Net Lead/Lag Days	Accrued Tax Adjustment
PUC Assessment	\$830	\$0	\$830	\$0	\$830	\$2.27	0.00	\$0
Public Utility Realty	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
Capital Stock Tax	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
	\$0	\$0	\$0		\$0	\$0.00	0.00	\$0
State Income Tax	(\$7,696)	\$0	(\$7,696)	\$21,158	\$13,462	\$36.88	0.00	\$0
Federal Income Tax	(\$24,281)	\$0	(\$24,281)	\$40,033	\$15,752	\$43.16	0.00	\$0
	<u>(\$31,147)</u>	<u>\$0</u>	<u>(\$31,147)</u>	<u>\$61,191</u>	<u>\$30,044</u>			

ALJ Allowance	0
Company Claim (1)	<u>0</u>
ALJ Adjustment	<u><u>0</u></u>

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TABLE VI
Company Name
CASH WORKING CAPITAL – O & M EXPENSE
R-2019-3010958

Description	Company Pro forma F.T.Y. Expense	ALJ	ALJ Pro forma Expenses	Lag Days	Lag Dollars
Operating Labor	\$8,023	\$0	\$8,023	0.00	\$0
Operating Supplies	\$35	\$0	\$35	0.00	\$0
Maintenance Supplies	\$9,509	\$0	\$9,509	0.00	\$0
Purchased Power	\$10,524	\$0	\$10,524	0.00	\$0
Legal	\$1,001	\$0	\$1,001	0.00	\$0
Management Fees	\$26,185	\$0	\$26,185	0.00	\$0
Testing Expense	\$8,221	\$0	\$8,221	0.00	\$0
Other Maintenance	\$15,902	\$0	\$15,902	0.00	\$0
Chemicals	\$3,003	\$0	\$3,003	0.00	\$0
Insurance	\$4,925	\$0	\$4,925	0.00	\$0
Rate Case Expense	\$57,333	\$0	\$57,333	0.00	\$0
Bad Debt Expense	\$19,095	\$0	\$19,095	0.00	\$0
Depreciation	\$31,134	\$0	\$31,134	0.00	\$0
	\$0	\$0	\$0	0.00	\$0
	\$0	\$0	\$0	0.00	\$0
	\$0	\$0	\$0	0.00	\$0
	<u>\$194,889</u>	<u>\$0</u>	<u>\$194,889</u>	<u>0.00</u>	<u>\$0</u>

ALJ Average Revenue Lag 0.0
Less: ALJ Avg. Expense Lag 0.0

Net Difference 0.0 Days
ALJ Pro forma
O & M Expense per Day \$534

ALJ CWC for O & M \$0
Less: Company Claim (1) \$17,175

ALJ Adjustment (\$17,175)

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in the manner indicated below, and in accordance with the requirements of § 1.54 (relating to service by a party).

VIA ELECTRONIC MAIL AND HAND DELIVERY

Honorable Marta Guhl
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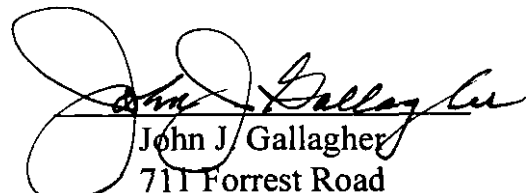
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Dated: January 17, 2020

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Lakes Utilities, Inc.

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***Honorable Rosemary Chiavetta
Secretary
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400 North Street
Harrisburg, PA 17120***