

Exhibit 6 – Revenue Sufficiency or Deficiency

6-SEC-26

[Ex.6, p.10] Please revise table 6.6 to show the revenue deficiency with distribution revenue and other operating revenues calculated using 2016 year-end actuals.

Response:

The updated table follows below:

Line No.	Particulars	Initial Application		Interrogatory Responses	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$320,747		\$274,204
2	Distribution Revenue	\$2,418,494	\$2,418,494	\$2,413,380	\$2,413,380
3	Other Operating Revenue Offsets - net	\$267,572	\$267,572	\$270,254	\$270,254
4	Total Revenue	\$2,686,066	\$3,006,812	\$2,683,634	\$2,957,839
5	Operating Expenses	\$2,590,626	\$2,590,626	\$2,556,953	\$2,556,953
6	Deemed Interest Expense	\$137,125	\$137,125	\$134,916	\$134,916
8	Total Cost and Expenses	\$2,727,751	\$2,727,751	\$2,691,869	\$2,691,869
9	Utility Income Before Income Taxes	(\$41,685)	\$279,062	(\$8,235)	\$265,969
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$144,093)	(\$144,093)	(\$111,100)	(\$111,100)
11	Taxable Income	(\$185,778)	\$134,969	(\$119,334)	\$154,870
12	Income Tax Rate	15.00%	15.00%	15.00%	15.00%
13	Income Tax on Taxable Income	(\$27,867)	\$20,245	(\$17,900)	\$23,230
14	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	(\$13,818)	\$258,816	\$9,665	\$242,739
16	Utility Rate Base	\$7,040,705	\$7,040,705	\$6,911,703	\$6,911,703
17	Deemed Equity Portion of Rate Base	\$2,816,282	\$2,816,282	\$2,764,681	\$2,764,681
18	Income/(Equity Portion of Rate Base)	-0.49%	9.19%	0.35%	8.78%
19	Target Return - Equity on Rate Base	9.19%	9.19%	8.78%	8.78%
20	Deficiency/Sufficiency in Return on Equity	-9.68%	0.00%	-8.43%	0.00%
21	Indicated Rate of Return	1.75%	5.62%	2.09%	5.46%
22	Requested Rate of Return on Rate Base	5.62%	5.62%	5.46%	5.46%
23	Deficiency/Sufficiency in Rate of Return	-3.87%	0.00%	-3.37%	0.00%
24	Target Return on Equity	\$258,816	\$258,816	\$242,739	\$242,739
25	Revenue Deficiency/(Sufficiency)	\$272,635	(\$1)	\$233,074	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$320,747 (1)		\$274,204 (1)	

6-VECC-37

- a) Please revise the RRWF forms to reflect all adjustments made as a result of interrogatory responses.

Response:

The RRWF model has been updated.