

Garrard County Water Association
Revenue Requirement - Operating Ratio

Pro Forma Operating Expenses		\$	2,814,007
Divide by Operating Ratio			88%
Subtotal			<u>3,197,735</u>
Add: Average Annual Interest Expense	H		<u>67,179</u>
Total Revenue Requirement			<u>3,264,914</u>
Less: Other Operating Revenue			(219,326)
Interest Income			(24,649)
Miscellaneous Nonutility Expenses			<u>4,378</u>
Revenue Required from Rates			<u>3,025,317</u>
Less: Normalized Revenues from Water Sales			<u>(2,711,038)</u>
Required Revenue Increase		\$	<u>314,279</u>
Percentage Increase			<u>11.59%</u>