

**Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC**

Exhibit 12a

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)		(\$472,215)
5				
6	Earned Rate of Return	-7.6%		-8.4%
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		\$1,020,002
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		\$1,164,508
22				
23	Pro Forma Revenue at Present Rates	\$2,435,594		\$2,435,594
24				
25	Overall Revenue Requirement	\$3,677,297		\$3,600,102
26	Less: Other Revenues	\$14,462		(\$14,462)
27				
28	Base Rate Revenue Requirement	\$3,691,759		\$3,585,640
29	Percentage Increase	51.58%		47.22%

	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 Proposed Phase 1 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 85.97	\$ 8.89	49,777	\$ 95.25	\$ 9.41	\$ 204,024	\$ 226,048	\$ 22,023	10.8%
Arcadia Pines	310	1.05%	85.97			95.25		29,527	29,527	2,877	10.8%
Brooklyn Multifamily (2)	1,119	3.79%	64.48			71.44		72,153	79,939	7,785	10.8%
Brooklyn Residential	884	2.99%	85.97			95.25		75,996	84,199	8,203	10.8%
Carrage Park	454	1.54%	85.97			95.25		39,045	43,259	4,215	10.8%
Darlington Creek	1,400	4.74%	45.00			95.25		63,011	133,373	70,362	111.7%
Delaplain Commercial (1)	408	1.38%	-			238.13		442,518	565,557	123,039	27.8%
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			95.25		36,107	40,005	3,898	10.8%
Golden Acres Residential	348	1.18%	85.97			95.25		29,918	33,147	3,229	10.8%
Great Oaks Residential	1,927	6.52%	85.97			95.25		165,691	183,577	17,885	10.8%
Herrington Haven	288	0.97%	49.66			95.25		14,302	27,432	13,130	91.8%
Kingswood Residential	1,570	5.32%	85.97			95.25		135,010	149,584	14,574	10.8%
Lake Columbia Flat	396	1.34%	85.97			95.25		37,719	34,044	3,675	10.8%
Longview Residential	3,960	13.41%	85.97			95.25		340,456	377,206	36,750	10.8%
Marshall Ridge	479	1.62%	85.97			95.25		41,139	45,580	4,441	10.8%
Persimmon Non-Residential (1)	12	0.04%	214.93			238.13		2,579	2,858	278	10.8%
Persimmon Residential	4,292	14.53%	85.97			95.25		368,988	408,818	39,830	10.8%
Randview	661	2.24%	85.97			95.25		56,814	62,947	6,133	10.8%
River Bluffs	2,164	7.33%	85.97			95.25		186,056	206,140	20,084	10.8%
Springcrest	504	1.71%	27.43			95.25		13,825	48,006	34,181	247.2%
Timberland	826	2.80%	85.97			95.25		71,039	78,707	7,668	10.8%
Woodland Acres	1,091	3.69%	19.47			95.25		21,245	103,934	82,689	389.2%
	29,542	100.00%						\$ 2,486,287	\$ 3,058,915	\$ 572,628	23.0%

Commercial Residential Equivalents
Multifamily Residential Equivalents

Base Rate Revenue Requirement \$ 3,585,640
Unrecovered Phase 1 Revenue \$ (526,725)

Total Phase 1 Proposed Charges \$ 3,058,915
Delaplain Commercial Proposed Charges 565,557

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 Phase 2 Volumetric Rate	Current Total Charge	Scott Co Proposed Phase 2 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 95.25	\$ 9.41	49,777	97.00	\$ 10.00	\$ 226,048	\$ 230,201	\$ 4,153	1.8%
Arcadia Pines	310	1.05%	95.25			97.00		29,527	30,069	542	1.8%
Brocklyn Multifamily (2)	1,119	3.79%	71.44			72.75		79,939	81,407	1,469	1.8%
Brocklyn Residential	884	2.99%	95.25			97.00		84,199	85,746	1,547	1.8%
Carriage Park	454	1.54%	95.25			97.00		43,259	44,054	795	1.8%
Darlington Creek	1,400	4.74%	95.25			97.00		133,373	135,823	2,450	1.8%
Delaplain Commercial (1)	408	1.38%	238.13	\$ 9.41	49,777	242.50	\$ 10.00	565,557	596,710	31,153	5.5%
Delaplain	3,654	12.37%	25.00			50.00		91,356	182,711	91,356	100.0%
Fox Run Residential	420	1.42%	95.25			97.00		40,005	40,740	735	1.8%
Golden Acres Residential	348	1.18%	95.25			97.00		33,147	33,756	609	1.8%
Great Oaks Residential	1,927	6.52%	95.25			97.00		183,577	186,950	3,373	1.8%
Herrington Haven	288	0.97%	95.25			97.00		27,432	27,936	504	1.8%
Kingswood Residential	1,570	5.32%	95.25			97.00		149,584	152,332	2,748	1.8%
Lake Columbia Flat	396	1.34%	95.25			97.00		37,719	38,412	693	1.8%
Longview Residential	3,960	13.41%	95.25			97.00		377,206	384,136	6,930	1.8%
Marshall Ridge	479	1.62%	95.25			97.00		45,580	46,417	837	1.8%
Persimmon Non-Residential (1)	12	0.04%	238.13			242.50		2,858	2,910	53	1.8%
Persimmon Residential	4,292	14.53%	95.25			97.00		408,818	416,329	7,511	1.8%
Randview	661	2.24%	95.25			97.00		62,947	64,104	1,157	1.8%
River Bluffs	2,164	7.33%	95.25			97.00		206,140	209,927	3,787	1.8%
Springcrest	504	1.71%	95.25			97.00		48,006	48,888	882	1.8%
Timberland	826	2.80%	95.25			97.00		78,707	80,153	1,446	1.8%
Woodland Acres	1,091	3.69%	95.25			97.00		103,934	105,844	1,910	1.8%
	29,542	100.00%						\$ 3,058,915	\$ 3,225,556	\$ 166,640	5.4%
Commercial Residential Equivalents	2.50							\$ 3,585,640			
Multifamily Residential Equivalents	0.75										
									(526,725)		
									(360,085)		
									\$ (886,809)		
									\$ 3,225,556		
									596,710		
											18.50%

	Bills	Percentage of Bills	Phase 2 Fixed Charges	Phase 2 Volumetric Charges	Metered Usage	Scott Co Proposed Fixed Rate	Scott Co Volumetric Rate	Current Total Charge	Scott Co Proposed Phase 3 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 97.00			\$ 106.28		\$ 230,201	\$ 252,224	\$ 22,023	9.6%
Arcadia Pines	310	1.05%	97.00			106.28		30,069	32,946	2,877	9.6%
Brocklyn Multifamily (2)	1,119	3.79%	72.75			79.71		81,407	89,195	7,788	9.6%
Brocklyn Residential	884	2.99%	97.00			106.28		85,746	93,949	8,203	9.6%
Carriage Park	454	1.54%	97.00			106.28		44,054	48,269	4,215	9.6%
Darlington Creek	1,400	4.74%	97.00			106.28		135,823	148,817	12,994	9.6%
Delaplain Commercial (1)	408	1.38%	242.50	\$ 10.00	49,777	265.70	\$ 11.81	596,272	696,372	99,562	16.7%
Delaplain	3,654	12.37%	50.00			106.28		182,711	388,372	205,660	112.6%
Fox Run Residential	420	1.42%	97.00			106.28		40,740	44,638	3,898	9.6%
Golden Acres Residential	348	1.18%	97.00			106.28		33,756	36,985	3,229	9.6%
Great Oaks Residential	1,927	6.52%	97.00			106.28		186,950	204,835	17,885	9.6%
Herrington Haven	288	0.97%	97.00			106.28		27,936	30,609	2,673	9.6%
Kingswood Residential	1,570	5.32%	97.00			106.28		152,332	166,906	14,574	9.6%
Lake Columbia Flat	396	1.34%	97.00			106.28		38,412	42,087	3,675	9.6%
Longview Residential	3,960	13.41%	97.00			106.28		384,136	420,886	36,750	9.6%
Marshall Ridge	479	1.62%	97.00			106.28		46,417	50,858	4,441	9.6%
Persimmon Non-Residential (1)	12	0.04%	242.50			265.70		2,910	3,188	278	9.6%
Persimmon Residential	4,292	14.53%	97.00			106.28		416,329	456,159	39,830	9.6%
Randview	661	2.24%	97.00			106.28		64,104	70,236	6,133	9.6%
River Bluffs	2,164	7.33%	97.00			106.28		209,927	230,011	20,084	9.6%
Springcrest	504	1.71%	97.00			106.28		48,888	53,565	4,677	9.6%
Timberland	826	2.80%	97.00			106.28		80,153	87,822	7,668	9.6%
Woodland Acres	1,091	3.69%	97.00			106.28		105,844	115,970	10,126	9.6%
	29,542	100.00%						\$ 3,225,556	\$ 3,764,799	\$ 539,244	16.7%

Commercial Residential Equivalents
Multifamily Residential Equivalents

Base Rate Revenue Requirement
Difference

Total Phase 1 Proposed Charges
Delaplain Commercial Proposed Charges
Percent of Revenue

\$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	\$	886,809
Amortized: Five Years		<u>5</u>
Annual Amortization	\$	177,362
Gross Revenue Conversion Factor		<u>1.01</u>
Additional Revenue Requirement	\$	179,153
Base Rate Revenue Requirement		<u>3,585,640</u>
Total Base Rate Revenue Requirement	\$	<u><u>3,764,793</u></u>