

**REVENUE  
REQUIREMENTS  
CALCULATION**

FA-6

**REVENUE REQUIREMENT CALCULATION-DEBT COVERAGE METHOD**

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

|   |    |                         |
|---|----|-------------------------|
| Pro forma Operating Expenses                              | \$ | 5,477,970               |
| Plus: Average Annual Debt Principal and Interest Payments |    | 583,374                 |
| Debt Coverage Requirement (\$583,374*1.19)                |    | 692,511                 |
| Total Revenue Requirement                                 |    | <u>6,753,855</u>        |
| Less: Other Water Revenues                                |    | (188,095)               |
| Revenue Required from Rates                               |    | 6,565,760               |
| Less: Revenue from Sales at Present Rates                 |    | (4,833,323)             |
| Required Revenue Increase                                 | \$ | <u><u>1,732,437</u></u> |

Notes:

|  |    |         |
|--|----|---------|
| <b>Average Annual Debt Principal and Interest Payments</b> |    |         |
| 3 Year Average   | \$ | 583,374 |
| <b>Debt Coverage Requirement</b>                           |    |         |
| Debt Coverage  |    |         |
| KIA and Series 2008 Bonds                                  | \$ | 692,511 |
| <br>   |    |         |
| Debt Coverage Ratio  |    | 1.19    |