

SCHEDULE OF ADJUSTED OPERATIONS

SCENARIO 2

Green-Taylor Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Pro Forma</u>
<u>Operating Revenues</u>				
Total Retail Metered Sales	\$ 2,631,273	23,059	A	2,654,332
Sales for Resale	26,225	891	A	27,116
Other Water Revenues:				
Forfeited Discounts	-	41,876	B	41,876
Misc. Service Revenues	98,316			98,316
Other Water Revenues	<u>41,876</u>	<u>(41,876)</u>	B	<u>-</u>
Total Operating Revenues	\$ 2,797,690			\$ 2,821,639

Operating Expenses

Operation and Maintenance				
Salaries and Wages - Employees	502,617	(18,200)	C	
		(18,154)	D	
		(19,620)	E	446,643
Salaries and Wages - Officers	-	18,200	C	18,200
Employee Pensions and Benefits	433,030	(25,592)	F	
		(5,059)	G	
		(126,993)	H	
		(34,810)	I	240,576
Purchased Water	900,650	(66,815)	J	
		18,937	J	852,772
Purchased Power	78,273			78,273
Materials and Supplies	171,622	(45,780)	E	125,842
Contractual Services	65,730			65,730
Transportation Expenses	38,755			38,755
Insurance	39,484			39,484
Advertising	290			290
Bad Debt	4,462			4,462
Miscellaneous Expenses	<u>59,413</u>			<u>59,413</u>
Total Operation and Mnt. Expenses	2,294,326			1,970,440
Depreciation Expense	362,609	(5,789)	K	356,820
Taxes Other Than Income	<u>47,844</u>	<u>(1,389)</u>	D	<u>46,455</u>
Total Operating Expenses	\$ 2,704,779			\$ 2,373,715
Net Utility Operating Income	\$ 92,911			\$ 447,924

REVENUE REQUIREMENTS

Pro Forma Operating Expenses				\$ 2,373,715
Plus: Avg. Annual Principal and Interest Payments			L	415,108
Additional Working Capital			M	<u>83,022</u>
Total Revenue Requirement				\$ 2,871,844
Less: Other Operating Revenue				(140,192)
Income from Utility Plant Leases				(18,472)
Gains for Disposition of Property	18,714	(18,714)	N	-
Interest Income				(25,659)
Nonutility Income				<u>(5,351)</u>
Revenue Required From Water Sales				\$ 2,682,170
Revenue from Sales at Present Rates				<u>2,681,447</u>
Surplus Revenue With Required Adjustments				\$ (723)

REFERENCES

SCENARIO 2

- A. The Current Billing Analysis results in pro forma metered sales revenue of \$2,654,332. This reflects a full year at the increased retail rates that were effective in May 2022 and with appropriate billing adjustments, indicates an increase to reported Metered Sales of \$23,059 is required. With the May 2022 rate increases Sales for Resale will also increase by \$891 to a total of \$27,116.
- B. Forfeited Discounts (Late Fees) were reported with Other Water Revenues. To provide more detail this revenue is reclassified to its on category.
- C. Commissioners' Salaries were reported with Employee Salaries. To provide more detail this expense is reclassified to its on category.
- D. There has been a reduction in the number of employees and changes in wages since 2021 that result in a decrease in Salaries and Wages expense of \$18,154 and a reduction in payroll taxes of \$1,389.
- E. During the test year labor and materials expenses for new meter installations were charged to operations, but should be capitalized. The amount of tap fees collected for these meters can be substituted for the actual installation expenses. Thirty percent of total tap fees (\$19,620) is deducted from Salaries and Wages and 70 percent (\$45,780) is deducted from Materials and Supplies expense. The total amount of tap fees is also used in the Depreciation Expense Adjustments table to recognize the addition of these new capital assets in 2021.
- F. Employee payments for health, dental and vision insurance were reported with Employee Pensions and Benefits. This portion of the insurance premium (\$25,592) is not an expense paid by the District and is deducted.
- G. Decreases in Salaries & Wages expense and the employer's contribution rate charged by CERS will result in lower payments for the retirement program. These payments are estimated to decrease by \$5,059.
- H. Due to GASB reporting requirements for retirement plan liabilities, expenses totaling \$126,993 associated with the District's pension plan was included with Employee Pensions and Benefits Expense. Because this was not an actual payment to CERS, that amount is deducted.

- I. The District pays a high percentage of its full-time employees' health insurance premiums. The PSC requires that these expenses be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. Average employer shares from BLS are currently 78 percent for single coverage and 66 percent for family plans. The PSC allowable employer share for dental insurance is 60 percent. Applying these percentages to premiums to be paid in the current year results in a deduction from 2021 benefits expense of \$34,810.
- J. The reported Purchased Water expense includes two invoices from outside the test year, so a deduction of \$66,815 is required. The District's cost of wholesale water from Campbellsville has increased by \$0.18 per thousand gallons. Therefore, an increase of \$18,937 is required to the test year Purchased Water expense to adjust for the higher rate.
- K. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. New assets included in the current construction project are also added. See Table A.
- L. The annual debt service payments for the District's loans are shown in Table B. The five-year average of these payments is added in the revenue requirement calculation.
- M. The amount shown in Table B for coverage on long term debt is included in the revenue requirement as Additional Working Capital.
- N. Gains for Disposition of Property is extraordinary income and should not be included in the revenue requirement computation.

CURRENT RATES
SCENARIO 2
Green-Taylor Water District

5/8" x 3/4" Meters

First	2,000 gallons	\$ 22.79	Minimum Bill
Next	3,000 gallons	9.55	per 1,000 gallons
Next	5,000 gallons	7.69	per 1,000 gallons
Over	10,000 gallons	5.00	per 1,000 gallons

3/4" Meters

First	3,000 gallons	\$ 32.34	Minimum Bill
Next	2,000 gallons	9.55	per 1,000 gallons
Next	5,000 gallons	7.69	per 1,000 gallons
Over	10,000 gallons	5.00	per 1,000 gallons

1" Meters

First	5,000 gallons	\$ 51.44	Minimum Bill
Next	5,000 gallons	7.69	per 1,000 gallons
Over	10,000 gallons	5.00	per 1,000 gallons

1-1/2" Meters

First	10,000 gallons	\$ 89.89	Minimum Bill
Over	10,000 gallons	5.00	per 1,000 gallons

2" Meters

First	20,000 gallons	\$ 139.89	Minimum Bill
Over	20,000 gallons	5.00	per 1,000 gallons

Leak Adjustment Rate

Gallons above avg. usage	\$ 2.09	per 1,000 gallons
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Wholesale Water Rates

Larue Co. Water Dist. #1	\$ 2.98	per 1,000 gallons
City of Greensburg	2.59	per 1,000 gallons

CURRENT BILLING ANALYSIS - 2021 USAGE & EXISTING RATES

SCENARIO 2

Green Taylor Water District

SUMMARY

	No. of Bills	Gallons Sold	Revenue
5/8" X 3/4" Meters	61,683	245,911,343	\$ 2,549,307
1" Meters	655	8,279,674	65,401
2" Meters	238	28,918,528	157,119
Totals	62,576	283,109,545	\$ 2,771,826
		Less applicable billing adjustments	(117,494)
		Pro Forma Retail Sales Revenue	\$ 2,654,332
		Pro Forma Wholesale Sales Revenue	27,116
		Total Sales Revenue	2,681,447

5/8" x 3/4" METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	2,000	24,287	25,115,698	25,115,698				25,115,698
NEXT	3,000	24,430	81,070,953	48,860,000	32,210,953			81,070,953
NEXT	5,000	9,650	65,122,454	19,300,000	28,950,000	16,872,454		65,122,454
ALL OVER	10,000	3,316	74,602,238	6,632,000	9,948,000	16,580,000	41,442,238	74,602,238
		61,683	245,911,343	99,907,698	71,108,953	33,452,454	41,442,238	245,911,343

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	61,683	99,907,698 \$ 22.79	\$ 1,405,756
NEXT	3,000		71,108,953 9.55	679,091
NEXT	5,000		33,452,454 7.69	257,249
ALL OVER	10,000		41,442,238 5.00	207,211
TOTAL	61,683	245,911,343		\$ 2,549,307

1" METERS

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	5,000	321	875,330	875,330	-	-	875,330
NEXT	5,000	186	1,318,489	930,000	388,489	-	1,318,489
ALL OVER	10,000	148	6,085,855	740,000	740,000	4,605,855	6,085,855
		655	8,279,674	2,545,330	1,128,489	4,605,855	8,279,674

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	655	2,545,330 \$ 51.44	\$ 33,693
NEXT	5,000		1,128,489 7.69	8,678
ALL OVER	10,000		4,605,855 5.00	23,029
TOTAL	655	8,279,674		\$ 65,401

2" METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	ALL OVER 20,000	TOTAL
FIRST	20,000	60	593,577	593,577	-	593,577
ALL OVER	20,000	178	28,324,951	3,560,000	24,764,951	28,324,951
		238	28,918,528	4,153,577	24,764,951	28,918,528

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	238	4,153,577	\$ 139.89	\$ 33,294
ALL OVER	20,000		24,764,951	5.00	123,825
TOTAL		238	28,918,528		\$ 157,119

WHOLESALE CUSTOMERS

	GALLONS	RATE	REVENUE
Larue Co. Water District #1	3,708,000	2.98	11,050
City of Greenburg	6,203,000	2.59	16,066
TOTAL			\$ 27,116