

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	<input type="text"/>
Plus: Average Annual Debt Principal and Interest Payments*	<input type="text"/>
Debt Coverage Requirement**	<input type="text"/>
Total Revenue Requirement	<hr/> <input type="text"/>
Less: Other Operating Revenue	<input type="text"/>
Non-operating Revenue	<input type="text"/>
Interest Income	<input type="text"/>
Revenue Required from Rates	<hr/> <input type="text"/>
Less: Revenue from Sales at Present Rates	<input type="text"/>
Required Revenue Increase	<hr/> <input type="text"/> <hr/>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates

* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.