

STAFF RESONSE TO COMMISSION QUESTIONS
CASE NO. SR-2016-0202
RACCOON CREEK

- A. What are the actual annual revenues received by the company during the test year?

Actual annualized revenues for the test year period for the company were **\$168,009**. For Villages, the amount was **\$73,821**; for WPC, the amount was **\$39,340**; and for West 16th, the amount was **\$54,848**.

- B. What is the current revenue requirement for the company?

The current revenue requirement for the company is **\$548,311**. For Villages, the amount is **\$250,693**; for WPC, the amount is **\$125,487**; and for West 16th, the amount is **\$172,131**.

- C. What are the current rates?

The current rate for Villages is a flat monthly fee of **\$23.48**; for WPC is **\$38.12**; and for West 16th is **\$26.42**.

- D. What is the percentage increase in revenue requirement?

The percentage increase in revenue requirement is **239.6%** for Villages; **219%** for WPC; and **213.8%** for West 16th.

- E. What are the new rates? And what is the new rate design?

The new rate design combines West 16th and WPC into one district and leaves the Villages as a stand-alone district. The rate for Villages is **\$79.74** and the rate for WPC/West 16th is **\$95.76**.

- F. What is the percentage increase in rates?

The percentage increase in rates is **239.6%** for the Villages; **151.2%** for WPC; and **262.5%** for West 16th.

Staff's Exhibit Reflecting Stipulated Rates

Rate Increase Impact

Facility	Current Rate	New Rate	Percent Increase	Number of Customers
Villages	\$23.48	\$79.74	239.60%	262
WPC	\$38.12	\$95.76	151.20%	86
West 16 th	\$26.42	\$95.76	262.50%	173

Division of Revenue Increase by System

Facility	Current Rate	Annualized Revenues	Costs to Recover in Rates*	Total Cost of Service**
Villages	\$23.48	\$73,821	\$250,693	\$250,693
WPC	\$38.12	\$39,340	\$127,987	\$297,618
West 16 th	\$26.42	\$54,848	\$174,631	
Total		\$168,009	\$553,311	\$548,311

* Staff's cost of service, not agreed upon by parties

** Difference between Staff's TCOS and the settled amount taken from the new combined district

***Staff's cost of service would have increased by \$2,925 to allow recovery for the actual cost for preparation of Raccoon Creek and First Round CSWR's tax returns. So the total cost of service would be \$556,236.

Cost of Service – Resulting from Stipulation

\$385,302	Staff's incremental increase in rate revenues
Minus \$5,000	Difference between Staff's revenue requirement and Stipulated amount
Equals \$380,302	Stipulation amount of incremental increase in rate revenue
Plus \$168,009	Current total revenue of Raccoon Creek
Equals \$548,311	Total Stipulated Cost of Service

Dates Current Rate went into Effect

Villages April 1991
WPC March 2013
WSS April 2007

Net Rate Base \$1,624,018
Improvement Costs \$1,501,699

Percentage Increase of current revenues compared to proposed revenues

WPC \$86,147/ \$39,340 = 219%
Villages' \$176,872/ \$73,821 = 239.60%
WSS \$117,283/ \$54,848 = 213.8%

Rate Design

Villages \$250,693/262 customers/12 bills per year

WPC/West 16th \$297,618/259 customers/12 bills per year