

(AEM-2 Revised for Rebuttal Testimony)

KY PSC Case No. 2022-00432

Revised Revenue Requirement

For the Period Ending June 30, 2022

Line Number	Description	Adjusted Sewer	Removal of Acquisition Costs	Adjusted Sewer
(A)	(B)	(C)	(D)	(E)
1				
2	Total Original Cost Rate Base	\$6,238,746	(\$629,772)	\$5,608,974
3				
4	Operating Income at Present Rates	(\$472,215)	\$266,526	(\$205,689)
5				
6	Earned Rate of Return	-7.6%		-3.7%
7				
8	Requested Rate of Return	9.8%		9.8%
9				
10	Required Return on Rate Base	\$609,292		\$547,787
11				
12	Weighted Return on Equity	7.1%		7.1%
13				
14	Operating Income Deficiency	\$1,081,507		\$753,476
15				
16	Net Income Required for Return on Equity	\$444,519		\$399,647
17				
18	Gross Revenue Conversion Factor	1.01		1.01
19	Gross Income Conversion Factor	1.35		1.35
20				
21	Revenue Deficiency	\$1,241,702		\$895,290
22				
23	Pro Forma Revenue at Present Rates	\$2,435,594		\$2,435,594
24				
25	Overall Revenue Requirement	\$3,677,297		\$3,330,884 (\$346,413)
26	Less: Other Revenues	(\$14,462)		(\$14,462)
27				
28	Base Rate Revenue Requirement	\$3,662,835		\$3,316,422
29	Percentage Increase	50.39%		36.16%

	Bills	Percentage of Bills	Current Fixed Charges	Current Volumetric Charges	Metered Usage	Scott Co Proposed Fixed Rate	Scott Co Phase 1 Volumetric Rate	Current Total Charge	Scott Co Phase 1 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 85.97	\$ 8.89	49,777	95.11	9.40	\$ 204,024	\$ 225,716	\$ 21,691	10.6%
Arcadia Pines	310	1.05%	85.97			95.11		26,650	29,483	2,833	10.6%
Brocklyn Multifamily (2)	1,119	3.79%	64.48			71.33		72,153	79,821	7,668	10.6%
Brocklyn Residential	884	2.99%	85.97			95.11		75,996	84,075	8,080	10.6%
Carriage Park	454	1.54%	85.97			95.11		39,045	43,196	4,151	10.6%
Darlington Creek	1,400	4.74%	45.00			95.11		63,011	133,177	70,166	111.4%
Delaplain Commercial (1)	408	1.38%	-			237.78		442,518	564,916	122,398	27.7%
Delaplain	3,654	12.37%	12.50			25.00		45,678	91,356	45,678	100.0%
Fox Run Residential	420	1.42%	85.97			95.11		36,107	39,946	3,839	10.6%
Golden Acres Residential	348	1.18%	85.97			95.11		29,918	33,098	3,181	10.6%
Great Oaks Residential	1,927	6.52%	85.97			95.11		165,691	183,307	17,616	10.6%
Herrington Haven	288	0.97%	49.66			95.11		14,302	27,392	13,090	91.5%
Kingswood Residential	1,570	5.32%	85.97			95.11		135,010	149,364	14,354	10.6%
Lake Columbia Flat	396	1.34%	85.97			95.11		34,044	37,664	3,619	10.6%
Longview Residential	3,950	13.41%	85.97			95.11		340,456	376,651	36,196	10.6%
Marshall Ridge	479	1.62%	85.97			95.11		41,139	45,513	4,374	10.6%
Persimmon Non-Residential (1)	12	0.04%	214.93			237.78		2,579	2,853	274	10.6%
Persimmon Residential	4,292	14.53%	85.97			95.11		368,988	408,217	39,229	10.6%
Randview	661	2.24%	85.97			95.11		56,814	62,855	6,040	10.6%
River Bluffs	2,164	7.33%	85.97			95.11		186,056	205,837	19,781	10.6%
Springcrest	504	1.71%	27.43			95.11		13,825	47,935	34,111	246.7%
Timberland	826	2.80%	85.97			95.11		71,039	78,592	7,553	10.6%
Woodland Acres	1,091	3.69%	19.47			95.11		21,245	103,781	82,536	388.5%
	29,542	100.00%						\$ 2,486,287	\$ 3,054,744	\$ 568,457	22.9%

Commercial Residential Equivalents
Multifamily Residential Equivalents

Base Rate Revenue Requirement \$ 3,316,422
Unrecovered Phase 1 Revenue \$ (261,678)

Total Phase 1 Proposed Charges \$ 3,054,744
Delaplain Commercial Proposed Charges 564,916
Percent of Revenue 18.49%

	Bills	Percentage of Bills	Phase 1 Fixed Charges	Phase 1 Volumetric Charges	Metered Usage	Scott Co Proposed Fixed Rate	Scott Co Volumetric Rate	Current Total Charge	Scott Co Proposed Phase 2 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 95.11	\$ 9.40	49,777	\$ 95.11	\$ 9.82	\$ 225,716	\$ 225,716	\$ -	0.0%
Arcadia Pines	310	1.05%	95.11			95.11		29,483	29,483	-	0.0%
Brooklyn Multifamily (2)	1,119	3.79%	71.33			71.33		79,821	79,821	-	0.0%
Brooklyn Residential	884	2.99%	95.11			95.11		84,075	84,075	-	0.0%
Carriage Park	454	1.54%	95.11			95.11		43,196	43,196	-	0.0%
Darlington Creek	1,400	4.74%	95.11			95.11		133,177	133,177	-	0.0%
Delaplain Commercial (1)	408	1.38%	237.78	\$ 9.40	49,777	237.78	\$ 9.82	564,916	564,916	20,906	3.7%
Delaplain	3,654	12.37%	25.00			50.00		91,356	182,711	91,356	100.0%
Fox Run Residential	420	1.42%	95.11			95.11		39,946	39,946	-	0.0%
Golden Acres Residential	348	1.18%	95.11			95.11		33,098	33,098	-	0.0%
Great Oaks Residential	1,927	6.52%	95.11			95.11		183,307	183,307	-	0.0%
Herrington Haven	288	0.97%	95.11			95.11		27,392	27,392	-	0.0%
Kingswood Residential	1,570	5.32%	95.11			95.11		149,364	149,364	-	0.0%
Lake Columbia Flat	396	1.34%	95.11			95.11		37,664	37,664	-	0.0%
Longview Residential	3,960	13.41%	95.11			95.11		376,651	376,651	-	0.0%
Marshall Ridge	479	1.62%	95.11			95.11		45,513	45,513	-	0.0%
Persimmon Non-Residential (1)	12	0.04%	237.78			237.78		2,853	2,853	-	0.0%
Persimmon Residential	4,292	14.53%	95.11			95.11		408,217	408,217	-	0.0%
Randview	661	2.24%	95.11			95.11		62,855	62,855	-	0.0%
River Bluffs	2,164	7.33%	95.11			95.11		205,837	205,837	-	0.0%
Springcrest	504	1.71%	95.11			95.11		47,935	47,935	-	0.0%
Timberland	826	2.80%	95.11			95.11		78,592	78,592	-	0.0%
Woodland Acres	1,091	3.69%	95.11			95.11		103,781	103,781	-	0.0%
	29,542	100.00%						\$ 3,054,744	\$ 3,167,006	\$ 112,262	3.7%

Commercial Residential Equivalents
Multifamily Residential Equivalents

Base Rate Revenue Requirement	\$	3,316,422
Unrecovered Phase 1 Revenue		(261,678)
Unrecovered Phase 2 Revenue		(149,416)
Total Unrecovered Phase In Revenue	\$	(411,094)
Total Phase 2 Proposed Charges	\$	3,167,006
Delaplain Commercial Proposed Charges		565,822
Percent of Revenue		18.50%

	Bills	Percentage of Bills	Phase 2 Fixed Charges	Phase 2 Volumetric Charges	Metered Usage	Scott Co Proposed Fixed Rate	Scott Co Phase 3 Volumetric Rate	Current Total Charge	Scott Co Proposed Phase 3 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 95.11	\$ 9.82	49,777	\$ 95.98	\$ 10.66	\$ 225,716	\$ 227,780	\$ 2,065	0.9%
Arcadia Pines	310	1.05%	95.11			95.98		29,483	29,753	270	0.9%
Brocklyn Multifamily (2)	1,119	3.79%	71.33			71.99		79,821	80,551	730	0.9%
Brocklyn Residential	884	2.99%	95.11			95.98		84,075	84,844	769	0.9%
Carriage Park	454	1.54%	95.11			95.98		43,196	43,591	395	0.9%
Darlington Creek	1,400	4.74%	95.11			95.98		133,177	134,395	1,218	0.9%
Delaplain Commercial (1)	408	1.38%	237.78	\$ 9.82	49,777	239.95	\$ 10.66	585,822	628,522	42,700	7.3%
Delaplain	3,654	12.37%	50.00			95.98		182,711	350,733	168,021	92.0%
Fox Run Residential	420	1.42%	95.11			95.98		39,946	40,312	365	0.9%
Golden Acres Residential	348	1.18%	95.11			95.98		33,098	33,401	303	0.9%
Great Oaks Residential	1,927	6.52%	95.11			95.98		183,307	184,984	1,677	0.9%
Herrington Haven	288	0.97%	95.11			95.98		27,392	27,642	251	0.9%
Kingswood Residential	1,570	5.32%	95.11			95.98		149,364	150,730	1,366	0.9%
Lake Columbia Flat	396	1.34%	95.11			95.98		37,664	38,008	345	0.9%
Longview Residential	3,960	13.41%	95.11			95.98		376,651	380,097	3,445	0.9%
Marshall Ridge	479	1.62%	95.11			95.98		45,513	45,929	416	0.9%
Persimmon Non-Residential (1)	12	0.04%	237.78			239.95		2,853	2,879	26	0.9%
Persimmon Residential	4,292	14.53%	95.11			95.98		408,217	411,951	3,734	0.9%
Randview	661	2.24%	95.11			95.98		62,855	63,430	575	0.9%
River Bluffs	2,164	7.33%	95.11			95.98		205,837	207,719	1,883	0.9%
Springcrest	504	1.71%	95.11			95.98		47,935	48,374	438	0.9%
Timberland	826	2.80%	95.11			95.98		78,592	79,311	719	0.9%
Woodland Acres	1,091	3.69%	95.11			95.98		103,781	104,731	949	0.9%
	29,542	100.00%						\$ 3,167,006	\$ 3,399,667	\$ 232,661	7.3%

Commercial Residential Equivalents
Multifamily Residential Equivalents

Base Rate Revenue Requirement \$ 3,399,471
Difference \$ 196

Total Phase 3 Proposed Charges \$ 3,399,667
Delaplain Commercial Proposed Charges 628,522
Percent of Revenue 18.49%

\$472,557.48	post closing accounting entries 2020-297; OAG 2-73 exhibit
135,214.54	post closing accounting entries 2020-297; OAG 2-73 exhibit
<u>22,000.00</u>	OAG 2-73 exhibit
\$629,772.02	Total Booked to Land

Total Unrecovered Phase In Revenue	\$	411,094
Amortized: Five Years		<u>5</u>
Annual Amortization	\$	82,219
Gross Revenue Conversion Factor		<u>1.01</u>
Additional Revenue Requirement	\$	83,049
Base Rate Revenue Requirement		<u>3,316,422</u>
Total Base Rate Revenue Requirement	\$	<u><u>3,399,471</u></u>