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Staff – Exhibit 111
Roth Direct
File No. WR-2023-0006

Exhibit No.:
Issue(s): Rate Design
Witness: Keri Roth
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: WR-2023-0006
Date Testimony Prepared: June 8, 2023

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

WATER, SEWER, & STEAM DEPARTMENT

DIRECT TESTIMONY

Rate Design

OF

KERI ROTH

CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

CASE NO. WR-2023-0006

Jefferson City, Missouri
June 2023

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KERI ROTH**

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1 **DIRECT TESTIMONY OF**

2 **KERI ROTH**

3 **CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.**

4 **CASE NO. WR-2023-0006**

5 Q. Please state your name and business address.

6 A. My name is Keri Roth and my business address is 200 Madison Street,
7 P.O. Box 360, Jefferson City, Missouri 65102.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission (“Commission”) as
10 a Senior Research/Data Analyst in the Water, Sewer, & Steam Department, Industry Analysis
11 Division.

12 Q. Please describe your educational background and work experience.

13 A. I graduated from Lincoln University in May 2011 with a Bachelor of Science
14 degree in Accounting. Prior to accepting my current position with the Commission in
15 August 2021, I was employed by the Missouri Office of the Public Counsel (“OPC”) as a Senior
16 Utility Regulatory Auditor from September 2012 to August 2021.

17 Q. Have you previously filed testimony before this Commission?

18 A. Yes. Please refer to Schedule KR-d1, attached to this direct testimony, for a list
19 of cases for which I have filed testimony.

20 Q. What is the purpose of this direct testimony?

21 A. The purpose of this direct testimony is to provide the Commission with Staff’s
22 (“Staff”) recommended rate design for the Confluence Rivers Utility Operating Company, Inc.
23 (“Confluence”) rate case.

1 **RATE DESIGN: WATER OPERATIONS**

2 Q. What is the purpose of Staff's rate design?

3 A. The purpose is to design rates that will be utilized to collect the appropriate
4 levels of revenue from each service territory and from each customer class based upon the
5 revenue requirement. Staff's rate design for Confluence's water operations is based on the
6 actual revenue requirement for each district. The rate structure that is utilized generally consists
7 of a fixed monthly customer charge and a commodity (usage) charge. The customer charge is
8 generally developed by comparing certain costs that are generally considered fixed,¹ and used
9 primarily to serve a particular customer (such as meters and service lines), and the number of
10 customers in each class. Commodity charges are generally composed of costs that vary with
11 water production, such as pumping, chemical use, etc. Staff's results of proposed reasonable
12 rates are provided in Attachments 1 – 7, attached to this testimony. It should be noted that a
13 number of customers are currently on flat rates for water, which means they pay a single
14 customer charge, and all costs are recovered via a fixed monthly charge. These flat rate
15 customers are in remote areas that do not yet have meters installed.

16 Q. Generally, Staff undertakes a class cost of service study to help guide its rate
17 design recommendations in large rate cases. Did Staff conduct a Class Cost of Service
18 ("CCOS") study in this proceeding?

19 A. No. Most of the systems that Confluence operates are small, distinct systems
20 that generally only serve residential customers. As such, there is no need to undertake further
21 analysis to separate costs among classes. Any larger customers that are connected to the
22 system generally have a larger meter, such as a 1-2" or larger in diameter meter, compared to

¹ Confluence has several water systems that have a flat monthly customer charge.

1 the standard 5/8" or 3/4" meter of a residential customer, and are charged based on that larger
2 meter size.

3 Q. What is Confluence's current water rate design structure?

4 A. Confluence currently has approximately 20 different customer charges for its
5 water utility systems ranging from \$13.23 to \$71.25. This is largely because of Confluence's
6 rapid acquisition of small systems over the past several years, and adoption of the acquired
7 systems existing rates. Further, as noted above, not all water systems have meters. For those
8 that do, there is an additional commodity charge per 1,000 gallons of water used, with the
9 exception of Port Perry. Port Perry's rate includes 2,000 gallons of water with the customer
10 charge, and a commodity charge that applies to usage above this amount.

11 Q. How did Staff design its proposed rates?

12 A. Staff proposes a single-block rate structure for all Confluence customers that
13 have meters in place. A single-block rate structure is one in which the commodity rate is
14 constant regardless of the volumes used. Staff is also proposing that all metered customers have
15 a monthly customer charge and commodity rate for usage, rather than a minimum amount of
16 water usage included in the customer charge, as Port Perry rates currently have. Confluence's
17 customers are almost entirely residential, and the few commercial customers' consumption is
18 not significantly different from the residential customers' consumption. Therefore, Staff did
19 not conduct a CCOS study or establish separate customer classes. Finally, Staff proposes a flat
20 monthly rate for residential customers that do not yet have meters.

21 Q. Is Staff proposing any consolidation of water rates among Confluence's
22 districts?

1 A. Yes, Staff is proposing consolidation into three (3) rate districts as shown in
2 Attachments 1 – 3, attached to this testimony. Staff recommends the Commission order three
3 (3) rate districts as follows:

- 4 • Water District #1 – Cedar Green, Fawn Lake, Missing Well, Spring Branch,
5 Branson Cedars, Prairie Heights, and Glen Meadows;
- 6 • Water District #2 – Hillcrest Manor, Elm Hills, and Port Perry; and,
- 7 • Water District #3 – Osage Utilities, Terre Du Lac, and Indian Hills; Confluence
8 Rivers (which consists of Auburn Lakes, Calvey Brooks, Eugene, Evergreen
9 Lakes, Gladlo, Majestic Lakes, Roy-L, Smithview, and Willows).

10 Q. What is a rate district?

11 A. For the purposes of this rate design, a rate district means all of the customers
12 within a district will have the same rate, based on their meter size.

13 Q. Why did Staff choose these groupings?

14 A. Staff has chosen these groupings with an attempt to keep systems with a similar
15 cost of service in the same district, achieve reasonable rates, and mitigate rate shock.

16 Q. Please explain why having multiple districts is more beneficial than single-tariff
17 rates.

18 A. There are several reasons why having multiple districts is beneficial. The
19 primary benefit to having multiple districts in this proceeding is to spread out the costs of
20 investment without causing customers who did not receive the same level of investment in their
21 systems to experience unnecessary and substantial rate increases. All water systems will
22 eventually need significant investment of some kind. Confluence, in particular, has purchased
23 several systems that require upgrades, though not all upgrades have been completed. Keeping
24 the systems that have had recent investments and have very few customers as stand-alone
25 systems could result in very high rates, as there are so few customers upon which to spread this

1 cost recovery. For example, Prairie Heights' current customer charge is \$20.00 per month, and
2 would increase to \$107.50 per month if it were not consolidated with other systems. By
3 consolidating Prairie Heights with other systems, the customer charge will only increase to
4 \$58.57, helping to mitigate rate shock. Combining these small systems into districts with larger
5 systems mitigates this potential rate shock. Further, those systems with lower cost of service
6 are not subject to unnecessary increases in rates. Some of the systems that have already had a
7 previous rate case after upgrades, and therefore already have very high rates, will receive a
8 decrease in rates under Staff's proposal. It is Staff's position that these rate districts result in
9 the most reasonable rates for the customers.

10 Q. For those systems that have unmetered customers, how are flat monthly rates
11 calculated?

12 A. There are a couple of different ways to calculate flat rates for unmetered
13 customers. For example, the simplest way is to divide the total cost of service by the number
14 of customers receiving service from that system if every customer in that system is unmetered.
15 However, Staff utilized a different method when calculating flat rates for unmetered customers,
16 because each district proposed by Staff has a mixture of metered and unmetered customers.
17 Staff has calculated flat rates for unmetered customers by applying a factor ranging from 1.62 to
18 1.89 (depending on the district), against the number of unmetered customers in the district to
19 calculate the customer equivalent. This factor is then multiplied by the customer charge, which
20 was calculated by dividing the customer charge portion of the cost of service by the total number
21 of customer equivalents.

22 Q. Why did Staff utilize a different factor for each district when calculating the
23 flat rate?

1 A. The goal when establishing flat rates in these situations is to have the resulting
2 rate mimic the expected average bill that a metered customer would pay. Because the customer
3 and commodity charges vary among the districts, utilizing a single factor for all flat rate
4 customers among all of the districts would not mathematically result in flat rates that
5 approximate a metered customer's monthly bill. Utilizing a factor of 1.89 for Staff's proposed
6 District #1, develops a flat rate that mimics the expected average bill that a metered customer
7 would pay in District #1. Utilizing a factor of 1.62 for Staff's proposed District #2, develops a
8 flat rate that mimics the expected average bill that a metered customer would pay in District #2.
9 Utilizing a factor of 1.67 in Staff's proposed District #3, develops a flat rate that mimics the
10 expected average bill that a metered customer would pay in District #3. By utilizing the factor
11 chosen for each individual district, the bills an unmetered customer pays compared to what a
12 metered customer pays, based on the assumption of 5,000 gallons of usage per month, should
13 be similar.

14 Q. In his Direct Testimony, Staff witness Curt B. Gateley described problems with
15 the quality of Confluence's water sales data. Did this affect Staff's rate design?

16 A. Yes. Due to the quality of Confluence's water sales data, Staff has utilized an
17 estimate of 5,000 gallons per customer per month.

18 Q. Why did Staff choose 5,000 gallons per month?

19 A. Staff used this number based on its experience with customer usage among the
20 various water systems in the state. It is Staff's position that this is a reasonable assumption of
21 water usage.

22 **RATE DESIGN: SEWER OPERATIONS**

23 Q. How did Staff develop rates for sewer operations?

1 A. Confluence’s sewer operations are relatively small and generally consist of only
2 residential customers. Staff based its rates for Confluence’s sewer operations on both the results
3 of Staff’s audit and the development of COS for Confluence’s sewer operations, based on the
4 Water, Sewer, & Steam Department’s small company rate design method.

5 Q. What is Confluence’s current sewer rate design structure?

6 A. Confluence currently has several different flat rate charges for its sewer utility
7 systems ranging from \$16.67 for a residential customer to \$99.88 per month. Similar to
8 Confluence’s water systems, this is largely because of Confluence’s rapid acquisition of small
9 systems over the past several years, and adoption of the acquired systems existing rates.

10 Q. Is Staff proposing any consolidation of sewer rates?

11 A. Yes. Similar to Staff’s proposal regarding water rate design, Staff is proposing
12 consolidation into four (4) districts, as shown in Attachments 4 – 7, attached to this testimony.
13 Staff recommends the Commission order four (4) rate districts as follows:

- 14 • Sewer District A – Deer Run, Missing Well, Prairie Heights, DeGuire, Glen
15 Meadows, Freeman Hills, and Cedar Green;
- 16 • Sewer District B – Branson Cedars, Clemstone, and Hillcrest;
- 17 • Sewer District C – Port Perry, Osage Utilities, and Terre Du Lac; and,
- 18 • Sewer District D – Raccoon Creek, Confluence Rivers, and Elm Hills.

19 Q. Please explain why having multiple districts is more beneficial than single-tariff
20 rates.

21 A. As previously discussed with the water districts, the primary benefit to having
22 multiple districts in this proceeding is to spread out the costs of investment without causing
23 certain customers who did not receive the same level of investment to experience substantial
24 rate increases. It is beneficial to consolidate the sewer systems into districts in order to spread

1 costs amongst a larger customer base. Confluence has made significant investment in some of
2 the sewer systems, but eventually other systems will need a large capital investment.
3 By consolidating the sewer systems into districts, it will help smaller systems to mitigate rate
4 shock. For example, Freeman Hills currently has a customer charge of \$16.67 per month, but
5 the customer charge would increase to \$213.90 per month if Freeman Hills continued as a
6 stand-alone system and was not consolidated. By consolidating Freeman Hills with other
7 sewer systems, the customer charge will only increase to \$60.64 per month, helping to mitigate
8 rate shock.

9 **MISCELLANEOUS SERVICE CHARGES**

10 Q. What are Miscellaneous Service Charges?

11 A. Miscellaneous Service Charges are designed to recover the actual costs to the
12 company associated with performing the services listed, such as disconnecting or reconnecting
13 water service, that are caused by a particular customer.

14 Q. Why does Staff review the Miscellaneous Service Charges during each
15 rate case?

16 A. Miscellaneous Service Charges are intended to ensure that the cost-causer for
17 these infrequent, but recurring services bears the Company's actual cost of performing the
18 specific service. If adequate compensation is not obtained, then other ratepayers bear the
19 remaining costs through higher rates. If excessive compensation is obtained, it could contribute
20 to over earning by a company.

21 Q. Is Staff proposing any changes to Confluence's Miscellaneous Service Charges
22 in the effective tariffs?

1 A. Yes. Staff proposes the Commission order the same miscellaneous service
2 charges be utilized across all water systems and the same miscellaneous service charges be
3 utilized across all sewer systems. Staff proposes these charges be based on the costs to perform
4 the services, as described in Confluence's response to Staff Data Request No. 0250. Please see
5 Attachment 8, attached to this testimony for Staff's proposed charges.

6 Q. Why does Staff propose the same charges for all systems, rather than different
7 charges among the districts?

8 A. Confluence did not report differences in the cost to perform these services at
9 different systems. Generally, Confluence owns many systems in rural areas, scattered across a
10 large geographical area. Staff finds it reasonable that mobilization costs, travel time, and labor
11 for these activities would not vary significantly among the districts.

12 **SUMMARY**

13 Q. Can you please summarize Staff's position?

14 A. It is Staff's position that the rate design and cost of service calculations discussed
15 previously in this testimony correctly allocates the cost of providing water and sewer service to
16 the individual customers served within each specific district. It is Staff's position that the rates
17 calculated for water and sewer service provide a reasonable opportunity for Confluence to
18 recover the revenue requirement, while mitigating rate shock to the extent possible.

19 Q. Does this conclude your direct testimony?

20 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI


In the Matter of Confluence Rivers Utility)
Operating Company, Inc.'s Request for) Case No. WR-2023-0006
Authority to Implement a General Rate)
Increase for Water Service and Sewer)
Service Provided in Missouri Service Areas)

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KERI ROTH and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Keri Roth*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



KERI ROTH

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 8th day of June 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public

Keri Roth

Educational, Employment Background and Credentials

I am currently a Senior Research/Data Analyst in the Water, Sewer and Steam Department, Industry Analysis Division for the Missouri Public Service Commission (Commission). I joined the Commission in August 2021. Prior to joining the Commission, I was employed by the State of Missouri – Office of the Public Counsel from September 2012 to August 2021 as a Senior Utility Regulatory Auditor.

I earned a Bachelor of Science degree in Accounting from Lincoln University in Jefferson City, MO in May 2011. In earning this degree I completed numerous core Accounting and business classes.

Summary of Case Testimony Filed

Utility	Case Number	Testimony Issues
Empire District Electric Company	ER-2012-0345	Rate Case Expense, 2007 Ice Storms Cost
Emerald Pointe Utility Company	SR-2013-0016	Rate Case Expense, Sewer Commodity Charge Over-Charge Refund, Refund of Late Fees and Reconnection Fees, Customer Deposit Refunds, Legal Fee Expense, Hollister Sewage Treatment Expense, Interest Related to Refunds
Lake Region Water & Sewer Company	WR-2013-0461	Sludge Hauling Expense, Payroll-Life Insurance Expense, Rate Case Expense, Miscellaneous Expense – Service Charges and Charitable Contributions, Legal Fees, PWSD #4 Labor Expense, Equipment Rental, Office Supplies, Travel and Entertainment, Transportation Expense, Shawnee Bend Lagoon Retirement
Summit Natural Gas of Missouri, Inc.	GR-2014-0086	Bargain Purchase Discount, Depreciation Reserve
Hickory Hills Water & Sewer Company, Inc.	WR-2014-0167 SR-2014-0166	Receiver Fees, Receiver Fee Amortization Expense, System Maintenance and Repairs, Meter Reading Expense, Amortization Expense, Depreciation Expense and Reserve, CIAC Amortization and Expense, Return on Equity

Utility	Case Number	Testimony Issues
Empire District Electric Company	ER-2014-0351	Vegetation Management, Infrastructure Inspection Annualized Expense and Trackers, Advanced Coal Project Investment Tax Credit (ITC) Over-Collection, Iatan 2, Iatan Common, and Plum Point Operations and Maintenance Expense and Trackers, Corporate Franchise Tax, Riverton Unit 7 Depreciation Expense, Rate Case Expense, Prepayments, Injuries and Damages, Riverton 12 Operations and Maintenance Expense Tracker Request
Laclede Gas Company	GO-2015-0178	Telemetric Equipment Replacement Costs, "Budget" Infrastructure Costs
Missouri Gas Energy	GO-2015-0179	"Budget" Infrastructure Costs
Missouri American Water Company	WR-2015-0301	Atrazine Settlement Refund, Insurance Other Than Group, Equipment Lease Expense, Payroll and Benefits, Advertising Expense, PSC Assessment, Postage Expense, Tank Painting Tracker and Expense, Emerald Pointe Pipeline Amortization, Investment Tax Credit (ITC), Materials and Supplies, Prepayments
Empire District Electric Company	ER-2016-0023	Vegetation Management Expense and Trackers, Advanced Coal Tax Credit (ITC) Over-Collection, Iatan 2, Iatan Common, and Plum Point Operations and Maintenance Expense and Trackers (Generation Plant O&M Trackers), May 2011 Tornado Deferrals, Iatan 1, Iatan 2, and Plum Point Carrying Costs, Southwestern Power Administration Hydro Reimbursement, Bad Debt Expense, Riverton 12 Long-Term Maintenance Contract Tracker, Trackers in Rate Base
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	Employee Wages, Auditing and Income Tax Preparation Fees, Property Taxes
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202	Corporate Allocation Factor, Employee Wages, Auditing and Income Tax Preparation Fees, Property Taxes, Self-Dealing, Capital Structure, Return on Equity, Cost of Debt, Account 301 – Organization Costs, Rate Case Expense
Moore Bend Water Utility, LLC	WC-2016-0252	Safe and Adequate Service
Terre Du Lac Utilities Corporation	WR-2017-0110	Revenue Requirement

Utility	Case Number	Testimony Issues
Indian Hills Utility Operating Company, Inc.	WR-2017-0259	Employee Salaries and Benefits, Pre-Acquisition Engineering Fees, AFUDC, Management Consultant Fees, Auditing Expense, Tax Preparation Expense, Bank Fees, Rate Base, Revenue Requirement, Partial Disposition Agreement, Leak Repairs, Rate Case Expense, Corporate Allocation Factor
Missouri American Water Company	WR-2017-0285	Hickory Hills Amortization, Woodland Manor Amortization, Arnold Pipeline Amortization, Lobbying Expense, Charitable Contributions, City of Hollister Pipeline Amortization, Main Break Expense, Maintenance Expense, Promotional Giveaways, Payroll, Lead Service Lines – Accounting Treatment, Main Break Expense
Gascony Water Company	WR-2017-0343	Mileage Expense, Rate Case Expense
Liberty Utilities (Midstates Natural Gas) Corp. D/B/A Liberty Utilities	GR-2018-0013	Payroll, Incentive Compensation, Pensions and OPEBs Expense, Revenues
Kansas City Power & Light Company	ER-2018-0145	Opinion Information – Lobbying Expense
KCP&L Greater Missouri Operations Company	ER-2018-0146	Opinion Information – Lobbying Expense
Spire Missouri, Inc.	GU-2019-0011	Annual PSC/OPC Assessment AAO Request
Osage Utility Operating Company, Inc.	WA-2019-0185	Publicity and Customer Notice, Debit Acquisition Adjustment, Additional Standing Offers to Acquire OWC, Termination of Reflections Sale Agreement, Public Interest
Confluence Rivers Utility Operating Company, Inc.	WA-2019-0299	Public Interest
Missouri American Water Company	WR-2020-0344	Vacant and Temporary Payroll Positions, COVID-19 AAO Cost Recovery
Missouri American Water Company	WR-2022-0303	Class Cost of Service, Rate Design

Confluence Rivers Utility Operating Company, Inc.

Water Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	229,546
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	229,546

* See "Revenues - Current Rates" for Details

Cost of Service

Item	Amount		Customer Charge	Commodity Charge
Total Source of Supply Expenses	\$ 1,456	1	\$ 1,456	\$ -
Total Pumping Expenses	\$ 35,727	1	\$ 35,727	\$ -
Total Water Treatment Expenses	\$ 192,836	0.95	\$ 183,194	\$ 9,642
Total Transmission & Distribution Expenses	\$ 6,005	1	\$ 6,005	\$ -
Total Customer Accounts Expenses	\$ 16,990	1	\$ 16,990	\$ -
Total Administration & General Expenses	\$ 62,007	1	\$ 62,007	\$ -
Total Other Operating Expenses	\$ -		\$ -	\$ -
Sub-Total Operating Expenses	\$ 315,021		\$ 305,379	\$ 9,642
Property Taxes	\$ 489	1	\$ 489	\$ -
Payroll Taxes (FICA)	\$ -		\$ -	\$ -
Payroll Taxes (Unemployment)	\$ -		\$ -	\$ -
Income Tax	\$ 1,691	1	\$ 1,691	\$ -
Sub-Total Taxes	\$ 2,180		\$ 2,180	\$ -
Depreciation Expense	\$ 50,000	1	\$ 50,000	\$ -
Interest Expense	\$ -		\$ -	\$ -
Sub-Total Depreciation/Interest/Amortization	\$ 50,000		\$ 50,000	\$ -
Return on Equity	\$ 68,733	1	\$ 68,733	\$ -
Total Cost of Service	\$ 435,934		\$ 426,292	\$ 9,642
Cost to Recover in Rates	\$ 435,934		\$ 426,292	\$ 9,642
Overall Revenue Increase Needed	\$ 206,388			

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	No. of Customers	Bills Per Year	Total Bills	Rate *	Annual Revenue
Flat Branson Cedars	58	12	696	\$ 61.99	\$ 43,145
Flat Cedar Green	54	12	648	\$ 26.79	\$ 17,360
3/4" Fawn Lake	29	12	348	\$ 50.00	\$ 17,400
Flat Glen Meadows	233	12	2796	\$ 27.50	\$ 76,890
Flat Missing Well	73	12	876	\$ 20.00	\$ 17,520
Flat Prairie Heights	56	12	672	\$ 20.00	\$ 13,440
Flat Spring Branch	115	12	1380	\$ 30.99	\$ 42,766
Total	618		7416		\$ 228,521

* Monthly Customer Charge

Annualized Commodity Sales - Volumes & Revenues

	Total Sales	Rate	Annual Revenue
	341.765	\$ 3.00	\$ 1,025
	0	\$ -	\$ -
Total	341.765		\$ 1,025

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	\$ -

Total Operating Revenues

Customer Charge Revenues	\$ 228,521
Commodity Charge Revenues	\$ 1,025
Sub-Total Tariffed Rate Revenues	\$ 229,546
Other Operating Revenues	\$ -
Total Operating Revenues	\$ 229,546

Confluence Rivers Utility Operating Company, Inc.

Development of Tariffed Rates - Water

Current Revenue	\$ 229,546
Agreed-Upon Overall Revenue Increase	\$ 206,388
Percentage Increase Needed	90%

Metered Customer Rates

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
Flat Branson Cedars	\$ 61.99	\$ 58.78	\$ -	\$ -
Flat Cedar Green	\$ 26.79	\$ 58.78	\$ -	\$ -
3/4" Fawn Lake	\$ 50.00	\$ 31.10	\$ 3.00	\$ 5.54
Flat Glen Meadows	\$ 27.50	\$ 58.78	\$ -	\$ -
Flat Missing Well	\$ 20.00	\$ 58.78	\$ -	\$ -
Flat Prairie Heights	\$ 20.00	\$ 58.78	\$ -	\$ -
Flat Spring Branch	\$ 30.99	\$ 58.78	\$ -	\$ -

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	0	1	0	\$ 31.10
3/4"	29	1	29	\$ 31.10
1"	0	1.75	0	\$ 54.43
1 1/2"	0	3	0	\$ 93.30
2"	0	4	0	\$ 124.41
3"	0	10	0	\$ 311.01
4"	0	15	0	\$ 466.52
Flat Rate - Unmetered	589	1.89	1113.21	\$ 58.78
			1142.21	

Customer Charge Calculation: \$ 426,292 \$ 31.10

Commodity	Gallons**	Proposed
\$ 9,642	1740000	\$ 5.54

**Due to reliability concerns with Confluence's customer sales data, Staff assumes 5,000 gallons per customer per month for development of the commodity rate

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Water

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Bills Per Year	Total Bills	Rate *	Annual Revenue
5/8"	0	12	0	\$ 31.10	\$ -
3/4"	29	12	348	\$ 31.10	\$ 10,823
1"	0	12	0	\$ 54.43	\$ -
1 1/2"	0	12	0	\$ 93.30	\$ -
2"	0	12	0	\$ 124.41	\$ -
3"	0	12	0	\$ 311.01	\$ -
4"	0	12	0	\$ 466.52	\$ -
Flat Rate - Unmetered	589	12	7068	\$ 58.78	\$ 415,469
Total	29		7416		\$ 426,292

* Monthly Customer Charge

Annualized Commodity Sales - Volumes & Revenues

Total Sales	Rate	Annual Revenue
1740	\$ 5.54	\$ 9,642
0		\$ -
Total		\$ 9,642

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Customer Charge Revenues	\$ 426,292
Commodity Charge Revenues	\$ 9,642
Sub-Total Tariffed Rate Revenues	\$ 435,934
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	\$ 435,934

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 435,934
Total Revenues at Current Tariffed Rates	\$ 229,546
Increase in Revenues at Proposed Rates	\$ 206,388
Agreed-Upon Increase in Operating Revenues	\$ 206,388

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Water

Proposed Base
Customer Charge
\$ 58.78

MONTHLY BILL COMPARISON

* Assume 5,000 usage

Branson Cedars Current Rates

Customer Charge	\$ 61.99
Usage Charge	\$ -
Total Bill	\$ 61.99

Cedar Green Current Rates

Customer Charge	\$ 26.79
Usage Charge	\$ -
Total Bill	\$ 26.79

Branson Cedars Proposed Rates

Customer Charge	\$ 31.10
Usage Charge	\$ -
Total Bill	\$ 31.10

Cedar Green Proposed Rates

Customer Charge	\$ 58.78
Usage Charge	\$ -
Total Bill	\$ 58.78

Fawn Lake Current Rates

Customer Charge	\$ 50.00
Usage Charge	\$ 3.00
Total Bill	\$ 53.00

Glen Meadows Current Rates

Customer Charge	\$ 27.50
Usage Charge	\$ -
Total Bill	\$ 27.50

Fawn Lake Proposed Rates

Customer Charge	\$ 31.10
Usage Charge	\$ 5.54
Total Bill	\$ 36.64

Glen Meadows Proposed Rates

Customer Charge	\$ 58.78
Usage Charge	\$ -
Total Bill	\$ 58.78

Missing Well Current Rates

Customer Charge	\$ 20.00
Usage Charge	\$ -
Total Bill	\$ 20.00

Prairie Heights Current Rates

Customer Charge	\$ 20.00
Usage Charge	\$ -
Total Bill	\$ 20.00

Missing Well Proposed Rates

Customer Charge	\$ 58.78
Usage Charge	\$ -
Total Bill	\$ 58.78

Prairie Heights Proposed Rates

Customer Charge	\$ 58.78
Usage Charge	\$ -
Total Bill	\$ 58.78

Spring Branch Current Rates

Customer Charge	\$ 30.99
Usage Charge	\$ -
Total Bill	\$ 30.99

Spring Branch Proposed Rates

Customer Charge	\$	58.78
Usage Charge	\$	-
Total Bill	\$	58.78

Customer Bill Increases/Decreases

Branson Cedars Customer Charge

\$ Increase	\$	(30.89)
% Increase		-49.83%

Cedar Green Customer Charge

\$ Increase	\$	31.99
% Increase		119.42%

Branson Cedars Usage Charge

\$ Increase	\$	-
% Increase		N/A

Cedar Green Usage Charge

\$ Increase	\$	-
% Increase		N/A

Fawn Lake Customer Charge

\$ Increase	\$	(18.90)
% Increase		-37.80%

Glen Meadows Customer Charge

\$ Increase	\$	31.28
% Increase		113.75%

Fawn Lake Usage Charge

\$ Increase	\$	2.54
% Increase		84.71%

Glen Meadows Usage Charge

\$ Increase	\$	-
% Increase		N/A

Missing Well Customer Charge

\$ Increase	\$	38.78
% Increase		193.91%

Prairie Heights Customer Charge

\$ Increase	\$	38.78
% Increase		193.91%

Missing Well Usage Charge

\$ Increase	\$	-
% Increase		N/A

Prairie Heights Usage Charge

\$ Increase	\$	-
% Increase		N/A

Spring Branch Customer Charge

\$ Increase	\$	27.79
% Increase		89.68%

Spring Branch Usage Charge

\$ Increase	\$	-
% Increase		N/A

Confluence Rivers Utility Operating Company, Inc.

Water Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	375,976
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	375,976

* See "Revenues - Current Rates" for Details

Cost of Service

Item	Amount		Customer Charge	Commodity Charge
Total Source of Supply Expenses	\$ 830	0	\$ -	\$ 830
Total Pumping Expenses	\$ 18,521	0	\$ -	\$ 18,521
Total Water Treatment Expenses	\$ 61,992	0	\$ -	\$ 61,992
Total Transmission & Distribution Expenses	\$ 26,041	0	\$ -	\$ 26,041
Total Customer Accounts Expenses	\$ 26,240	0	\$ -	\$ 26,240
Total Administration & General Expenses	\$ 93,058	1	\$ 93,058	\$ -
Total Other Operating Expenses	\$ 559	1	\$ 559	\$ -
Sub-Total Operating Expenses	\$ 227,241		\$ 93,617	\$ 133,624
Property Taxes	\$ 111	1	\$ 111	\$ -
Payroll Taxes (FICA)	\$ -		\$ -	\$ -
Payroll Taxes (Unemployment)	\$ -		\$ -	\$ -
Income Tax	\$ 819	1	\$ 819	\$ -
Sub-Total Taxes	\$ 930		\$ 930	\$ -
Depreciation Expense	\$ 52,230	1	\$ 52,230	\$ -
Interest Expense	\$ -		\$ -	\$ -
Sub-Total Depreciation/Interest/Amortization	\$ 52,230		\$ 52,230	\$ -
Return on Equity	\$ 92,362	1	\$ 92,362	\$ -
Total Cost of Service	\$ 372,763		\$ 239,139	\$ 133,624
Cost to Recover in Rates	\$ 372,763		\$ 239,139	\$ 133,624
Overall Revenue Increase Needed	\$ (3,213)			

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	No. of Customers	Bills Per Year	Total Bills	Rate *	Annual Revenue
Flat Elm Hills	142	12	1704	\$ 60.15	\$ 102,496
3/4" Hillcrest Res	220	12	2640	\$ 40.48	\$ 106,867
3/4" Hillcrest Apt	11	12	132	\$ 32.38	\$ 4,274
1" Hillcrest	10	12	120	\$ 60.72	\$ 7,286
5/8" Port Perry	383	12	4596	\$ 13.23	\$ 60,805
3/4" Port Perry	69	12	828	\$ 16.26	\$ 13,463
1" Port Perry	1	12	12	\$ 22.33	\$ 268
2" Port Perry	1	12	12	\$ 55.69	\$ 668
Total	837		10044		\$ 296,128

* Monthly Customer Charge

Annualized Commodity Sales - Volumes & Revenues

	Total Sales	Rate	Annual Revenue
3/4" Hillcrest Res	8819.14	\$ 7.35	\$ 64,821
3/4" Hillcrest Apt	187.253	\$ 7.35	\$ 1,376
1" Hillcrest	349.79	\$ 7.35	\$ 2,571
5/8" Port Perry	2668.361	\$ 3.58	\$ 9,553
3/4" Port Perry	424.074	\$ 3.58	\$ 1,518
1" Port Perry	2.045	\$ 3.58	\$ 7
2" Port Perry	0.4	\$ 3.58	\$ 1
Total	12451.063		\$ 79,848

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	\$ -

Total Operating Revenues

Customer Charge Revenues	\$ 296,128
Commodity Charge Revenues	\$ 79,848
Sub-Total Tariffed Rate Revenues	\$ 375,976
Other Operating Revenues	\$ -
Total Operating Revenues	\$ 375,976

Confluence Rivers Utility Operating Company, Inc.

Development of Tariffed Rates - Water

Current Revenue	\$ 375,976
Agreed-Upon Overall Revenue Increase	\$ (3,213)
Percentage Increase Needed	-1%

Metered Customer Rates

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
Flat Elm Hills	\$ 60.15	\$ 34.48	-	-
3/4" Hillcrest Res	\$ 40.48	\$ 21.28	\$ 7.35	\$ 2.66
3/4" Hillcrest Apt	\$ 32.38	\$ 21.28	\$ 7.35	\$ 2.66
1" Hillcrest	\$ 60.72	\$ 37.25	\$ 7.35	\$ 2.66
5/8" Port Perry	\$ 13.23	\$ 21.28	\$ 3.58	\$ 2.66
3/4" Port Perry	\$ 16.26	\$ 21.28	\$ 3.58	\$ 2.66
1" Port Perry	\$ 22.33	\$ 37.25	\$ 3.58	\$ 2.66
2" Port Perry	\$ 55.69	\$ 85.14	\$ 3.58	\$ 2.66

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	383	1	383	\$ 21.28
3/4"	300	1	300	\$ 21.28
1"	11	1.75	19.25	\$ 37.25
1 1/2"	0	3	0	\$ 63.85
2"	1	4	4	\$ 85.14
3"	0	10	0	\$ 212.84
4"	0	15	0	\$ 319.26
Flat Rate - Unmetered	142	1.62	230.04	\$ 34.48
	837		936.29	

Customer Charge Calculation: \$ 239,139 \$ 21.28

Commodity	Gallons**	Proposed
\$ 133,624	50220000	\$ 2.66

**Due to reliability concerns with Confluence's customer sales data, Staff assumes 5,000 gallons per customer per month for development of the commodity rate

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Water

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Bills Per Year	Total Bills	Rate *	Annual Revenue
5/8"	383	12	4596	\$ 21.28	\$ 97,823
3/4"	300	12	3600	\$ 21.28	\$ 76,623
1"	11	12	132	\$ 37.25	\$ 4,917
1 1/2"	0	12	0	\$ 63.85	\$ -
2"	1	12	12	\$ 85.14	\$ 1,022
3"	0	12	0	\$ 212.84	\$ -
4"	0	12	0	\$ 319.26	\$ -
Flat Rate - Unmetered	142	12	1704	\$ 34.48	\$ 58,755
Total	837		10044		\$ 239,139

* Monthly Customer Charge

Annualized Commodity Sales - Volumes & Revenues

	Total Sales	Rate	Annual Revenue
	50220	\$ 2.66	\$ 133,624
	0		\$ -
Total	50220		\$ 133,624

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Customer Charge Revenues	\$ 239,139
Commodity Charge Revenues	\$ 133,624
Sub-Total Tariffed Rate Revenues	\$ 372,763
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	\$ 372,763

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 372,763
Total Revenues at Current Tariffed Rates	\$ 375,976
Increase in Revenues at Proposed Rates	\$ (3,213)
Agreed-Upon Increase in Operating Revenues	\$ (3,213)

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Water

Proposed Base Customer Charge

\$ 34.48

MONTHLY BILL COMPARISON

* Assume 5,000 gallon usage

Elm Hills Current Rates

Customer Charge	\$ 60.15
Usage Charge	\$ -
Total Bill	\$ 60.15

Hillcrest 3/4" Current Rates

Customer Charge	\$ 40.48
Usage Charge	\$ 36.75
Total Bill	\$ 77.23

Elm Hills Proposed Rates

Customer Charge	\$ 34.48
Usage Charge	\$ -
Total Bill	\$ 34.48

Hillcrest 3/4" Proposed Rates

Customer Charge	\$ 21.28
Usage Charge	\$ 13.30
Total Bill	\$ 34.59

Port Perry 5/8" Current Rates

Customer Charge	\$ 13.23
Usage Charge	\$ 17.90
Total Bill	\$ 31.13

Port Perry 3/4" Current Rates

Customer Charge	\$ 16.26
Usage Charge	\$ 17.90
Total Bill	\$ 34.16

Port Perry 5/8" Proposed Rates

Customer Charge	\$ 21.28
Usage Charge	\$ 13.30
Total Bill	\$ 34.59

Port Perry 3/4" Proposed Rates

Customer Charge	\$ 21.28
Usage Charge	\$ 13.30
Total Bill	\$ 34.59

Customer Bill Increases/Decreases

Elm Hills Customer Charge

\$ Increase	\$ (25.67)
% Increase	-42.68%

Hillcrest 3/4" Customer Charge

\$ Increase	\$ (19.20)
% Increase	-24.86%

Elm Hills Usage Charge

\$ Increase	\$ -
% Increase	N/A

Hillcrest 3/4" Usage Charge

\$ Increase	\$ (23.45)
% Increase	-63.80%

Port Perry 5/8" Customer Charge

\$ Increase	\$ 8.05
% Increase	60.88%

Port Perry 3/4" Customer Charge

\$ Increase	\$ 5.02
% Increase	30.90%

Port Perry 5/8" Usage Charge
\$ Increase \$ (4.60)
% Increase -25.68%

Port Perry 3/4" Usage Charge
\$ Increase \$ (4.60)
% Increase -25.68%

Confluence Rivers Utility Operating Company, Inc.

Water Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	1,672,267
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	1,672,267

* See "Revenues - Current Rates" for Details

Cost of Service

Item	Amount	Customer Charge	Commodity Charge
Total Source of Supply Expenses	\$ 54,854	0.75 \$ 41,141	\$ 13,714
Total Pumping Expenses	\$ 81,175	0.75 \$ 60,881	\$ 20,294
Total Water Treatment Expenses	\$ 540,315	0.85 \$ 459,268	\$ 81,047
Total Transmission & Distribution Expenses	\$ 191,438	0.85 \$ 162,722	\$ 28,716
Total Customer Accounts Expenses	\$ 113,078	0.75 \$ 84,809	\$ 28,270
Total Administration & General Expenses	\$ 933,006	1 \$ 933,006	\$ -
Total Other Operating Expenses	\$ 2,652	1 \$ 2,652	\$ -
Sub-Total Operating Expenses	\$ 1,916,518	\$ 1,744,478	\$ 172,040
Property Taxes	\$ 12,793	1 \$ 12,793	\$ -
Payroll Taxes (FICA)	\$ -	\$ -	\$ -
Payroll Taxes (Unemployment)	\$ -	\$ -	\$ -
Income Tax	\$ 8,717	1 \$ 8,717	\$ -
Sub-Total Taxes	\$ 21,510	\$ 21,510	\$ -
Depreciation Expense	\$ 243,078	1 \$ 243,078	\$ -
Interest Expense	\$ -	\$ -	\$ -
Sub-Total Depreciation/Interest/Amortization	\$ 243,078	\$ 243,078	\$ -
Return on Equity	\$ 471,090	1 \$ 471,090	\$ -
Total Cost of Service	\$ 2,652,196	\$ 471,090	\$ -
Cost to Recover in Rates	\$ 2,652,196	\$ 2,480,156	\$ 172,040
Overall Revenue Increase Needed	\$ 979,929		

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	No. of Customers	Bills Per Year	Total Bills	Rate *	Annual Revenue
3/4" Indian Hills Mtrd	617	12	7404	\$ 50.90	\$ 376,864
Flat Cedar Glen	37	12	444	\$ 24.76	\$ 10,993
3/4" Cedar Glen Mtrd	182	12	2184	\$ 24.76	\$ 54,076
3/4" Chelsea Rose Mtrd	34	12	408	\$ 24.76	\$ 10,102
Flat Cimmaron Bay	75	12	900	\$ 24.76	\$ 22,284
3/4" Cimmaron Bay Mtrd	19	12	228	\$ 24.76	\$ 5,645
3/4" Eaglewoods Mtrd	35	12	420	\$ 24.76	\$ 10,399
3/4" TDL Res Mtrd	1326	12	15912	\$ 14.85	\$ 236,293
1" TDL Res Mtrd	5	12	60	\$ 37.14	\$ 2,228
2" TDL Res Mtrd	1	12	12	\$ 118.85	\$ 1,426
Flat Auburn Lake	61	12	732	\$ 69.63	\$ 50,969
Flat Calvey Brooks	16	12	192	\$ 69.63	\$ 13,369
3/4" Eugene Mtrd	50	12	600	\$ 46.42	\$ 27,852
3/4" Evergreen Lakes Mtrd	72	12	864	\$ 46.42	\$ 40,107
3/4" Gladlo Mtrd	71	12	852	\$ 46.42	\$ 39,550
Flat Majestic Lakes	109	12	1308	\$ 69.63	\$ 91,076
3/4" Majestic Lakes Mtrd	153	12	1836	\$ 46.42	\$ 85,227
Flat Roy-L Full-Time	11	12	132	\$ 69.63	\$ 9,191
Flat Roy-L Part-Time	15	12	180	\$ 50.64	\$ 9,115
3/4" Roy-L Mtrd	35	12	420	\$ 46.42	\$ 19,496
Flat Smithview	151	12	1812	\$ 71.25	\$ 129,105
Flat Willows	160	12	1920	\$ 69.63	\$ 133,690
Total	3235		38820		\$ 1,379,059

* Monthly Customer Charge

^ Non-Metered

Annualized Commodity Sales - Volumes & Revenues

	Total Sales	Rate	Annual Revenue
	16042.091	\$ 7.01	\$ 112,455
3/4" Indian Hills Mtrd	160.42	\$ 7.70	\$ 1,235
3/4" Cedar Glen Mtrd	2046.044	\$ 5.86	\$ 11,990
3/4" Chelsea Rose Mtrd	1006.638	\$ 5.86	\$ 5,899
3/4" Cimmaron Bay Mtrd	359.841	\$ 5.86	\$ 2,109
3/4" Eaglewoods Mtrd	1212.995	\$ 5.86	\$ 7,108
3/4" TDL Res Mtrd	80191.176	\$ 1.80	\$ 144,344
1" TDL Res Mtrd	446.31	\$ 1.80	\$ 803
2" TDL Res Mtrd	4036.38	\$ 1.80	\$ 7,265

Total 105501.895 \$ 293,209

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	<u>\$ -</u>

Total Operating Revenues

Customer Charge Revenues	\$ 1,379,059
Commodity Charge Revenues	\$ 293,209
Sub-Total Tariffed Rate Revenues	<u>\$ 1,672,267</u>
Other Operating Revenues	\$ -
Total Operating Revenues	<u><u>\$ 1,672,267</u></u>

Confluence Rivers Utility Operating Company, Inc.

Development of Tariffed Rates - Water

Current Revenue	\$ 1,672,267
Agreed-Upon Overall Revenue Increase	\$ 979,929
Percentage Increase Needed	59%

Metered Customer Rates

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
3/4" Indian Hills Mtrd	\$ 50.90	\$ 56.36	\$ 7.70	\$ 7.53
Flat Cedar Glen	\$ 24.76	\$ 94.12	\$ -	\$ -
3/4" Cedar Glen Mtrd	\$ 24.76	\$ 56.36	\$ 5.86	\$ 7.53
3/4" Chelsea Rose Mtrd	\$ 24.76	\$ 56.36	\$ 5.86	\$ 7.53
Flat Cimmaron Bay	\$ 24.76	\$ 94.12	\$ -	\$ -
3/4" Cimmaron Bay Mtrd	\$ 24.76	\$ 56.36	\$ 5.86	\$ 7.53
3/4" Eaglewoods Mtrd	\$ 24.76	\$ 56.36	\$ 5.86	\$ 7.53
3/4" TDL Res Mtrd	\$ 14.85	\$ 56.36	\$ 1.80	\$ 7.53
1" TDL Res Mtrd	\$ 37.14	\$ 98.63	\$ 1.80	\$ 7.53
2" TDL Res Mtrd	\$ 118.85	\$ 225.44	\$ 1.80	\$ 7.53
Flat Auburn Lake	\$ 69.63	\$ 94.12	\$ -	\$ -
Flat Calvey Brooks	\$ 69.63	\$ 94.12	\$ -	\$ -
3/4" Eugene Mtrd	\$ 46.42	\$ 56.36	\$ 7.01	\$ 7.53
3/4" Evergreen Lakes Mtrd	\$ 46.42	\$ 56.36	\$ 7.01	\$ 7.53
3/4" Gladlo Mtrd	\$ 46.42	\$ 56.36	\$ 7.01	\$ 7.53
Flat Majestic Lakes	\$ 69.63	\$ 94.12	\$ -	\$ -
3/4" Majestic Lakes Mtrd	\$ 46.42	\$ 56.36	\$ 7.01	\$ 7.53
Flat Roy-L Full-Time	\$ 69.63	\$ 94.12	\$ -	\$ -
Flat Roy-L Part Time	\$ 50.64	\$ 94.12	\$ -	\$ -
3/4" Roy-L Mtrd	\$ 46.42	\$ 56.36	\$ 7.01	\$ 7.53
Flat Smithview	\$ 71.25	\$ 94.12	\$ -	\$ -
Flat Willows	\$ 69.63	\$ 94.12	\$ -	\$ -

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	0	1	0	\$ 56.36
3/4"	2594	1	2594	\$ 56.36
1"	5	1.75	8.75	\$ 98.63
1 1/2"	0	3	0	\$ 169.08
2"	1	4	4	\$ 225.44
3"	0	10	0	\$ 563.59
4"	0	15	0	\$ 845.38
Flat Rate - Unmetered	635	1.67	1060.45	\$ 94.12

3235

3667.2

Customer Charge Calculation:

\$ 2,480,156

\$ 56.36

Commodity	Gallons	Proposed
\$ 172,040	22860000	\$ 7.53

**Due to reliability concerns with Confluence's customer sales data, Staff assumes 5,000 gallons per customer per month for development of the commodity rate

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Water

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Bills Per Year	Total Bills	Rate *	Annual Revenue
5/8"	0	12	0	\$ 56.36	\$ -
3/4"	2594	12	31128	\$ 56.36	\$ 1,754,343
1"	5	12	60	\$ 98.63	\$ 5,918
1 1/2"	0	12	0	\$ 169.08	\$ -
2"	1	12	12	\$ 225.44	\$ 2,705
3"	0	12	0	\$ 563.59	\$ -
4"	0	12	0	\$ 845.38	\$ -
Flat Rate - Unmetered	635	12	7620	\$ 94.12	\$ 717,191
Total	3235		38820		\$ 2,480,156

Annualized Commodity Sales - Volumes & Revenues

	Total Sales	Rate	Annual Revenue
	22860000	\$ 7.53	\$ 172,040
	0		\$ -
Total	22860000		\$ 172,040

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Customer Charge Revenues	\$ 2,480,156
Commodity Charge Revenues	\$ 172,039.70
Sub-Total Tariffed Rate Revenues	\$ 2,652,196
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	\$ 2,652,196

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 2,652,196
Total Revenues at Current Tariffed Rates	\$ 1,672,267
Increase in Revenues at Proposed Rates	\$ 979,929
Agreed-Upon Increase in Operating Revenues	\$ 979,929

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Water

MONTHLY BILL COMPARISON

Indian Hills Mtrd Current Rates

Customer Charge	\$ 50.90
Usage Charge	\$ 38.50
Total Bill	\$ 89.40

Cedar Glen Flat Current Rates

Customer Charge	\$ 24.76
Usage Charge	\$ -
Total Bill	\$ 24.76

Indian Hills Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Cedar Glen Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Cedar Glen Mtrd Current Rates

Customer Charge	\$ 24.76
Usage Charge	\$ 29.30
Total Bill	\$ 54.06

Chelsea Rose Mtrd Current Rates

Customer Charge	\$ 24.76
Usage Charge	\$ 29.30
Total Bill	\$ 54.06

Cedar Glen Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Cheslea Rose Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Cimmarron Bay Flat Current Rates

Customer Charge	\$ 24.76
Usage Charge	\$ -
Total Bill	\$ 24.76

Cimmarron Bay Mtrd Current Rates

Customer Charge	\$ 24.76
Usage Charge	\$ 29.30
Total Bill	\$ 54.06

Cimmarron Bay Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Cimmarron Bay Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Eaglewoods Mtrd Current Rates

Customer Charge	\$ 24.76
Usage Charge	\$ 29.30
Total Bill	\$ 54.06

Terre Du Lac Mtrd Current Rates

Customer Charge	\$ 14.85
Usage Charge	\$ 9.00
Total Bill	\$ 23.85

Eaglewoods Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Terre Du Lac Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Auburn Lake Flat Current Rates

Customer Charge	\$ 69.63
Usage Charge	\$ -
Total Bill	\$ 69.63

Auburn Lake Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Eugene Mtrd Current Rates

Customer Charge	\$ 46.42
Usage Charge	\$ 35.05
Total Bill	\$ 81.47

Eugene Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Gladlo Mtrd Current Rates

Customer Charge	\$ 46.42
Usage Charge	\$ 35.05
Total Bill	\$ 81.47

Gladlo Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Majestic Lakes Mtrd Current Rates

Customer Charge	\$ 46.42
Usage Charge	\$ 35.05
Total Bill	\$ 81.47

Majestic Lakes Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Roy-L Mtrd Current Rates

Customer Charge	\$ 46.42
Usage Charge	\$ 35.05
Total Bill	\$ 81.47

Calvey Brooks Flat Current Rates

Customer Charge	\$ 69.63
Usage Charge	\$ -
Total Bill	\$ 69.63

Calvey Brooks Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Evergreen Mtrd Current Rates

Customer Charge	\$ 46.42
Usage Charge	\$ 35.05
Total Bill	\$ 81.47

Evergreen Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Majestic Lakes Flat Current Rates

Customer Charge	\$ 69.63
Usage Charge	\$ -
Total Bill	\$ 69.63

Majestic Lakes Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Roy-L Flat Current Rates

Customer Charge	\$ 69.63
Usage Charge	\$ -
Total Bill	\$ 69.63

Roy-L Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Smithview Flat Current Rates

Customer Charge	\$ 71.25
Usage Charge	\$ -
Total Bill	\$ 71.25

Roy-L Mtrd Proposed Rates

Customer Charge	\$ 56.36
Usage Charge	\$ 37.63
Total Bill	\$ 93.99

Smithview Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Willows Flat Current Rates

Customer Charge	\$ 69.63
Usage Charge	\$ -
Total Bill	\$ 69.63

Willows Flat Proposed Rates

Customer Charge	\$ 94.12
Usage Charge	\$ -
Total Bill	\$ 94.12

Confluence Rivers Utility Operating Company, Inc.

Sewer Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	144,770
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	144,770

* See "Revenues - Current Rates" for Details

Cost of Service

Item		Amount
Total Collection Maintenance Expenses	\$	701
Total Pumping Operations Expenses	\$	20,998
Total Pumping Maintenance Expenses	\$	-
Total Treatment & Disposal Operations Expenses	\$	150,436
Total Treatment & Disposal Maintenance Expenses	\$	8,969
Total Customer Accounts Expenses	\$	11,310
Total Administration & General Expenses	\$	39,159
Other Operating Expenses	\$	-
Sub-Total Operating Expenses	\$	231,573
Property Taxes	\$	593
Payroll Taxes (FICA)	\$	-
Payroll Taxes (Unemployment)	\$	-
Income Tax	\$	1,109
Sub-Total Taxes	\$	1,702
Depreciation Expense	\$	41,006
Interest Expense	\$	-
Sub-Total Depreciation/Interest/Amortization	\$	41,006
Return on Equity	\$	45,156
Total Cost of Service	\$	319,437
Cost to Recover in Rates	\$	319,437
Overall Revenue Increase Needed	\$	174,667

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

	No. of Customers	Rate *	Annual Revenue
Qrtly Flat - Cedar Green	54	\$ 142.65 ^	\$ 30,812
Flat - Deer Run	61	\$ 20.00	\$ 14,640.00
Flat - DeGuire	24	\$ 20.00	\$ 5,760.00
Flat - Freeman Hills	16	\$ 16.67	\$ 3,200.64
Flat - Glen Meadows	233	\$ 27.50	\$ 76,890.00
Flat - Missing Well	30	\$ 20.00	\$ 7,200.00
Flat - Prairie Heights	19	\$ 25.00	\$ 5,700.00
Com - DeGuire	1	\$ 28.92	\$ 347.04
Com - Freeman Hills	1	\$ 18.34	\$ 220.08
Total	439		\$ 144,770

* Monthly flat service charge

^ Monthly Rate: \$ 47.55

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	\$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 144,770
Other Operating Revenues	\$ -
Total Operating Revenues	\$ 144,770

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Rate	Annual Revenue
5/8"	437	\$ 60.64	\$ 317,982
1"	0	\$ -	\$ -
1 1/2"	2	\$ 60.64	\$ 1,455
2"	0	\$ -	\$ -
Total			\$ 319,437

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 319,437
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	<u>\$ 319,437</u>

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	<u>\$ 319,437</u>
Total Revenues at Current Tariffed Rates	<u>\$ 144,770</u>
Increase in Revenues at Proposed Rates	<u>\$ 174,667</u>
Agreed-Upon Increase in Operating Revenues	<u>\$ 174,667</u>

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Sewer

Proposed Base Customer Charge

\$ 60.64

MONTHLY BILL COMPARISON

Cedar Green Current Rates

Customer Charge	\$ 47.55
Usage Charge	\$ -
Total Bill	\$ 47.55

Deer Run Current Rates

Customer Charge	\$ 20.00
Usage Charge	\$ -
Total Bill	\$ 20.00

Cedar Green Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

Deer Run Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

DeGuire Current Rates

Customer Charge	\$ 20.00
Usage Charge	\$ -
Total Bill	\$ 20.00

Freeman Hills Current Rates

Customer Charge	\$ 16.67
Usage Charge	\$ -
Total Bill	\$ 16.67

DeGuire Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

Freeman Hills Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

Glen Meadows Current Rates

Customer Charge	\$ 27.50
Usage Charge	\$ -
Total Bill	\$ 27.50

Missing Well Current Rates

Customer Charge	\$ 20.00
Usage Charge	\$ -
Total Bill	\$ 20.00

Glen Meadows Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

Missing Well Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

Prairie Heights Current Rates

Customer Charge	\$ 25.00
Usage Charge	\$ -
Total Bill	\$ 25.00

Prairie Heights Proposed Rates

Customer Charge	\$ 60.64
Usage Charge	\$ -
Total Bill	\$ 60.64

Customer Bill Increases/Decreases

Cedar Green Customer Charge

\$ Increase	\$ 13.09
% Increase	27.52%

Deer Run Customer Charge

\$ Increase	\$ 40.64
% Increase	203.19%

Cedar Green Usage Charge

\$ Increase	\$ -
% Increase	N/A

Deer Run Usage Charge

\$ Increase	\$ -
% Increase	N/A

DeGuire Customer Charge

\$ Increase	\$ 40.64
% Increase	203.19%

Freeman Hills Customer Charge

\$ Increase	\$ 43.97
% Increase	263.75%

DeGuire Usage Charge

\$ Increase	\$ -
% Increase	N/A

Freeman Hills Usage Charge

\$ Increase	\$ -
% Increase	N/A

Glen Meadows Customer Charge

\$ Increase	\$ 33.14
% Increase	120.50%

Missing Well Customer Charge

\$ Increase	\$ 40.64
% Increase	203.19%

Glen Meadows Usage Charge

\$ Increase	\$ -
% Increase	N/A

Missing Well Usage Charge

\$ Increase	\$ -
% Increase	N/A

Prairie Heights Customer Charge

\$ Increase	\$ 35.64
% Increase	142.55%

Prairie Heights Usage Charge

\$ Increase	\$ -
% Increase	N/A

Confluence Rivers Utility Operating Company, Inc.

Sewer Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	348,774
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	348,774

* See "Revenues - Current Rates" for Details

Cost of Service

Item		Amount
Total Collection Maintenance Expenses	\$	1,873
Total Pumping Operations Expenses	\$	2,327
Total Pumping Maintenance Expenses	\$	999
Total Treatment & Disposal Operations Expenses	\$	103,018
Total Treatment & Disposal Maintenance Expenses	\$	5,238
Total Customer Accounts Expenses	\$	12,809
Total Administration & General Expenses	\$	33,172
Other Operating Expenses	\$	123
Sub-Total Operating Expenses	\$	159,559
Property Taxes	\$	199
Payroll Taxes (FICA)	\$	-
Payroll Taxes (Unemployment)	\$	-
Income Tax	\$	1,156
Sub-Total Taxes	\$	1,355
Depreciation Expense	\$	94,213
Interest Expense	\$	-
Sub-Total Depreciation/Interest/Amortization	\$	94,213
Return on Equity	\$	91,030
Total Cost of Service	\$	346,157
Cost to Recover in Rates	\$	346,157
Overall Revenue Increase Needed	\$	(2,617)

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

	No. of Customers	Rate *	Annual Revenue
Flat - Branson Cedars	59	\$ 61.97	\$ 43,875
Flat - Clemstone	76	\$ 60.00	\$ 54,720
Flat - Hillcrest	229	\$ 83.56	\$ 229,623
Apt Flat - Hillcrest	20	\$ 66.85	\$ 16,044
Com Flat - Hillcrest	3	\$ 125.34	\$ 4,512
Total	387		\$ 348,774

* Monthly flat service charge

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	\$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 348,774
Other Operating Revenues	\$ -
Total Operating Revenues	\$ 348,774

Confluence Rivers Utility Operating Company, Inc.

Development of Tariffed Rates - Sewer

Current Revenue	\$ 348,774
Agreed-Upon Overall Revenue Increase	\$ (2,617)
Percentage Increase Needed	-1%

Customer Rates

	Current Customer Charge	Proposed Customer Charge
Flat - Branson Cedars	\$ 61.97	\$ 74.54
Flat - Clemstone	\$ 60.00	\$ 74.54
Flat - Hillcrest	\$ 83.56	\$ 74.54
Apt Flat - Hillcrest	\$ 66.85	\$ 74.54
Com Flat - Hillcrest	\$ 125.34	\$ 74.54

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	364	1	364	\$ 74.54
5/8"	20	1	20	\$ 74.54
1.5"	3	1	3	\$ 74.54
2"	0	7	0	\$ -
3"	0	12	0	\$ -
4"	0	20	0	\$ -
			387	

Total Cost to Recover in Rates	\$ 346,157	\$ 74.54
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Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Rate	Annual Revenue
5/8"	364	\$ 74.54	\$ 325,584
5/8"	20	\$ 74.54	\$ 17,889
1 1/2"	3	\$ 74.54	\$ 2,683
2"	0	\$ -	\$ -
Total			\$ 346,157

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 346,157
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	<u>\$ 346,157</u>

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 346,157
Total Revenues at Current Tariffed Rates	<u>\$ 348,774</u>
Increase in Revenues at Proposed Rates	<u>\$ (2,617)</u>
Agreed-Upon Increase in Operating Revenues	<u>\$ (2,617)</u>

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Sewer

Proposed Base Customer Charge

\$ 74.54

MONTHLY BILL COMPARISON

Branson Cedars Current Rates

Avg Customer Charge	\$ 61.97
Usage Charge	\$ -
Total Bill	\$ 61.97

Clemstone Current Rates

Avg Customer Charge	\$ 60.00
Usage Charge	\$ -
Total Bill	\$ 60.00

Branson Cedars Proposed Rates

Customer Charge	\$ 74.54
Usage Charge	\$ -
Total Bill	\$ 74.54

Clemstone Proposed Rates

Customer Charge	\$ 74.54
Usage Charge	\$ -
Total Bill	\$ 74.54

Hillcrest Current Rates

Avg Customer Charge	\$ 83.56
Usage Charge	\$ -
Total Bill	\$ 83.56

Hillcrest Apt Current Rates

Avg Customer Charge	\$ 66.85
Usage Charge	\$ -
Total Bill	\$ 66.85

Hillcrest Proposed Rates

Customer Charge	\$ 74.54
Usage Charge	\$ -
Total Bill	\$ 74.54

Hillcrest Apt Proposed Rates

Customer Charge	\$ 74.54
Usage Charge	\$ -
Total Bill	\$ 74.54

Customer Bill Increases/Decreases

Branson Cedars Customer Charge

\$ Increase	\$ 12.57
% Increase	20.28%

Clemstone Customer Charge

\$ Increase	\$ 14.54
% Increase	24.23%

Branson Cedars Usage Charge

\$ Increase	\$ -
% Increase	N/A

Clemstone Usage Charge

\$ Increase	\$ -
% Increase	N/A

Hillcrest Customer Charge

\$ Increase	\$ (9.02)
% Increase	-10.80%

Hillcrest Apt Customer Charge

\$ Increase	\$ 7.69
% Increase	11.50%

Hillcrest Usage Charge

\$ Increase	\$ -
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Hillcrest Apt Usage Charge

\$ Increase	\$ -
-------------	------

% Increase

N/A

% Increase

N/A

Confluence Rivers Utility Operating Company, Inc.

Sewer Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	508,102
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	508,102

* See "Revenues - Current Rates" for Details

Cost of Service

Item		Amount
Total Collection Maintenance Expenses	\$	59,731
Total Pumping Operations Expenses	\$	51,334
Total Pumping Maintenance Expenses	\$	17,622
Total Treatment & Disposal Operations Expenses	\$	332,093
Total Treatment & Disposal Maintenance Expenses	\$	117,121
Total Customer Accounts Expenses	\$	58,338
Total Administration & General Expenses	\$	125,141
Other Operating Expenses	\$	60
Sub-Total Operating Expenses	\$	761,440
Property Taxes	\$	2,504
Payroll Taxes (FICA)	\$	-
Payroll Taxes (Unemployment)	\$	-
Income Tax	\$	3,667
Sub-Total Taxes	\$	6,171
Depreciation Expense	\$	86,456
Interest Expense	\$	-
Sub-Total Depreciation/Interest/Amortization	\$	86,456
Return on Equity	\$	124,604
Total Cost of Service	\$	978,671
Cost to Recover in Rates	\$	978,671
Overall Revenue Increase Needed	\$	470,569

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

	No. of Customers	Rate *	Annual Revenue
Flat - Eaglewood	57	\$ 29.02	\$ 19,850
Flat - Cimarron Bay	90	\$ 29.02	\$ 31,342
Flat - Chelsea Rose	30	\$ 29.02	\$ 10,447
Flat - Cedar Glen	209	\$ 29.02	\$ 72,782
Flat - FT Port Perry	184	\$ 18.94	\$ 41,820
Flat - PT Port Perry	68	\$ 14.21	\$ 11,595
Flat - Terre Du Lac	1325	\$ 19.72	\$ 313,548
Commercial	1	\$ 55.50	\$ 666
Pool - Port Perry	4	\$ 37.37	\$ 1,794
Com 1" - Terre Du Lac	4	\$ 49.29	\$ 2,366
Com 2" - Terre Du Lac	1	\$ 157.74	\$ 1,893
Total	1973		\$ 508,102

* Monthly flat service charge

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	\$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 508,102
Other Operating Revenues	\$ -
Total Operating Revenues	\$ 508,102

Confluence Rivers Utility Operating Company, Inc.

Development of Tariffed Rates - Sewer

Current Revenue	\$ 508,102
Agreed-Upon Overall Revenue Increase	\$ 470,569
Percentage Increase Needed	93%

Customer Rates

	Current Customer Charge	Proposed Customer Charge
Flat - Eaglewood	\$ 29.02	\$ 41.34
Flat - Cimarron Bay	\$ 29.02	\$ 41.34
Flat - Chelsea Rose	\$ 29.02	\$ 41.34
Flat - Cedar Glen	\$ 29.02	\$ 41.34
Flat - FT Port Perry	\$ 18.94	\$ 41.34
Flat - PT Port Perry	\$ 14.21	\$ 41.34
Flat - Terre Du Lac	\$ 19.72	\$ 41.34
Commercial	\$ 55.50	\$ 41.34
Pool - Port Perry	\$ 37.37	\$ 41.34
Com 1" - Terre Du Lac	\$ 49.29	\$ 41.34
Com 2" - Terre Du Lac	\$ 157.74	\$ 41.34

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	1895	1	1895	\$ 41.34
5/8"	68	1	68	\$ 41.34
1"	5	1	5	\$ 41.34
2"	5	1	5	\$ 41.34
3"	0	0	0	\$ -
4"	0	0	0	\$ -
			1973	

Total Cost to Recover in Rates	\$ 978,671	\$ 41.34
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Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Rate	Annual Revenue
5/8"	1895	\$ 41.34	\$ 939,981
5/8"	68	\$ 41.34	\$ 33,730
1"	5	\$ 41.34	\$ 2,480
2"	5	\$ 41.34	\$ 2,480
Total			\$ 978,671

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 978,671
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	<u><u>\$ 978,671</u></u>

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	<u>\$ 978,671</u>
Total Revenues at Current Tariffed Rates	<u>\$ 508,102</u>
Increase in Revenues at Proposed Rates	<u>\$ 470,569</u>
Agreed-Upon Increase in Operating Revenues	<u>\$ 470,569</u>

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Sewer

Proposed Base Customer Charge

\$ 41.34

MONTHLY BILL COMPARISON

Osage Utilities Current Rates

Avg Customer Charge	\$ 29.02
Usage Charge	\$ -
Total Bill	\$ 29.02

FT Port Perry Current Rates

Avg Customer Charge	\$ 18.94
Usage Charge	\$ -
Total Bill	\$ 18.94

Osage Utilities Proposed Rates

Customer Charge	\$ 41.34
Usage Charge	\$ -
Total Bill	\$ 41.34

FT Port Perry Proposed Rates

Customer Charge	\$ 41.34
Usage Charge	\$ -
Total Bill	\$ 41.34

Terre Du Lac Current Rates

Avg Customer Charge	\$ 19.72
Usage Charge	\$ -
Total Bill	\$ 19.72

Terre Du Lac Proposed Rates

Customer Charge	\$ 41.34
Usage Charge	\$ -
Total Bill	\$ 41.34

Customer Bill Increases/Decreases

Osage Utilities Customer Charge

\$ Increase	\$ 12.32
% Increase	42.44%

FT Port Perry Customer Charge

\$ Increase	\$ 22.40
% Increase	118.25%

Osage Utilities Usage Charge

\$ Increase	\$ -
% Increase	N/A

FT Port Perry Usage Charge

\$ Increase	\$ -
% Increase	N/A

Terre Du Lac Customer Charge

\$ Increase	\$ 21.62
% Increase	109.61%

Terre Du Lac Usage Charge

\$ Increase	\$ -
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% Increase

N/A

Confluence Rivers Utility Operating Company, Inc.

Sewer Rate Making Income Statement

Operating Revenues at Current Rates

Tariffed Rate Revenues *	\$	2,094,978
Other Operating Revenues *	\$	-
Total Operating Revenues	\$	2,094,978

* See "Revenues - Current Rates" for Details

Cost of Service

Item		Amount
Total Collection Maintenance Expenses	\$	46,559
Total Pumping Operations Expenses	\$	52,628
Total Pumping Maintenance Expenses	\$	10,409
Total Treatment & Disposal Operations Expenses	\$	679,514
Total Treatment & Disposal Maintenance Expenses	\$	150,440
Total Customer Accounts Expenses	\$	167,288
Total Administration & General Expenses	\$	240,807
Other Operating Expenses	\$	1,865
Sub-Total Operating Expenses	\$	1,349,510
Property Taxes	\$	3,544
Payroll Taxes (FICA)	\$	-
Payroll Taxes (Unemployment)	\$	-
Income Tax	\$	5,251
Sub-Total Taxes	\$	8,795
Depreciation Expense	\$	283,385
Interest Expense	\$	-
Sub-Total Depreciation/Interest/Amortization	\$	283,385
Return on Equity	\$	296,936
Total Cost of Service	\$	1,938,626
Cost to Recover in Rates	\$	1,938,626
Overall Revenue Increase Needed	\$	(156,352)

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Current Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

	No. of Customers	Rate *	Annual Revenue
Flat - Auburn Lakes	60	\$ 72.48	\$ 52,186
Flat - Calvey Brook	16	\$ 72.48	\$ 13,916
Flat - Gladlo	63	\$ 72.48	\$ 54,795
Flat - Lake Virginia	38	\$ 72.48	\$ 33,051
Flat - Majestic Lakes	271	\$ 72.48	\$ 235,705
Flat - Mill Creek	75	\$ 72.48	\$ 65,232
Flat - Roy-L	57	\$ 72.48	\$ 49,576
Flat - Villa Ridge	204	\$ 72.48	\$ 177,431
Flat - Willows	161	\$ 72.48	\$ 140,031
Flat - Missouri Utilities	134	\$ 99.88	\$ 160,607
Flat - Rainbow Acres	45	\$ 99.88	\$ 53,935
Flat - State Park Village	177	\$ 99.88	\$ 212,145
Flat - Twin Oaks	43	\$ 99.88	\$ 51,538
Flat - Berkshire Glen	32	\$ 44.81	\$ 17,207
Flat - Private Gardens	83	\$ 44.81	\$ 44,631
Flat - Wil-Mar	85	\$ 44.81	\$ 45,706
Flat - Countryside Meadows	7	\$ 44.81	\$ 3,764
Flat - Park Estates	14	\$ 44.81	\$ 7,528
Flat - Fox Run	40	\$ 44.81	\$ 21,509
Flat - Country Hill	53	\$ 44.81	\$ 28,499
Flat - WPC	84	\$ 95.76	\$ 96,526
Flat - WSS	172	\$ 95.76	\$ 197,649
Flat - Villages	278	\$ 79.74	\$ 266,013
Raccoon Creek	1	\$ -	\$ 19,057
Confluence	1	\$ -	\$ 40,406
Elm Hills	1	\$ -	\$ 6,335
Total	2195		\$ 2,094,978

* Monthly flat service charge

Other Operating Revenues

Late Fees	\$ -
Disconnect/Reconnect	\$ -
Total Other Revenues	\$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues **\$ 2,094,978**

Other Operating Revenues
Total Operating Revenues

\$ -
\$ 2,094,978

Confluence Rivers Utility Operating Company, Inc.

Development of Tariffed Rates - Sewer

Current Revenue	\$ 2,094,978
Agreed-Upon Overall Revenue Increase	\$ (156,352)
Percentage Increase Needed	-7%

Customer Rates

	Current Customer Charge	Proposed Customer Charge
Flat - Auburn Lakes	\$ 72.48	\$ 73.60
Flat - Calvey Brook	\$ 72.48	\$ 73.60
Flat - Gladlo	\$ 72.48	\$ 73.60
Flat - Lake Virginia	\$ 72.48	\$ 73.60
Flat - Majestic Lakes	\$ 72.48	\$ 73.60
Flat - Mill Creek	\$ 72.48	\$ 73.60
Flat - Roy-L	\$ 72.48	\$ 73.60
Flat - Villa Ridge	\$ 72.48	\$ 73.60
Flat - Willows	\$ 72.48	\$ 73.60
Flat - Missouri Utilities	\$ 99.88	\$ 73.60
Flat - Rainbow Acres	\$ 99.88	\$ 73.60
Flat - State Park Village	\$ 99.88	\$ 73.60
Flat - Twin Oaks	\$ 99.88	\$ 73.60
Flat - Berkshire Glen	\$ 44.81	\$ 73.60
Flat - Private Gardens	\$ 44.81	\$ 73.60
Flat - Wil-Mar	\$ 44.81	\$ 73.60
Flat - Countryside Meadows	\$ 44.81	\$ 73.60
Flat - Park Estates	\$ 44.81	\$ 73.60
Flat - Fox Run	\$ 44.81	\$ 73.60
Flat - Country Hill	\$ 44.81	\$ 73.60
Flat - WPC	\$ 95.76	\$ 73.60
Flat - WSS	\$ 95.76	\$ 73.60
Flat - Villages	\$ 79.74	\$ 73.60
Raccoon Creek	\$ -	\$ 73.60
Confluence	\$ -	\$ 73.60
Elm Hills	\$ -	\$ 73.60

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	2192	1	2192	\$ 73.60
5/8"	0	0	0	\$ -
1"	3	1	3	\$ 73.60

2"	0	0	0	\$	-
3"	0	0	0	\$	-
4"	0	0	0	\$	-
			<hr/>		
			2195		

Total Cost to Recover in Rates \$ 1,938,626 \$ 73.60

Confluence Rivers Utility Operating Company, Inc.

Revenue Annualizations at Proposed Rates - Sewer

Annualized Customer Counts and Customer Charge Revenues

Meter Size	No. of Customers	Rate	Annual Revenue
5/8"	2192	\$ 73.60	\$ 1,935,976
5/8"	0	\$ -	\$ -
1"	3	\$ 73.60	\$ 2,650
2"	0	\$ -	\$ -
Total			\$ 1,938,626

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Sub-Total Tariffed Rate Revenues	\$ 1,938,626
Other Operating Revenues	\$ -
Total Revenues at Proposed Rates	<u>\$ 1,938,626</u>

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 1,938,626
Total Revenues at Current Tariffed Rates	\$ 2,094,978
Increase in Revenues at Proposed Rates	<u>\$ (156,352)</u>
Agreed-Upon Increase in Operating Revenues	<u>\$ (156,352)</u>

Confluence Rivers Utility Operating Company, Inc.

Residential Customer Bill Comparison - Sewer

Proposed Base Customer Charge

\$ 73.60

MONTHLY BILL COMPARISON

Confluence Current Rates

Avg Customer Charge	\$ 72.48
Usage Charge	\$ -
Total Bill	\$ 72.48

Elm Hills Current Rates

Avg Customer Charge	\$ 99.88
Usage Charge	\$ -
Total Bill	\$ 99.88

Confluence Proposed Rates

Customer Charge	\$ 73.60
Usage Charge	\$ -
Total Bill	\$ 73.60

Elm Hills Proposed Rates

Customer Charge	\$ 73.60
Usage Charge	\$ -
Total Bill	\$ 73.60

Elm Hills Current Rates

Avg Customer Charge	\$ 44.81
Usage Charge	\$ -
Total Bill	\$ 44.81

Raccoon Creek Current Rates

Avg Customer Charge	\$ 95.76
Usage Charge	\$ -
Total Bill	\$ 95.76

Elm Hills Proposed Rates

Customer Charge	\$ 73.60
Usage Charge	\$ -
Total Bill	\$ 73.60

Raccoon Creek Proposed Rates

Customer Charge	\$ 73.60
Usage Charge	\$ -
Total Bill	\$ 73.60

Raccoon Creek Current Rates

Avg Customer Charge	\$ 79.74
Usage Charge	\$ -
Total Bill	\$ 79.74

Raccoon Creek Proposed Rates

Customer Charge	\$ 73.60
Usage Charge	\$ -
Total Bill	\$ 73.60

Customer Bill Increases/Decreases

Confluence Customer Charge

\$ Increase	\$ 1.12
% Increase	1.55%

Elm Hills Customer Charge

\$ Increase	\$ (26.28)
% Increase	-26.31%

Confluence Usage Charge

\$ Increase \$ -
% Increase N/A

Elm Hills Customer Charge

\$ Increase \$ 28.79
% Increase 64.25%

Elm Hills Usage Charge

\$ Increase \$ -
% Increase N/A

Raccoon Creek Customer Charge

\$ Increase \$ (6.14)
% Increase -7.70%

Raccoon Creek Usage Charge

\$ Increase \$ -
% Increase N/A

Elm Hills Usage Charge

\$ Increase \$ -
% Increase N/A

Raccoon Creek Customer Charge

\$ Increase \$ (22.16)
% Increase -23.14%

Raccoon Creek Usage Charge

\$ Increase \$ -
% Increase N/A

Confluence Rivers Utility Operating Company, Inc.

Miscellaneous Service Charges

Water - Miscellaneous Service Charges

<u>New Service Connection Fee</u>	Actual Cost
Consists of the costs incurred by the Company for construction including parts, material, labor and equipment, but excluding the cost of the meter.	
<u>Service Connection Inspection Fee</u>	\$ 82.50
<u>Water Service Line Inspection Fee</u>	\$ 25.00
<u>Turn-On/Turn-Off (Requested by the Customer)</u>	
8:00 a.m. to 5:00 p.m., Monday through Friday (scheduled 24 hours in advance)	\$ 27.50
Before 8:00 a.m. and after 5:00 p.m., Saturdays/Sundays, or scheduled less than 24 hours in advance.	\$ 164.00
<u>Turn-On/Turn-Off Associated with Non-Payment</u>	\$ 27.50 per trip
<u>On-Site Collection Charge</u>	\$ 27.50
This charge will be added to the current bill if the Company personnel is on-site to disconnect the service when the Customer pays the bill. The disconnection fee may not be assessed if the service is not physically disconnected.	
<u>Meter Test Fee</u>	\$ 120.00
<u>Late Charges</u>	\$ 5.00 or 3%
<u>Returned Check Charges</u>	\$ 25.00
<u>Service Calls for Damages caused by Customer</u>	Actual Cost

Confluence Rivers Utility Operating Company, Inc.

Miscellaneous Service Charges

Sewer - Miscellaneous Service Charges

<u>New Connection, Disconnect and Recommend Charge</u>	Actual Cost
<u>Construction Inspection Charge per Connection</u>	\$ 82.50
<u>Turn-On/Turn-Off (Requested by the Customer)</u>	
8:00 a.m. to 5:00 p.m., Monday through Friday (scheduled 24 hours in advance)	\$ 27.50
Before 8:00 a.m. and after 5:00 p.m., Saturdays/Sundays, or scheduled less than 24 hours in advance.	\$ 164.00
<u>Turn-On/Turn-Off Associated with Non-Payment</u>	\$ 27.50 per trip
<u>On-Site Collection Charge</u>	\$ 27.50
This charge will be added to the current bill if the Company personnel is on-site to disconnect the service when the Customer pays the bill. The disconnection fee may not be assessed if the service is not physically disconnected.	
<u>Late Charges</u>	\$ 5.00 or 3%
<u>Returned Check Charges</u>	\$ 25.00
<u>Service Calls for Damages caused by Customer</u>	Actual Cost