

Exhibit No.:
Issue(s):
Witness/Type of Exhibit:
Sponsoring Party:
Case No.:

Rate Design
Marke/Direct
Public Counsel
WR-2017-0259

DIRECT TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

**INDIAN HILLS UTILITY
OPERATING COMPANY, INC.**

CASE NO. WR-2017-0259

October 13, 2017

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


In the Matter of the Application)
Of a Rate Increase)
For Indian Hills Utility)
Operating Company, Inc.) Case No. WR-2017-0259

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Regulatory Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.




Geoff Marke
Chief Economist

Subscribed and sworn to me this 13th day of October 2017.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2021
Cole County
Commission #13754037



Jerene A. Buckman
Notary Public

My commission expires August 23, 2021.

TABLE OF CONTENTS

Testimony	Page
Introduction	1
Rate Design	3

DIRECT TESTIMONY

OF

GEOFF MARKE

INDIAN HILL UTILITY COMPANY

CASE NO. WR-2017-0259

1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel),
4 P.O. Box 2230, Jefferson City, Missouri 65102.

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

6 A. I am employed by the OPC as the Chief Economist.

7 **Q. Please describe your education and employment background.**

8 A. I received a Bachelor of Arts Degree in English from The Citadel, a Masters of Arts Degree
9 from The University of Missouri, St. Louis, and a Doctorate of Philosophy in Public Policy
10 Analysis from Saint Louis University ("SLU"). At SLU, I served as a graduate assistant
11 where I taught undergraduate and graduate course work in urban policy and public finance. I
12 also conducted mixed-method research in transportation policy, economic development and
13 emergency management.

14 I have been in my present position with OPC since April of 2014 where I have been
15 responsible for economic analysis and policy research in electric, gas and water utility
16 operations. Prior to joining OPC, I was employed by the Missouri Public Service
17 Commission as a Utility Policy Analyst II in the Energy Resource Analysis Section, Energy
18 Unit, Utility Operations Department, Regulatory Review Division. My primary duties in that
19 role involved reviewing, analyzing and writing recommendations concerning electric
20 integrated resource planning, renewable energy standards, and demand-side management
21 programs for all investor-owned electric utilities in Missouri. I have also been employed by

1 the Missouri Department of Natural Resources (later transferred to the Department of
2 Economic Development), Energy Division where I served as a Planner III and functioned as
3 the lead policy analyst on electric cases. I have worked in the private sector, most notably
4 serving as the Lead Researcher for Funston Advisory based out of Detroit, Michigan. My
5 experience with Funston involved a variety of specialized consulting engagements with both
6 private and public entities.

7 **Q. Have you been a member of, or participant in, any work groups, committees, or other**
8 **groups that have addressed electric utility regulation and policy issues?**

9 A. Yes. I am currently a member of the National Association of State Consumer Advocates
10 (NASUCA) Distributed Energy Resource Committee which shares information and
11 establishes policies regarding energy efficiency, renewable generation, and distributed
12 generation, and considers best practices for the development of cost-effective programs that
13 promote fairness and value for all consumers. I am also a member of NASUCA's Electricity
14 and Water Committees each tasked with analyzing current issues affecting residential
15 consumers.

16 **Q. Have you testified previously before the Missouri Public Service Commission?**

17 A. Yes. A listing of the cases in which I have previously filed testimony and/or comments
18 before this commission is attached in GM-1.

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

20 A. The purpose of this testimony is to provide OPC's proposed rate design for Indian Hills
21 Utility (or the "Company").

1 **II. RATE DESIGN**

2 **Q. Did you perform a class cost of service (“CCOS”) study?**

3 A. No. A CCOS allocates each cost listed in a Company’s cost of service into different cost
4 components such as base costs, maximum day usage and maximum hourly usage. The
5 necessary data to support these allocations generally are not available for small regulated
6 utilities such as Indian Hills. As an alternative, I used a general cost of service to develop
7 rates in the absence of such data.

8 **Q. What is the general purpose of rate design?**

9 A. The general purpose of rate design is to set “rates” that are both fair and just for the ratepayer,
10 while still affording the Company an opportunity to collect its Commission-approved
11 revenue requirement.

12 In designing rates, certain objectives are typically sought that can often be in conflict with
13 one another such as, revenue stability, conservation, fostering a business-friendly
14 environment and affordability. As such, it is important to understand both the characteristics
15 of the utility and the community it serves. Designing artificially low rates at the expense of
16 the utility’s financial health can lead to a sudden, massive rate increase in the future or to
17 failing systems that can endanger public health. Conversely, rate shock and risk transfer to
18 ratepayers can lead to affordability concerns. For example, an approximate 600% increase in
19 rates would be considered a rate shock.

20 **Q. What are the characteristics of Indian Hill and the community it serves?**

21 A. Indian Hills is located in Cuba, Missouri in Crawford County and services 715 customers.
22 The massive rate request sought by Indian Hill is, in part, a result of rates that were
23 previously kept artificially low. It is OPC’s understanding that Indian Hill’s ratepayers
24 consist of both seasonal and full-time residents.

25 Although it represents a rough approximation, a general snapshot of Indian Hills ratepayers
26 can be gleaned by looking at the county-wide Census economic data. According to the U.S.

1 Census Bureau—American Community Survey (“ACS”) 5-year estimate tracks from 2015
2 Crawford County, Missouri’s household income demographics can be broken down as
3 follows in Table 1 below.

4 **Table 1: Crawford County Demographics 2015¹**

Population	24,526
Total Households	9,309
Mean Household Income	\$48,500
Median Household Income	\$36,700
% of Households with Income Less than \$10,000	10.3%
Poverty Rate	19.4%
Child Poverty Rate	28.6%
65 years and older Population	4,556
% of Households with Income Between \$50,000 - \$99,999.	27.4%

5
6 **Q. What should the Commission note from this table?**

7 A. That an order of magnitude rate increase will have an adverse impact on the ratepayers Indian
8 Hills services. For ratepayers that are living paycheck to paycheck or on fixed incomes, large
9 increases in water bills may force households into making difficult decisions regarding
10 essential items such as medicine, food and shelter.

11 **Q. What is OPC’s proposed rate design?**

12 A. Utilizing the Company’s requested revenue requirement, OPC is proposing a seasonal rate
13 design to attempt to accommodate the variation in occupancy and estimated seasonal water
14 usage of its ratepayers. The current rate design and proposed seasonal breakdown can be seen
15 in Table 2-4.

¹ National Association of Counties: NACo Explorer.: Crawford County, Missouri. <http://explorer.naco.org/#>

1 Table 2: Current Rates for 5/8” Meter

Base Customer Charge	Usage Rate (per 1,000 gallons used)
\$10.81	\$1.89

2

3 Table 3: Proposed Seasonal Rates June through September for 5/8” Meter

Base Customer Charge	Usage Rate (per 1,000 gallons used)
\$43.03	\$6.06

4

5 Table 4: Proposed Non-Seasonal Rates October through May for 5/8” Meter

Base Customer Charge	Usage Rate (per 1,000 gallons used)
\$13.03	\$16.11

6

7 **Q. What is OPC’s rationale behind the proposed rates?**

8 A. The seasonal rate design is proposed with piecemeal data to support it. As such, this design
9 may be subject to revisions as more information is obtained regarding the characteristics of
10 the Indian Hills community. It is OPC’s understanding that there are a fair amount of
11 ratepayers who utilize service for only several weekends a summer and then discontinue
12 service for the non-summer months. OPC’s rate design is designed to recognize both
13 seasonal and non-seasonal ratepayers that are serviced by Indian Hills.

14 **Q. What documents did you utilize in the development of your proposed rate design?**

15 A. I applied OPC’s revenue requirement to Staff’s general cost of service study’s rate design for
16 the seasonal months of June through September and applied OPC’s revenue requirement to

1 OPC's general cost of service study rate design for the non-seasonal months of October
2 through April (see GM-2).

3 **Q. Does this conclude your testimony?**

4 A. Yes.

CASE PARTICPATION OF
GEOFF MARKE, PH.D.

Company Name	Employed Agency	Case Number	Issues
Indian Hills Utility	Office of Public Counsel (OPC)	WR-2017-0259	Direct: Rate Design
Rule Making	OPC	EW-2018-0078	Comments on cogeneration and net metering
Missouri American Water	OPC	WU-2017-0296	Direct: Lead line replacement pilot program Rebuttal: Lead line replacement pilot program Surrebuttal: Lead line replacement pilot program
KCP&L Greater Missouri Operations Company	OPC	EO-2017-0230	Comments on Integrated Resource Plan, preferred plan update
Working Case: Emerging Issues in Utility Regulation	OPC	EW-2017-0245	Comments on Emerging Issues in Utility Regulation / Presentation: Inclining Block Rate Design Considerations
Rule Making	OPC	EX-2016-0334	Comments on Missouri Energy Efficiency Investment Act Rule Revisions
Great Plains Energy Incorporated, Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, and Westar Energy, Inc.	OPC	EE-2017-0113 / EM-2017-0226	Direct: Employment within Missouri / Independent Third Party Management Audits / Corporate Social Responsibility
Union Electric Company d/b/a Ameren Missouri	OPC	ET-2016-0246	Rebuttal: EV Charging Station Policy Surrebuttal: EV Charging Station Policy
Kansas City Power & Light		ER-2016-0156	Direct: Consumer Disclaimer Direct: Response to Commission Directed Questions Rebuttal: Customer Experience / Greenwood Solar Facility / Dues and Donations / Electric Vehicle Charging Stations Rebuttal: Class Cost of Service / Rate Design

			Surrebuttal: Clean Charge Network / Economic Relief Pilot Program / EEI Dues / EPRI Dues
Union Electric Company d/b/a Ameren Missouri	OPC	ER-2016-0179	Direct: Consumer Disclaimer / Transparent Billing Practices / MEEIA Low-Income Exemption Direct: Rate Design Rebuttal: Low-Income Programs / Advertising / EEI Dues Rebuttal: Grid-Access Charge / Inclining Block Rates / Economic Development Riders
KCP&L Greater Missouri Operations Company	OPC	ER-2016-0156	Direct: Consumer Disclaimer Rebuttal: Regulatory Policy / Customer Experience / Historical & Projected Customer Usage / Rate Design / Low-Income Programs Surrebuttal: Rate Design / MEEIA Annualization / Customer Disclaimer / Greenwood Solar Facility / RESRAM / Low-Income Programs
Empire District Electric Company, Empire District Gas Company, Liberty Utilities (Central) Company, Liberty Sub-Corp.	OPC	EM-2016-0213	Rebuttal: Response to Merger Impact Surrebuttal: Resource Portfolio / Transition Plan
Working Case: Polices to Improve Electric Regulation	OPC	EW-2016-0313	Comments on Performance-Based and Formula Rate Design
Working Case: Electric Vehicle Charging Facilities	OPC	EW-2016-0123	Comments on Policy Considerations of EV stations in rate base
Empire District Electric Company	OPC	ER-2016-0023	Rebuttal: Rate Design, Demand-Side Management, Low-Income Weatherization Surrebuttal: Demand-Side Management, Low-Income Weatherization, Monthly Bill Average
Missouri American Water	OPC	WR-2015-0301	Direct: Consolidated Tariff Pricing / Rate Design Study Rebuttal: District Consolidation/Rate Design/Residential Usage/Decoupling Rebuttal: Demand-Side Management (DSM)/ Supply-Side Management (SSM) Surrebuttal: District

			Consolidation/Decoupling Mechanism/Residential Usage/SSM/DSM/Special Contracts
Working Case: Decoupling Mechanism	OPC	AW-2015-0282	Memorandum: Response to Comments
Rule Making	OPC	EW-2015-0105	Missouri Energy Efficiency Investment Act Rule Revisions, Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0084	Triennial Integrated Resource Planning Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0055	Rebuttal: Demand-Side Investment Mechanism / MEEIA Cycle II Application Surrebuttal: Potential Study / Overearnings / Program Design Supplemental Direct: Third-party mediator (Delphi Panel) / Performance Incentive Supplemental Rebuttal: Select Differences between Stipulations
The Empire District Electric Company	OPC	EO-2015-0042	Integrated Resource Planning: Special Contemporary Topics Comments
KCP&L Greater Missouri Operations Company	OPC	EO-2015-0041	Integrated Resource Planning: Special Contemporary Topics Comments
Kansas City Power & Light	OPC	EO-2015-0040	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0039	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0029	Ameren MEEIA Cycle I Prudence Review Comments
Kansas City Power & Light	OPC	ER-2014-0370	Direct (Revenue Requirement): Solar Rebates Rebuttal: Rate Design / Low-Income Weatherization / Solar Rebates Surrebuttal: Economic Considerations / Rate Design / Cyber Security Tracker
Rule Making	OPC	EX-2014-0352	Net Metering and Renewable Energy Standard Rule Revisions, Comments
The Empire District Electric Company	OPC	ER-2014-0351	Rebuttal: Rate Design/Energy Efficiency and Low-Income Considerations
Rule Making	OPC	AW-2014-0329	Utility Pay Stations and Loan Companies, Rule Drafting, Comments

Union Electric Company d/b/a Ameren Missouri	OPC	ER-2014-0258	Direct: Rate Design/Cost of Service Study/Economic Development Rider Rebuttal: Rate Design/ Cost of Service/ Low Income Considerations Surrebuttal: Rate Design/ Cost-of-Service/ Economic Development Rider
KCP&L Greater Missouri Operations Company	OPC	EO-2014-0189	Rebuttal: Sufficiency of Filing Surrebuttal: Sufficiency of Filing
KCP&L Greater Missouri Operations Company	OPC	EO-2014-0151	Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) Comments
Liberty Natural Gas	OPC	GR-2014-0152	Surrebuttal: Energy Efficiency
Summit Natural Gas	OPC	GR-2014-0086	Rebuttal: Energy Efficiency Surrebuttal: Energy Efficiency
Union Electric Company d/b/a Ameren Missouri	OPC	ER-2012-0142	Direct: PY2013 EM&V results / Rebound Effect Rebuttal: PY2013 EM&V results Surrebuttal: PY2013 EM&V results Direct: Cycle I Performance Incentive Rebuttal: Cycle I Performance Incentive
Kansas City Power & Light	Missouri Public Service Commission Staff	EO-2014-0095	Rebuttal: MEEIA Cycle I Application testimony adopted
KCP&L Greater Missouri Operations Company	Missouri Division of Energy (DE)	EO-2014-0065	Integrated Resource Planning: Special Contemporary Topics Comments
Kansas City Power & Light	DE	EO-2014-0064	Integrated Resource Planning: Special Contemporary Topics Comments
The Empire District Electric Company	DE	EO-2014-0063	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	DE	EO-2014-0062	Integrated Resource Planning: Special Contemporary Topics Comments
The Empire District Electric Company	DE	EO-2013-0547	Triennial Integrated Resource Planning Comments
Working Case: State-Wide Advisory Collaborative	OPC	EW-2013-0519	Presentation: Does Better Information Lead to Better Choices? Evidence from Energy-Efficiency Labels
Independence-Missouri	OPC	Indy Energy Forum 2014	Presentation: Energy Efficiency
Independence-Missouri	OPC	Indy Energy Forum 2015	Presentation: Rate Design

NARUC – 2017 Winter	OPC	Committee on Consumer Affairs	NARUC – 2017 Winter Presentation: PAYS Tariff On-Bill Financing
NASUCA – 2017 Summer	OPC	Committee on Water Regulation	NASUCA – 2017 Summer Presentation: Regulatory Issues Related to Lead-Line Replacement of Water Systems

Indian Hills Utility Operating Company, Inc.

Rate Making Income Statement-Water

Seasonal Months (June to September)

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	92,555
2	Other Operating Revenues *	\$	4,736
3	Total Operating Revenues	\$	97,291

	Customer Charge		Commodity
\$	92,555	\$	-
\$	-	\$	4,736

4 * See "Revenues - Current Rates" for Details

Cost of Service

Item	Amount					
5	Misc Source of Supply Expense	\$	-	0.00	\$ -	\$ -
6	Pumping	\$	17,261	0.00	\$ -	\$ 17,261
7	Chemicals	\$	5,381	0.00	\$ -	\$ 5,381
8	Operation Labor & Expense	\$	90,426	0.30	\$ 27,128	\$ 63,298
9	Operation Supervision & Engineering	\$	-	0.50	\$ -	\$ -
10	Transmission & Distribution	\$	-	0.20	\$ -	\$ -
11	Contract Water Testing	\$	-	0.80	\$ -	\$ -
12	Maintenance of Structure and Improvements	\$	5,071	0.50	\$ 2,536	\$ 2,536
13	Maintenance Pumping	\$	-	0.00	\$ -	\$ -
14	Maintenance Supervision and Engineering	\$	-	0.50	\$ -	\$ -
15	Maintenance of Transmission & Distribution	\$	127	0.50	\$ 64	\$ 64
16	Billing & Collections	\$	17,961	0.80	\$ 14,369	\$ 3,592
17	Bank Fees	\$	-	0.00	\$ -	\$ -
18	Administrative & General Expenses	\$	111,601	1.00	\$ 111,601	\$ -
19	DNR	\$	830	1.00	\$ 830	\$ -
20	PSC	\$	1,025	1.00	\$ 1,025	\$ -
21	Rate Case	\$	-	1.00	\$ -	\$ -
22	Business License	\$	74	1.00	\$ 74	\$ -
23	Sub-Total Operating Expenses	\$	249,757		\$ 157,626	\$ 92,131
24	SS & Medicare	\$	5,287	0.80	\$ 4,230	\$ 1,057
25	Unemployment	\$	-	0.80	\$ -	\$ -
26	Property Taxes	\$	4,956	0.80	\$ 3,965	\$ 991
27	Income Taxes	\$	32,538	0.80	\$ 26,030	\$ 6,508
28	Sub-Total Taxes	\$	42,781		\$ 34,225	\$ 8,556
29	Depreciation	\$	92,589	0.80	\$ 74,071	\$ 18,518
30	Amoritzation	\$	-	0.80	\$ -	\$ -
31	Interest	\$	60,525	0.60	\$ 36,315	\$ 24,210
32	Sub-Total Depreciation/Interest/Amortization	\$	153,114		\$ 110,386	\$ 42,728
33	Return on Equity	\$	83,749	0.80	\$ 66,999	\$ 16,750
34	Total Cost of Service	\$	529,401		\$ 369,236	\$ 160,165
35	Cost to recover in rates	\$	524,665		\$ 369,236	\$ 155,429
36	Overall Revenue Increase Needed	\$	432,110		\$ 276,681	\$ 155,429

Indian Hills Utility Operating Company, Inc.

Residential Customer Bill Comparison-Water Seasonal Months (June to September)

Rates for 5/8" Meter			
	Current Base Customer Charge	Proposed Base Customer Charge	Proposed Usage Rate
5/8" Meter	\$ 10.81	\$ 43.03	\$ 6.06
		\$ 1.89	

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

MONTHLY BILL COMPARISON

Full Time average 3,000 gallons/month usage.

Monthly Billing	
<u>Current Rates</u>	
Customer Charge	\$ 10.81
Usage Charge	\$ -
Total Bill	\$ 10.81
<small>Current customer charge includes 4,000 gallons of water</small>	
<u>Proposed Rates</u>	
Customer Charge	\$ 43.03
Usage Charge	\$ 18.19
Total Bill	\$ 61.23
<u>INCREASES</u>	
<u>Customer Charge</u>	
\$ Increase	\$32.22
% Increase	298.10%
<u>Usage Charge</u>	
\$ Increase	\$18.19
% Increase	N.A.
<u>Total Bill</u>	
\$ Increase	\$50.42
% Increase	466.38%

Indian Hills Utility Operating Company, Inc.

Rate Making Income Statement-Water

Non-Seasonal Months (October to May)

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	92,555
2	Other Operating Revenues *	\$	4,736
3	Total Operating Revenues	\$	97,291

	Customer Charge		Commodity
\$	92,555	\$	-
\$	-	\$	4,736

4 * See "Revenues - Current Rates" for Details

Cost of Service

Item	Amount		
5	Misc Source of Supply Expense	\$	-
6	Pumping	\$	17,261
7	Chemicals	\$	5,381
8	Operation Labor & Expense	\$	90,426
9	Operation Supervision & Engineering	\$	-
10	Transmission & Distribution	\$	-
11	Contract Water Testing	\$	-
12	Maintenance of Structure and Improvements	\$	5,071
13	Maintenance Pumping	\$	-
14	Maintenance Supervision and Engineering	\$	-
15	Maintenance of Transmission & Distribution	\$	127
16	Billing & Collections	\$	17,961
17	Bank Fees	\$	-
18	Administrative & General Expenses	\$	111,601
19	DNR	\$	830
20	PSC	\$	1,025
21	Rate Case	\$	-
22	Business License	\$	74
23	Sub-Total Operating Expenses	\$	249,757
24	SS & Medicare	\$	5,287
25	Unemployment	\$	-
26	Property Taxes	\$	4,956
27	Income Taxes	\$	32,538
28	Sub-Total Taxes	\$	42,781
29	Depreciation	\$	92,589
30	Amoritzation	\$	-
31	Interest	\$	60,525
32	Sub-Total Depreciation/Interest/Amortization	\$	153,114
33	Return on Equity	\$	83,749
34	Total Cost of Service	\$	529,401
35	Cost to recover in rates	\$	524,665
36	Overall Revenue Increase Needed	\$	432,110

0.00	\$	-	\$	-
0.00	\$	-	\$	17,261
0.00	\$	-	\$	5,381
0.00	\$	-	\$	90,426
0.00	\$	-	\$	-
0.20	\$	-	\$	-
0.00	\$	-	\$	-
0.25	\$	1,268	\$	3,803
0.00	\$	-	\$	-
0.00	\$	-	\$	-
0.00	\$	-	\$	127
0.80	\$	14,369	\$	3,592
0.00	\$	-	\$	-
0.00	\$	-	\$	111,601
1.00	\$	830	\$	-
0.00	\$	-	\$	1,025
1.00	\$	-	\$	-
0.00	\$	-	\$	74
	\$	16,467	\$	233,290
0.00	\$	-	\$	5,287
0.00	\$	-	\$	-
0.50	\$	2,478	\$	2,478
0.50	\$	16,269	\$	16,269
	\$	18,747	\$	24,034
0.50	\$	46,295	\$	46,295
0.50	\$	-	\$	-
0.50	\$	30,263	\$	30,263
	\$	76,557	\$	76,557
0.00	\$	-	\$	83,749
	\$	111,771	\$	417,630
	\$	111,771	\$	412,894
	\$	19,216	\$	412,894

Indian Hills Utility Operating Company, Inc.

Residential Customer Bill Comparison-Water

Non-Seasonal Months (October to May)

Rates for 5/8" Meter			
	Current Base	Proposed Base	
<u>Customer</u>	<u>Customer Charge</u>	<u>Customer Charge</u>	<u>Usage Rate</u>
5/8" Meter	\$ 10.81	\$ 13.03	\$ 1.89
			<u>Proposed Usage Rate</u>
			\$ 16.11

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

MONTHLY BILL COMPARISON

Full Time average 3,000 gallons/month usage.

Monthly Billing	
<u>Current Rates</u>	
Customer Charge	\$ 10.81
Usage Charge	\$ -
Total Bill	\$ 10.81
Current customer charge includes 4,000 gallons of water	
<u>Proposed Rates</u>	
Customer Charge	\$ 13.03
Usage Charge	\$ 48.33
Total Bill	\$ 61.35
<u>INCREASES</u>	
<u>Customer Charge</u>	
\$ Increase	\$2.22
% Increase	20.51%
<u>Usage Charge</u>	
\$ Increase	\$48.33
% Increase	N.A.
<u>Total Bill</u>	
\$ Increase	\$50.54
% Increase	467.55%