

Attachment

3. a-b

Explanation of
Percentages

NORTH MCLEAN COUNTY WATER DISTRICT

PO BOX 68, 217 HILL STREET

LIVERMORE, KY 42352

(270) 278-2800

nmcleanwater@bellsouth.net

CASE NO.

2020-00238

Question

3. a) Provide an explanation of how the across the board percentage increase method to increase monthly water rate was chosen.

Response

3. a.) North McLean County Water District filled out the ARF form Revenue Requirement Calculation- Operating Ratio Method. The Required Revenue Increase Percentage of Revenue at Present Rates calculated 12.36%. North McLean multiplied current rate of 18.44 times 12.36 equaled 2.27, then added 2.27 plus the 18.44 to equal the proposed minimum bill of 20.71. Then multiplied each rate to get the next new rate.

Question

3. b) Provide a list of alternative methods North McLean considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.

Response

3. b) No other choices for an alternative method was a choice for North McLean.