

BHIT Public Staff Cross Exhibit 2
Taylor Calculation of Rate Impact - Barge
A-41 Sub 22

| Line | Description | Amount | Note |
|---|--|--------------|---|
| | [A] | [B] | [C] |
| Comparison of Rate Base | | | |
| 1 | Barge Net Operating Income | \$642,864 | Source = Exhibit KWO-3 Docket No. A-41 Sub 22 Page 1 of 1 |
| 2 | Regulated Rate of Return | 8.33% | Source = Taylor Testimony Table 1 at page 10 |
| 3 | Inferred Rate Base | \$ 7,717,457 | Line 1 / Line 2 |
| 4 | Purchase Price of Barge | \$ 8,358,150 | Source = Exhibit KWO-6 Docket No. A-41 Sub 22 Page 6 of 6 |
| 5 | Delta | \$ (640,693) | Line 3 - Line 4 |
| Inferred Barge Revenue Requirement | | | |
| 6 | Purchase Price of Barge | \$ 8,358,150 | Source = Exhibit KWO-6 Docket No. A-41 Sub 22 Page 6 of 6 |
| 7 | Regulated Rate of Return | 8.33% | Source = Taylor Testimony Table 1 at page 10 |
| 8 | Inferred Net Income | \$ 696,234 | Line 6 x Line 7 |
| 9 | Less: Interest Expense | \$ 277,908 | Line 6 x 50% x 6.65% |
| 10 | Income Subject to Tax | \$ 418,325 | Line 8 - Line 9 |
| 11 | Composite Income Tax Rate | 22.98% | Source = Exhibit KWO-3 Docket No. A-41 Sub 22 Page 1 of 1 |
| 12 | Income Taxes | \$ 124,778 | (Line 10 / (1 - Line 11)) - Line 10 |
| 13 | 2021 Operating Expenses Excluding Income Taxes | \$ 714,913 | Source = Exhibit KWO-4 Docket No. A-41 Sub 22 Page 11 of 22 |
| 14 | Inferred Barge Revenue Requirement | \$ 1,535,925 | Line 8 + Line 12 + Line 13 |
| 2021 Barge Revenues | | | |
| 15 | 2021 Barge Revenues | \$ 1,535,195 | Source = Exhibit KWO-4 Docket No. A-41 Sub 22 Page 11 of 22 |
| 16 | SharpVue Purchase Price Inferred Rev. Req. | \$ 1,535,925 | Line 14 |
| 17 | Difference | \$ 730 | Line 16 - Line 15 |
| 18 | Percent Difference | 0.05% | Line 17 / Line 16 |
| Inferred Barge Revenues | | | |
| 19 | Inferred Barge Revenue Requirement | \$ 1,535,925 | Line 14 |
| 20 | Count of Barge Fees @ \$60 | 25,587 | Line 23 |
| 21 | Average Revenue per Exit * | \$ 60.03 | Line 19 / Line 20 |
| 2021 Barge Revenues | | | |
| 22 | 2021 Barge Revenues | \$ 1,535,195 | Source = Exhibit KWO-4 Docket No. A-41 Sub 22 Page 11 of 22 |
| 23 | Count of Barge Fees @ \$60 | 25,587 | Line 22 / \$60 |
| 24 | Average Revenue per Barge Fee | \$ 60.00 | Line 22 / Line 23 |
| Original Cost to Mitchell Family Basis | | | |
| 25 | Original Cost Rate Base | \$1,445,434 | Source = Exhibit KWO-3 Docket No. A-41 Sub 22 Page 1 of 1 |
| 26 | Regulated Rate of Return | 8.33% | Source = Taylor Testimony Table 1 at page 10 |
| 27 | Inferred Net Income | \$ 120,405 | Line 25 x Line 26 |
| 28 | Less: Interest Expense | \$ 48,061 | Line 25 x 50% x 6.65% |
| 29 | Income Subject to Tax | \$ 72,344 | Line 27 - Line 28 |
| 30 | Composite Income Tax Rate | 22.98% | Source = Exhibit KWO-3 Docket No. A-41 Sub 22 Page 1 of 1 |
| 31 | Income Taxes | \$ 21,579 | (Line 29 / (1 - Line 30)) - Line 29 |
| 32 | 2021 Operating Expenses | \$ 714,913 | Line 13 |
| 33 | Inferred Barge Revenue Requirement | \$ 856,896 | Line 27 + Line 31 + Line 32 |
| 34 | Count of Barge Fees @ \$60 | 30,704 | Line 23 |
| 35 | Avg. Barge Fees with Original Rate Base | \$ 27.91 | Line 33 / Line 34 |
| 36 | SharpVue Purchase Price Inferred Rev. Req. | \$ 1,535,925 | Line 14 |
| 37 | 2021 Barge Revenues | \$ 1,535,195 | Line 15 |
| 38 | Original Cost to Mitchell Inferred Rev. Req. | \$ 856,896 | Line 33 |
| 39 | Difference | \$ (678,299) | Line 38 - Line 37 |
| 40 | Percent Difference | -44.18% | Line 39 / Line 37 |