

VERIFICATION

COMMONWEALTH OF KENTUCKY )

) SS:

COUNTY OF FRANKLIN )

The undersigned, KENNETH D. TAYLOR, P.E., being duly sworn, deposes and states he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Kenneth D. Taylor, P.E.  
KENNETH D. TAYLOR, P.E.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12<sup>th</sup> day of March 2024.

Wan Gouhert (Seal)

Notary Public

My Commission Expires: 11-9-27

Notary ID: KYNP 82393

**KNOX COUNTY UTILITY COMMISSION**

RESPONSE TO COMMISSION'S NOTICE OF FILING DEFICIENCIES

CASE NO. 2023-00430

DEFICIENCY NO. 1

Responding Witness: Kenneth D. Taylor, PE

- 1. 807 KAR 5:076, SECTION 4 (1) (h): Completed ARF Form-3 for each member of board of directors/commissioners, CEO or general manager, ownership of 10% or more; General Manager is required to fill out ARF-3.**

Response:

1. A Form ARF-1 was included in the application for the General Manager (Superintendent) and each of the six active board members.
-

RESPONSE TO COMMISSON'S NOTICE OF FILING DEFICIENCIES

CASE NO. 2023-00430

DEFICIENCY NO. 2

Responding Witness: Kenneth D. Taylor, PE

2. **807 KAR 5:076, Section 4 (1) (a): A completed Revenue Requirement Calculation Form (Attachment RR-DC or Attachment RR-or); Revenue Requirement Calculation was not included with application. Additionally, the provided Adjustment References do not match the Schedule of Adjustment of Operations, specifically Reference A.**

Response:

2. Attached hereto are a completed ARF Form 1 – Attachment RR-DC Revenue Requirement Calculation – Debt Coverage Method and a corrected Adjustment References sheet for Schedule of Adjustment of Operations.
-

**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/> <hr/> <input type="text"/>

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.

Revised March 12, 2024  
References

A large, empty rectangular box with a light blue gradient background, intended for references. The box is outlined in black and occupies most of the page area below the header.