

Exhibit No.:
Issue(s): *Cost of Service/Rate Design*
Witness: *Keri Roth*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *WR-2023-0006*
Date Testimony Prepared: *June 29, 2023*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

WATER, SEWER, & STEAM DEPARTMENT

REBUTTAL TESTIMONY

Cost of Service

OF

KERI ROTH

CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

CASE NO. WR-2023-0006

Jefferson City, Missouri
June 2023

1 **REBUTTAL 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”)
10 as a Senior Research/Data Analyst in the Water, Sewer, & Steam Department, Industry
11 Analysis Division.

12 Q. Are you the same Keri Roth who filed direct testimony in this case on
13 June 8, 2023?

14 A. Yes, I am.

15 **EXECUTIVE SUMMARY**

16 Q. What is the purpose of your rebuttal testimony in this case?

17 A. The purpose of my rebuttal testimony is to explain corrections to Staff’s rate
18 design schedules included in direct testimony. I will also address the direct testimonies of
19 Confluence Rivers Utility Operating Company, Inc. (“Confluence”) witness Josiah Cox
20 regarding rate consolidation, and Confluence witness Timothy S. Lyons regarding water and
21 sewer rate design.

1 **STAFF COST OF SERVICE AND RATE DESIGN**

2 Q. Has Staff made any corrections or updates to its Cost of Service (“COS”) that
3 may have an impact on Staff’s rate design proposal?

4 A. Yes.

5 Q. What corrections has Staff made?

6 A. On page 5 of Attachment 1, included in my direct testimony filing, the customer
7 charge listed for Branson Cedars proposed rate was incorrectly stated. The rate listed on the
8 bill comparison sheet was \$31.10. The correct amount should have been \$58.78. This
9 correction has been included as an attachment to my rebuttal testimony as Schedule KR-r1.

10 Additionally, on page 5 of Attachment 1, included in my direct testimony filing, the
11 current and proposed usage charges for Fawn Lake were not multiplied by Staff’s estimated
12 5,000 gallon per month usage. This correction has also been included as an attachment to my
13 rebuttal testimony as Schedule KR-r1.

14 Lastly, on page 5 of Attachment 3, included in my direct testimony filing, the number
15 of gallons listed to calculate the commodity charge was calculated incorrectly. I inadvertently
16 used the incorrect number of customers. This correction has also been included as an
17 attachment to my rebuttal testimony, as Schedule KR-r2.

18 Q. Has Staff made any adjustments or updates to its calculated rate design for
19 Confluence’s water or wastewater operations based on those COS corrections or updates for
20 rebuttal testimony?

21 A. Staff did not make any changes to the rate structure originally proposed in direct
22 testimony. As Staff makes corrections and updates to its revenue requirement, rates will change

1 based on those corrections or updates; however, Staff's rate design structure proposal remains
2 the same as proposed in its direct testimony.

3 **CONFLUENCE'S WATER AND SEWER RATE DESIGN**

4 Q. Can you please explain Confluence's rate consolidation proposal?

5 A. Yes. Confluence witness Josiah Cox explains in his direct testimony that
6 Confluence proposes to consolidate rates for all water systems and all sewer systems across
7 Missouri to mitigate rate impacts for systems that would see large increases in rates due to the
8 amount of expenditures and capital investment.¹

9 Q. How does Confluence's proposal differentiate from Staff's proposal?

10 A. Confluence's proposal, also known as single-tariff pricing ("STP") includes
11 one rate, plus one usage charge, for all metered water customers² and one flat rate for all
12 non-metered water customers.³ Additionally, Confluence proposes one flat rate for all sewer
13 customers.⁴

14 Staff's proposal, also known as modified district-specific pricing ("DSP"), differs by
15 consolidating systems into three (3) separate water districts and four (4) separate sewer districts.
16 Each water district has its own single rate and usage charge for metered customers and its own
17 single flat rate for non-metered customers. Each sewer district has its own single flat rate charge
18 for sewer service.

19 **DISTRICT-SPECIFIC PRICING VERSUS SINGLE-TARIFF PRICING**

20 Q. What is the primary benefit of DSP?

¹ Direct Testimony, Josiah Cox, page 18, lines 6 – 11.

² Direct Testimony, Timothy S. Lyons, page 6, lines 11 – 17 and page 7, lines 1 – 10.

³ Direct Testimony, Timothy S. Lyons, page 6, lines 8 – 10.

⁴ Direct Testimony, Timothy S. Lyons, page 7, lines 19 – 21.

Rebuttal Testimony of
Keri Roth

1 A. The primary benefit of DSP is that it more closely aligns with the principles of
2 cost causation by having the cost causers pay for their own costs of service. Stated another
3 way, those customers who caused the cost to occur are the customers responsible for paying
4 those costs.

5 Q. What is the primary benefit of STP?

6 A. The primary benefit of STP is that it spreads out costs to a larger customer base,
7 which helps mitigate the impact of large capital expenditures that need to be made by the
8 Company in any particular district. This mechanism typically works best when there is a large
9 customer base.

10 Q. Wouldn't individual rates for each system be the most accurate way to have the
11 cost causers cover their costs?

12 A. Yes.

13 Q. Then why is Staff proposing a modified DSP?

14 A. As previously mentioned in direct testimony, Staff attempted to group systems
15 together into specific districts that shared a similar cost of service to attempt to achieve
16 reasonable rates and attempt to mitigate rate shock as much as possible. Staff's modified
17 DSP is appropriate in this case, because the cost to serve Confluence's customers vary among
18 each system, and each system is unique in that each system has a relatively small customer
19 base. The cost of service for each system varies based on the size and density of the system,
20 different usage patterns, and the cost to replace or upgrade plant and infrastructure. By
21 utilizing a modified DSP structure, Staff is grouping systems with similar costs of service
22 within the same districts.

1 Q. On page 20, lines 13 – 18, Josiah Cox testifies that consolidated rates reflect the
2 common benefits all of its Missouri customers will receive from being served by Confluence.
3 Does Staff agree with his argument?

4 A. Not entirely. While customers throughout the State generally benefit from
5 being served by Confluence, there are still physical and cost differences in each system that
6 promotes a modified DSP as proposed by Staff rather than the STP structure proposed by
7 Confluence. Staff believes that there are certain similarities in operating characteristics that
8 support Staff's proposal of a modified DSP structure. As previously discussed, Staff has
9 attempted to group systems with similar costs of service into districts together. For example,
10 operating characteristics are clearly not similar between the Indian Hills water system and
11 Cedar Green water system based on each systems cost of service; therefore, it does not make
12 sense for customers connected to those two systems to pay the same rate. Indian Hills is located
13 in east-central Missouri in Crawford County and has approximately 617 customers. Indian
14 Hills' cost of service is approximately \$491,042.⁵ Cedar Green is located further west in
15 Camden County and has approximately 54 customers. Cedar Green's cost of service is
16 approximately \$44,790.⁶

17 **RATE SHOCK**

18 Q. Can you elaborate on this rate shock?

19 A. For example, under Confluence's STP proposal and utilizing its own calculated
20 COS, Missing Well's water system and Prairie Heights' water system flat customer charges
21 will go from \$20.00 per month to \$82.62 per month.⁷ By grouping these two systems into a

⁵ Direct Testimony Staff Accounting Schedules.

⁶ Direct Testimony Staff Accounting Schedules.

⁷ Direct Testimony, Timothy S. Lyons, Schedule TSL 4, page 1.

1 slightly larger district with other similarly situated systems, as Staff has proposed, the flat
2 monthly charge will only increase to \$58.78 per month, based on Staff's calculated COS.

3 Additionally, under Confluence's STP proposal and utilizing its own calculated COS,
4 water customers in Hillcrest and Port Perry would have a customer charge of \$29.19 per month
5 and a usage charge per 1,000 gallons of water of \$9.54.⁸ By grouping Elm Hills, Hillcrest, and
6 Port Perry into a slightly larger district, as Staff has proposed, the monthly customer charge for
7 Hillcrest and Port Perry will be \$21.28 per month and the usage charge will only be \$2.66 per
8 1,000 gallons of usage, based on Staff's calculated COS.

9 Lastly, a STP structure, as Confluence has proposed, will cause sewer rates for
10 systems such as Deer Run, DeGuire, and Missing Well to increase from \$20.00 per month to
11 \$82.96 per month based on Confluence's COS calculation.⁹ By grouping these systems into a
12 district with other similarly situated systems, as proposed by Staff, their rate will only increase
13 to \$60.64 per month for sewer service, based on Staff's calculated COS. By grouping systems
14 into a modified DSP structure, rate shock will be mitigated by future systems acquired by
15 Confluence that already have low rates, when compared to for example Confluence's \$82.96
16 rate for sewer service.

17 Q. Does Staff have other concerns regarding a STP structure?

18 A. Yes. One of the biggest concerns with STP is that when costs are spread over
19 an ever larger customer base, it can create a disincentive to keep construction costs as low as
20 practicable. To be clear, Staff has found no imprudence in the upgrades and repairs Confluence
21 has made. But Staff has this concern with any statewide single tariff rate. Confluence has

⁸ Direct Testimony, Timothy S. Lyons, Schedule TSL 4, page 2.

⁹ Direct Testimony, Timothy S. Lyons, Schedule TSL 4, page 3.

Rebuttal Testimony of
Keri Roth

1 tended to target systems that are in need of major repair and updates to meet standards. It is
2 imperative that these upgrades are conducted with both safety and cost in mind. If the costs
3 can be spread out over more and more customers, the cost of any individual update to any
4 individual customer is lowered, but profits are enhanced. Water and sewer costs and
5 infrastructure are very different from other utilities, such as electric and gas. The costs to serve
6 customers at each location can vary widely across the state depending on the environmental
7 setting, availability of water, availability of land to construct treatment devices, etc.

8 Q. Can you please summarize your rebuttal testimony?

9 A. Yes. Staff continues to support its original proposal identified in direct
10 testimony. Staff believes it is appropriate to have some rate consolidation and believes that by
11 consolidating systems into three (3) water districts and four (4) sewer districts, reasonable rates
12 have been achieved and rate shock has been mitigated. Due to the cost of service varying
13 significantly between some systems, Staff believes it is not beneficial to consolidate all water
14 systems into one district and all sewer systems into one district.

15 Q. Does this conclude your rebuttal testimony?

16 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)
Authority to Implement a General Rate)
Increase for Water Service and Sewer)
Service Provided in Missouri Service Areas)

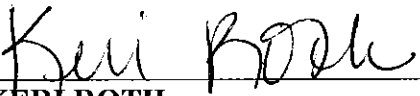
Case No. WR-2023-0006

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

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

Further the Affiant sayeth not.

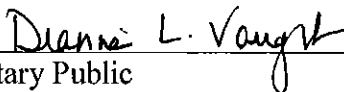


KERI ROTH

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 26th day of June 2023.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377



Notary Public

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	1740		\$ 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	\$ 58.78
Usage Charge	\$ -
Total Bill	\$ 58.78

Cedar Green Proposed Rates

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

Fawn Lake Current Rates

Customer Charge	\$ 50.00
Usage Charge	\$ 15.00
Total Bill	\$ 65.00

Glen Meadows Current Rates

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

Fawn Lake Proposed Rates

Customer Charge	\$ 31.10
Usage Charge	\$ 27.71
Total Bill	\$ 58.81

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	\$	(3.21)
% Increase		-5.18%

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	\$	12.71
% 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 *	\$	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 \$ -	\$ 54,854
Total Pumping Expenses	\$ 81,175	0 \$ -	\$ 81,175
Total Water Treatment Expenses	\$ 540,315	0 \$ -	\$ 540,315
Total Transmission & Distribution Expenses	\$ 191,438	0 \$ -	\$ 191,438
Total Customer Accounts Expenses	\$ 113,078	0 \$ -	\$ 113,078
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	\$ 935,658	\$ 980,860
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	\$ 1,671,336	\$ 980,860
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	\$ 38.05	\$ 7.70	\$ 5.05
Flat Cedar Glen	\$ 24.76	\$ 63.16	\$ -	\$ -
3/4" Cedar Glen Mtrd	\$ 24.76	\$ 38.05	\$ 5.86	\$ 5.05
3/4" Chelsea Rose Mtrd	\$ 24.76	\$ 38.05	\$ 5.86	\$ 5.05
Flat Cimmaron Bay	\$ 24.76	\$ 63.16	\$ -	\$ -
3/4" Cimmaron Bay Mtrd	\$ 24.76	\$ 38.05	\$ 5.86	\$ 5.05
3/4" Eaglewoods Mtrd	\$ 24.76	\$ 38.05	\$ 5.86	\$ 5.05
3/4" TDL Res Mtrd	\$ 14.85	\$ 38.05	\$ 1.80	\$ 5.05
1" TDL Res Mtrd	\$ 37.14	\$ 66.58	\$ 1.80	\$ 5.05
2" TDL Res Mtrd	\$ 118.85	\$ 152.18	\$ 1.80	\$ 5.05
Flat Auburn Lake	\$ 69.63	\$ 63.16	\$ -	\$ -
Flat Calvey Brooks	\$ 69.63	\$ 63.16	\$ -	\$ -
3/4" Eugene Mtrd	\$ 46.42	\$ 38.05	\$ 7.01	\$ 5.05
3/4" Evergreen Lakes Mtrd	\$ 46.42	\$ 38.05	\$ 7.01	\$ 5.05
3/4" Gladlo Mtrd	\$ 46.42	\$ 38.05	\$ 7.01	\$ 5.05
Flat Majestic Lakes	\$ 69.63	\$ 63.16	\$ -	\$ -
3/4" Majestic Lakes Mtrd	\$ 46.42	\$ 38.05	\$ 7.01	\$ 5.05
Flat Roy-L Full-Time	\$ 69.63	\$ 63.16	\$ -	\$ -
Flat Roy-L Part Time	\$ 50.64	\$ 63.16	\$ -	\$ -
3/4" Roy-L Mtrd	\$ 46.42	\$ 38.05	\$ 7.01	\$ 5.05
Flat Smithview	\$ 71.25	\$ 63.16	\$ -	\$ -
Flat Willows	\$ 69.63	\$ 63.16	\$ -	\$ -

Customer Charge	Number of Customers	Factor	Customer Equivalents	Proposed Customer Charge
5/8"	0	1	0	\$ 38.05
3/4"	2594	1	2594	\$ 38.05
1"	5	1.75	8.75	\$ 66.58
1 1/2"	0	3	0	\$ 114.14
2"	1	4	4	\$ 152.18
3"	0	10	0	\$ 380.45
4"	0	15	0	\$ 570.68
Flat Rate - Unmetered	635	1.66	1054.1	\$ 63.16

3235

3660.85

Customer Charge Calculation:

\$ 1,671,336

\$ 38.05

Commodity	Gallons	Proposed
\$ 980,860	194100000	\$ 5.05

**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	\$ 38.05	\$ -
3/4"	2594	12	31128	\$ 38.05	\$ 1,184,273
1"	5	12	60	\$ 66.58	\$ 3,995
1 1/2"	0	12	0	\$ 114.14	\$ -
2"	1	12	12	\$ 152.18	\$ 1,826
3"	0	12	0	\$ 380.45	\$ -
4"	0	12	0	\$ 570.68	\$ -
Flat Rate - Unmetered	635	12	7620	\$ 63.16	\$ 481,242
Total	3235		38820		\$ 1,671,336

Annualized Commodity Sales - Volumes & Revenues

	Total Sales	Rate	Annual Revenue
	194100000	\$ 5.05	\$ 980,860
	0		\$ -
Total	194100000		\$ 980,860

Other Operating Revenues

Total Other Revenues \$ -

Total Operating Revenues

Customer Charge Revenues	\$ 1,671,336
Commodity Charge Revenues	\$ 980,860.00
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

Indian Hills Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Cedar Glen Mtrd Current Rates

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

Cedar Glen Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Cimarron Bay Flat Current Rates

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

Cimarron Bay Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Eaglewoods Mtrd Current Rates

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

Eaglewoods Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Cedar Glen Flat Current Rates

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

Cedar Glen Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Chelsea Rose Mtrd Current Rates

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

Cheslea Rose Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Cimarron Bay Mtrd Current Rates

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

Cimarron Bay Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Terre Du Lac Mtrd Current Rates

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

Terre Du Lac Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Auburn Lake Flat Current Rates

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

Auburn Lake Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Eugene Mtrd Current Rates

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

Eugene Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Gladlo Mtrd Current Rates

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

Gladlo Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Majestic Lakes Mtrd Current Rates

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

Majestic Lakes Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

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	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Evergreen Mtrd Current Rates

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

Evergreen Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Majestic Lakes Flat Current Rates

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

Majestic Lakes Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Roy-L Flat Current Rates

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

Roy-L Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Smithview Flat Current Rates

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

Roy-L Mtrd Proposed Rates

Customer Charge	\$ 38.05
Usage Charge	\$ 25.27
Total Bill	\$ 63.31

Smithview Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16

Willows Flat Current Rates

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

Willows Flat Proposed Rates

Customer Charge	\$ 63.16
Usage Charge	\$ -
Total Bill	\$ 63.16