

Exhibit No.:  
Issues: Rate Design  
Witness: James M. Russo  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Direct Testimony  
Case No.: SR-2013-0016  
Date Testimony Prepared: March 28, 2013

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**  
**TARIFF, SAFETY, ECONOMIC & ENGINEERING ANALYSIS**

**DIRECT TESTIMONY**

**OF**

**JAMES M. RUSSO**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

*Jefferson City, Missouri*  
*March 2013*

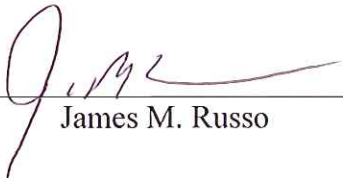
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Request for an     )  
Increase in Sewer Operating Revenues     )                     File No. SR-2013-0016  
of Emerald Pointe Utility Company     )

**AFFIDAVIT OF JAMES M. RUSSO**

STATE OF MISSOURI     )  
   ) ss  
COUNTY OF COLE     )

James M. Russo, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 4 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
James M. Russo

Subscribed and sworn to before me this 28<sup>th</sup> day of March, 2013.

LAURA BLOCH  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 21, 2015  
Commission Number: 11203914

  
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Notary Public

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**DIRECT TESTIMONY**

**OF**

**JAMES M. RUSSO**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

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1  
2 **DIRECT TESTIMONY**

3  
4 **OF**

5  
6 **JAMES M. RUSSO**

7  
8 **EMERALD POINTE UTILITY COMPANY**

9  
10 **CASE NO. SR-2013-0016**

11  
12  
13 Q. Please state your name and business address.

14 A. James M. Russo, P.O. Box 360, Jefferson City, Missouri 65102.

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

16 A. I am the Rate and Tariff Examination Supervisor in the Water & Sewer  
17 Department with the Missouri Public Service Commission (Commission).

18 **I. BACKGROUND OF WITNESS**

19 Q. Please describe your educational background and other qualifications.

20 A. I graduated from California State University-Fresno, Fresno, California, and  
21 received a Bachelor of Science degree in Accounting. Prior to my employment with the  
22 Commission, local elected officials in county government employed me in various capacities.  
23 I was the Assistant Treasurer-Tax Collector for San Joaquin and El Dorado Counties in  
24 California. My responsibilities included all financial dealings of the counties and all  
25 accounting activities of the agency. In addition, I was the Supervising Accountant Auditor in  
26 El Dorado County for two years. My division was responsible for internal audits of all county  
27 agencies, special districts, and franchise/lease agreements.

28 Q. What has been the nature of your duties with the Commission?

1           A.     From April 1997 to December 2001, I worked in the Accounting Department  
2 of the Commission, where my duties consisted of directing and assisting with various audits  
3 and examinations of the books and records of public utilities operating within the State of  
4 Missouri under the jurisdiction of the Commission. From December 16, 2001, to August  
5 2003, I was a Regulatory Auditor IV in the Energy Tariffs/Rate Design Department, where  
6 my duties consisted of analyzing applications, reviewing tariffs, and making  
7 recommendations based upon these evaluations. On August 16, 2003, I assumed the position  
8 of Rate and Tariff Examination Supervisor in the Water & Sewer Department where my  
9 duties consist of reviewing tariffs, preparing and analyzing cost of service and rate design,  
10 and performing accounting functions.

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

12           A.     Yes. A list of cases in which I have filed testimony before this Commission is  
13 attached as Schedule 1 to my direct testimony.

14           Q.     With reference to Case No. SR-2013-0016, have you participated in the  
15 Commission Staff's (Staff) audit of Emerald Pointe Utility Company (Company) concerning  
16 its request for a rate increase in this proceeding?

17           A.     Yes, I have, with the assistance of other members of the Staff.

18 **II. EXECUTIVE SUMMARY**

19           Q.     What is the purpose of your direct testimony?

20           A.     The purpose of my direct testimony is to provide an overview of the Staff  
21 position relating to rate design. I am sponsoring Staff's Rate Design in this proceeding, and it  
22 is being filed concurrently with this testimony.

1 **III RATE DESIGN-SEWER**

2 Q. Please describe Staff's sewer rate design filed in this case and attached as  
3 Schedule 2.

4 A. Staff is proposing a sewer customer charge and a sewer commodity charge. In  
5 addition, Staff is proposing the sewer customer charge be similar to the water customer charge  
6 and includes 2,000 gallons in the minimum customer charge.

7 Q. Has Staff made any other changes to the sewer rate design?

8 A. No.

9 Q. Have Staff and the Company reached an agreement on rate design for sewer?

10 A. Yes. Staff believes after discussing the sewer rate design with representatives  
11 of the Company that the two parties are in agreement.

12 **IV. RATE DESIGN-WATER**

13 Q. Has Staff made any changes to the water rate design that was filed in the  
14 Company/Staff Partial Agreement on March 14, 2013?

15 A. Yes, Staff has recalculated the water customer charge and the water  
16 commodity charge by allocating the expenses determined in Staff's Accounting Schedules in  
17 a manner similar to the manner in which the expenses were allocated in Staff's sewer rate  
18 design.

19 Q. Please describe Staff's water rate design filed in this case and attached as  
20 Schedule 3.

21 A. Staff is proposing to continue a water customer charge that includes 2,000  
22 gallons in the minimum customer charge and a water commodity charge.

23 Q. Have Staff and the Company reached an agreement on rate design for water?

Direct Testimony of  
James M. Russo

1           A.     Yes. Staff believes after discussing the water rate design with representatives  
2 of the Company that the two parties are in agreement.

3           Q.     Does this conclude your direct testimony?

4           A.     Yes it does.

RATE CASE PROCEEDING PARTICIPATION

**JAMES M. RUSSO**

<u>COMPANY</u>	<u>CASE NO.</u>
Union Electric Company	GR-97-393
Gascony Water Company	WA-97-510
St. Joseph Light and Power Company	EC-98-573
St. Joseph Light and Power Company	HR-99-245
St. Joseph Light and Power Company	GR-99-246
St. Joseph Light and Power Company	ER-99-247
UtiliCorp United Inc./St. Joseph Light and Power Company	EM-2000-292
UtiliCorp United Inc./Empire District Electric Company	EM-2000-369
Osage Water Company	WR-2000-557
Osage Water Company	SR-2000-556
Missouri Gas Energy	GR-2001-292
Southern Missouri Gas Company, L.P.	GR-2001-0388
Environmental Utilities	WA-2002-65
Laclede Gas Company	GR-2002-356
Laclede Gas Company	GA-2002-429
Missouri Gas Energy	GT-2003-0033
Aquila Networks L & P	GT-2003-0038
Southern Missouri Gas Company, L.P.	GT-2003-0031
Atmos Energy Corporation	GT-2003-0037
Fidelity Natural Gas, Inc.	GT-2003-0036
Laclede Gas Company	GT-2003-0032
Union Electric Company	GT-2003-0034
Union Electric Company	GR-2003-0517
Missouri Gas Energy	GT-2004-0049
Aquila Inc.	GR-2004-0072
Missouri Gas Energy	GC-2004-0216
Missouri Gas Energy	GC-2004-0305
Aquinquin Water Resources of Missouri, LLC	WR-2006-0425



Missouri-American Water Company	WR-2007-0216
Missouri-American Water Company	SR-2007-0217
Timber Creek Sewer Company	SR-2008-0080
Missouri-American Water Company	WR-2008-0311
Missouri-American Water Company	SR-2008-0312
Lake Region Water & Sewer Company	SR-2010-0110
Lake Region Water & Sewer Company	WR-2010-0111
Missouri-American Water Company	WR-2010-0311
Missouri-American Water Company	WR-2011-0337

# EMERALD POINTE UTILITY COMPANY

## Rate Making Income Statement-Sewer

Operating Revenues at Current Rates		Customer Charge	Commodity
1	Tariffed Rate Revenues *	\$ 77,204	\$ 0
2	Other Operating Revenues *	\$ 2,767	\$ 1,384
3	<b>Total Operating Revenues</b>	<b>\$ 79,971</b>	<b>\$ 1,384</b>
4	* See "Revenues - Current Rates" for Details		
Cost of Service			
Item	Amount	Base	Commodity
1	Operators Salary-Contract Services	\$ 18,446	\$ 9,223
2	Electricity-Pumping	\$ 8,450	\$ 8,450
3	Sewer Treatment -Testing/Laboratory Fees	\$ -	\$ -
4	Sewer Treatment -Chemicals	\$ -	\$ -
5	Sewer Treatment-City of Hollister	\$ 75,939	\$ 75,939
6	Sludge Removal	\$ -	\$ -
7	Systems Repairs & Maintenance	\$ 15,195	\$ 6,078
8	Billings & Collections	\$ 1,517	\$ -
9	Administration & General - Salaries	\$ 2,812	\$ 1,406
10	Legal Fees	\$ 291	\$ -
11	Accounting Fees	\$ 475	\$ -
12	Office Supplies	\$ 211	\$ -
13	Postage Expense	\$ 27	\$ -
14	Office Utilities	\$ 1,636	\$ -
15	Telephone & Internet Expense	\$ 630	\$ -
16	Transportation Expense	\$ 731	\$ 366
17	Property & Liability Insurance	\$ 1,212	\$ 606
18	Rent Expense	\$ 3,106	\$ -
19	Rate Case Expense	\$ 1,135	\$ 1,135
20	Miscellaneous General Expenses	\$ 633	\$ 317
21	MO DNR Fees	\$ -	\$ -
22	Regulatory Commission Expense	\$ 8,413	\$ 4,206
23	Corporate Registration	\$ 10	\$ -
24	<b>Sub-Total Operating Expenses</b>	<b>\$ 140,869</b>	<b>\$ 107,725</b>
25	Property Taxes	\$ 63	\$ -
26	MO Franchise Taxes	\$ -	\$ -
27	Employer FICA Taxes	\$ 2,961	\$ 1,481
28	Federal Unemployment Taxes	\$ -	\$ -
29	State Unemployment Taxes	\$ -	\$ -
30	State & Federal Income Taxes	\$ 11,238	\$ -
31	<b>Sub-Total Taxes</b>	<b>\$ 14,262</b>	<b>\$ 1,481</b>
32	Depreciation Expense	\$ 61,929	\$ -
33	Interest Expense	\$ 53,459	\$ 53,459
34	Amortization of Utility Plant	\$ -	\$ -
35	<b>Sub-Total Depreciation/Interest/Amortization</b>	<b>\$ 115,388</b>	<b>\$ 53,459</b>
36	<b>Return on Rate Base</b>	<b>\$ 44,084</b>	<b>\$ -</b>
37	<b>Total Cost of Service</b>	<b>\$ 314,603</b>	<b>\$ 162,665</b>
38	<b>Overall Revenue Increase Needed</b>	<b>\$ 234,632</b>	<b>\$ 161,281</b>

# EMERALD POINTE UTILITY COMPANY

## Revenue Annualizations at Current Rates-Sewer

### Annualized Customer Counts and Customer Charge Revenues

#### Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"	347	0	347	\$ 13.63	\$ 56,755
1"	0	2	2	\$ 34.08	\$ 818
2"	0	15	15	\$ 109.06	\$ 19,631
<b>Total</b>	<b>347</b>	<b>17</b>	<b>364</b>		<b>\$ 77,204</b>

\*monthly service charge

### Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"	15,989.4	-	15,989.4	\$ -	\$ -
1"	-	592.8	592.8	\$ -	\$ -
2"	-	4,816.4	4,816.4	\$ -	\$ -
<b>Total</b>	<b>15,989.4</b>	<b>5,409.2</b>	<b>21,398.6</b>		<b>\$ -</b>

### Other Operating Revenues

Late Charge Fees	\$ 357
Inspection Fees	\$ 2,250
Reconnect/Disconnect Fees	\$ 160
<b>Total Other Revenues</b>	<b>\$ 2,767</b>

### Total Operating Revenues

Service Charges - Retail Customers	\$ 77,204
Commodity Revenues - Retail Customers	\$ -
<b>Sub-Total Tariffed Rate Revenues</b>	<b>\$ 77,204</b>
Other Operating Revenues	<b>\$ 2,767</b>
<b>Total Operating Revenues</b>	<b>\$ 79,971</b>

# EMERALD POINTE UTILITY COMPANY

## Development of Tariffed Rates-Sewer

Agreement is to develop a base charge and a commodity charge that reflect 2,000 gallons of usage per month being included in the base charge, with the base charge also being being reflective of the different meter sizes that are used to serve the customers.

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$ 77,204</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ 234,632</b>
<b>Percentage Increase Needed</b>	<b>303.912%</b>

Metered Customer Rates				
Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 13.63	\$ 37.29	\$ -	\$ 5.35
1"	\$ 34.08	\$ 77.16	\$ -	\$ 5.35
2"	\$ 109.06	\$ 223.35	\$ -	\$ 5.35

**Meter Equivalents:**

Meter Size	# of Meters	Factor	Equivalent
5/8"	347	1.0	347
1"	2	2.5	5
2"	15	8.0	120
Total Equivalent Meters			472
Dollar Amount per Equivalent Meter per Month			\$ 26.58
Additional added to minimum charge (2,000 gallons)			\$ 10.70

**Commodity Calculation**

Existing gallons included in minimum:

Meter Size	Gal from water rate design	Plus water inc. in minimum	Less water only customers	Tot.Gals inc. min
5/8"	16,718.0	8,328.00	728.6	24,317.40
1"	1,066.6	48.00	473.9	640.75
2"	12,723.9	360.00	7,907.5	5,176.40
	30,508.5	8,736.00		30,134.55

# EMERALD POINTE UTILITY COMPANY

## Revenue Annualizations at Proposed Rates-Sewer

### Annualized Customer Counts and Customer Charge Revenues

#### Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"	347	0	347	\$ 37.29	\$ 155,255
1"	0	2	2	\$ 77.16	\$ 1,852
2"	0	15	15	\$ 223.35	\$ 40,203
<b>Total</b>	<b>347</b>	<b>17</b>	<b>364</b>		<b>\$ 197,310</b>

monthly service charge

### Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"	15,989.4	-	15,989.4	\$ 5.35	\$ 85,576
1"	-	592.8	592.8	\$ 5.35	\$ 3,172
2"	-	4,816.4	4,816.4	\$ 5.35	\$ 25,778
<b>Total</b>	<b>15,989.4</b>	<b>5,409.2</b>	<b>21,398.6</b>		<b>\$ 114,526</b>

### Other Operating Revenues

Late Charge Fees	\$ 357
Inspection Fees	\$ 2,250
Reconnect/Disconnect Fees	\$ 160
<b>Total Other Revenues</b>	<b>\$ 2,767</b>

### Total Operating Revenues

Service Charges - Retail Customers	\$ 197,310
Commodity Revenues - Retail Customers	\$ 114,526
<b>Sub-Total Tariffed Rate Revenues</b>	<b>\$ 311,836</b>
Other Operating Revenues	\$ 2,767
<b>Total Revenues at Proposed Rates</b>	<b>\$ 314,603</b>

#### Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 314,603
Total Revenues at Current Rates	\$ 79,971
Increase In Revenues at Proposed Rates	\$ 234,632
Agreed-Upon Increase in Operating Revenues	\$ 234,632

# EMERALD POINTE UTILITY COMPANY

## Residential Customer Bill Comparison-Sewer

### Rates for 5/8" Meter

<u>Current Base</u>	<u>Proposed Base</u>	<u>Current</u>	<u>Proposed</u>
<u>Customer Charge</u>	<u>Customer Charge</u>	<u>Usage Rate</u>	<u>Usage Rate</u>
<b>\$13.63</b>	<b>\$37.29</b>	<b>\$0.00</b>	<b>\$5.35</b>

current service charge is monthly charge  
includes 2,000 gallons in minimum

### MONTHLY BILL COMPARISON

5,500 gallons/month usage

#### Current Rates

Customer Charge	\$ 13.63
Usage Charge	\$ -
<b>Total Bill</b>	<b>\$ 13.63</b>

#### Proposed Rates

Customer Charge	\$ 37.29
Usage Charge	\$ 18.73
<b>Total Bill</b>	<b>\$ 56.02</b>

#### INCREASES

##### Customer Charge

\$ Increase	\$ 23.66
% Increase	173.55%

##### Usage Charge

\$ Increase	\$ 18.73
% Increase	N/A

##### Total Bill

\$ Increase	\$ 42.39
% Increase	310.98%

# EMERALD POINTE UTILITY COMPANY

## Rate Making Income Statement-Water

### Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	144,252
2	Other Operating Revenues *	\$	517
3	<b>Total Operating Revenues</b>	<b>\$</b>	<b>144,769</b>
4	* See "Revenues - Current Rates" for Details		

### Cost of Service

Item	Amount
1 Operators Salary-Contract Services	\$ 21,309
2 Electricity-Pumping	\$ 17,081
3 Testing Expenses	\$ 222
4 System Repairs Maintenance	\$ 8,619
5 Billing & Collections	\$ 1,517
6 Administration & General - Salaries	\$ 3,567
7 Legal Fees	\$ 77
8 Accounting Fees	\$ 475
9 Office Supplies	\$ 211
10 Postage	\$ 25
11 Office Utilities	\$ 1,636
12 Telephone & Internet Expense	\$ 630
13 Transportation Expense	\$ 530
14 Property & Liability Insurance	\$ 1,212
15 Rent Expense-Building	\$ 3,106
16 Rate Case Expense	\$ 1,135
17 Miscellaneous General Expenses	\$ 814
18 Regulatory Commission Expense	\$ 1,014
19 Corporate Registration	\$ 10
20 <b>Sub-Total Operating Expenses</b>	<b>\$ 63,190</b>
21 Property Taxes	\$ 784
22 MO Franchise Taxes	\$ -
23 Employer FICA Taxes	\$ 2,661
24 Federal Unemployment Taxes	\$ -
25 State Unemployment Taxes	\$ -
26 State & Federal Income Taxes	\$ 1,625
27 <b>Sub-Total Taxes</b>	<b>\$ 5,070</b>
28 Depreciation Expense	\$ 10,725
29 Interest Expense	\$ 7,915
30 Amortization of Utility Plant	\$ -
31 <b>Sub-Total Depreciation/Interest/Amortization</b>	<b>\$ 18,640</b>
32 <b>Return on Rate Base</b>	<b>\$ 6,527</b>
33 <b>Total Cost of Service</b>	<b>\$ 93,427</b>
34 <b>Overall Revenue Increase Needed</b>	<b>\$ (51,342)</b>

# EMERALD POINTE UTILITY COMPANY

## Revenue Annualizations at Current Rates-Water

### Annualized Customer Counts and Customer Charge Revenues

#### Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"	355	0	355	\$ 6.52	\$ 27,775
1"	0	4	4	\$ 10.62	\$ 510
2"	0	30	30	\$ 25.52	\$ 9,187
<b>Total</b>	<b>355</b>	<b>34</b>	<b>389</b>		<b>\$ 37,472</b>

\*monthly service charge

### Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"	16,718.0	-	16,718.0	\$ 3.50	\$ 58,513
1"	-	1,066.6	1,066.6	\$ 3.50	\$ 3,733
2"	-	12,723.9	12,723.9	\$ 3.50	\$ 44,534
<b>Total</b>	<b>16,718.0</b>	<b>13,790.5</b>	<b>30,508.6</b>		<b>\$ 106,780</b>

Net Annualized Commodity Revenues

**\$ 106,780**

#### Other Operating Revenues

Late Charge Fees	\$ 357
Reconnect Fees	\$ 160
<b>Total Other Revenues</b>	<b>\$ 517</b>

#### Total Operating Revenues

Service Charges - Retail Customers	\$ 37,472
Commodity Revenues - Retail Customers	\$ 106,780
<b>Sub-Total Tariffed Rate Revenues</b>	<b>\$ 144,252</b>
<b>Other Operating Revenues</b>	<b>\$ 517</b>
<b>Total Operating Revenues</b>	<b>\$ 144,769</b>



# EMERALD POINTE UTILITY COMPANY

## Development of Tariffed Rates-Water

Agreement is to develop a base charge and a commodity charge that reflect 2,000 gallons of usage per month being included in the base charge, with the base charge also being being reflective of the different meter sizes that are used to serve the customers.

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$ 144,252</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ (51,342)</b>
<b>Percentage Increase Needed</b>	<b>-35.592%</b>

Metered Customer Rates				
Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 6.52	\$ 8.94	\$ 3.50	\$ 1.10
1"	\$ 10.62	\$ 19.06	\$ 3.50	\$ 1.10
2"	\$ 25.52	\$ 56.14	\$ 3.50	\$ 1.10

**Meter Equivalents:**

Meter Size	# of Meters	Factor	Equivalent
5/8"	355	1.0	355
1"	4	2.5	10
2"	30	8.0	240

Total Equivalent Meters      605

Dollar Amount per Equivalent Meter per Month      \$      6.74

Additional added to minimum charge (2,000 gallons)      \$      2.20

**Commodity Calculation**

Existing gallons included in minimum:

Meter Size	Gal from water rate design	Plus water inc. in minimum	Tot.Gals inc. min
5/8"	16,718.0	8,520.00	25,238.04
1"	1,066.6	96.00	1,162.61
2"	12,723.9	720.00	13,443.90
	30,508.6	9,336.00	39,844.55

# EMERALD POINTE UTILITY COMPANY

## Revenue Annualizations at Proposed Rates-Water

### Annualized Customer Counts and Customer Charge Revenues

#### Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"	355	0	355	\$ 8.94	\$ 38,094
1"	0	4	4	\$ 19.06	\$ 915
2"	0	30	30	\$ 56.14	\$ 20,210
<b>Total</b>	<b>355</b>	<b>34</b>	<b>389</b>		<b>\$ 59,219</b>

monthly service charge

### Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"	16,718.0	-	16,718.0	\$ 1.10	\$ 18,445
1"	-	1,066.6	1,066.6	\$ 1.10	\$ 1,177
2"	-	12,723.9	12,723.9	\$ 1.10	\$ 14,038
<b>Total</b>	<b>16,718.0</b>	<b>13,790.5</b>	<b>30,508.6</b>		<b>\$ 33,660</b>

volumes adjusted as needed per net revenue annualization at current rates

### Other Operating Revenues

Late Charge Fees	\$ 357
Reconnect Fees	\$ 160
<b>Total Other Revenues</b>	<b>\$ 517</b>

### Total Operating Revenues

Service Charges - Retail Customers	\$ 59,219
Commodity Revenues - Retail Customers	\$ 33,660
<b>Sub-Total Tariffed Rate Revenues</b>	<b>\$ 92,879</b>
<b>Other Operating Revenues</b>	<b>\$ 517</b>
<b>Total Revenues at Proposed Rates</b>	<b>\$ 93,396</b>

#### Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 93,396
Total Revenues at Current Rates	\$ 144,769
Increase In Revenues at Proposed Rates	\$ (51,373)
Agreed-Upon Increase in Operating Revenues	\$ (51,342)

# EMERALD POINTE UTILITY COMPANY

## Residential Customer Bill Comparison-Water

### Rates for 5/8" Meter

Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$6.52	\$8.94	\$3.50	\$1.10

current service charge is monthly charge  
 Customer charge includes 2,000 gallons  
 usage rate is per 1,000 gallons used

### MONTHLY BILL COMPARISON

5,500 gallons/month usage

#### Current Rates

Customer Charge	\$ 6.52
Usage Charge	\$ 12.25
Total Bill	\$ 18.77

#### Proposed Rates

Customer Charge	\$ 8.94
Usage Charge	\$ 3.86
Total Bill	\$ 12.80

#### INCREASES

##### Customer Charge

\$ Increase	\$2.42
% Increase	37.15%

##### Usage Charge

\$ Increase	(\$8.39)
% Increase	-68.48%

##### Total Bill

\$ Increase	(\$5.97)
% Increase	-31.79%