

DIRECT TESTIMONY

of

PHILIP RUKOSUEV

Rates Department

Financial Analysis Division

Illinois Commerce Commission

Galena Territory Utilities Company

Proposed General Increase in Water and Sewer Rates

Docket No. 10-0280

June 28, 2010

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1 **Q. Please state your name and business address.**

2 A. My name is Philip Rukosuev, and my business address is 527 E. Capitol Avenue,  
3 Springfield, Illinois 62701.

4

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

6 A. I am currently employed by the Illinois Commerce Commission (“ICC” or  
7 “Commission”) as a Rates Analyst in the Rates Department of the Financial  
8 Analysis Division. My responsibilities include rate design and cost of service  
9 analyses for electric, gas, water and sewer utilities and the preparation of  
10 testimony on rates and rate related matters.

11

12 **Q. How long have you been employed by the Commission?**

13 A. I have been employed by the Commission since September of 2008.

14

15 **Q. Please discuss your educational and professional background.**

16 A. I received a B.A. in Economics and Business Administration (Magna Cum Laude)  
17 from the University of Illinois at Springfield in May of 2007. I was previously  
18 employed by the Illinois Manufacturing Association as a Management Intern and  
19 by the Department of Healthcare and Family Services in the Low Income Home  
20 Energy Assistance Program (LIHEAP) and the Illinois Home Weatherization  
21 Assistance Program (IHWAP)<sup>1</sup> as a Fiscal Intern.

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<sup>1</sup> At present, those programs are part of the Illinois Department of Commerce and Economic Opportunity.

23 **Q. Have you previously testified before the Commission or any other**  
24 **regulatory bodies?**

25 A. Yes, I have testified several times before the Commission on rate design and  
26 other tariff-related matters. The cases that I testified on include, but are not  
27 limited to, the Illinois American Water Co. rate case (09-0319), the  
28 Ameren electric rate cases (09-0306/09-0307/09-0308), the Ameren UCB/POR  
29 tariffs (08-0619/08-0620/08-0621), the RME sewer certificate cases (08-0490/08-  
30 0491), the IPA procurement plan (08-0519), the ComEd rate design investigation  
31 (08-0532), and the IAWC certificate case (08-0585).

32  
33 **Q. What is the purpose of your direct testimony?**

34 A. The purpose of my testimony is to address Galena Territory Utilities Company's  
35 ("Galena Territory" or "Company") proposed rates, rate design and miscellaneous  
36 tariff charges and present my recommendations on each of these subjects.

37  
38 **Q. Please describe Galena Territory.**

39 A. Galena Territory is a wholly owned subsidiary of Utilities, Inc. ("UI"), which owns  
40 24 water and wastewater utilities in Illinois. Galena Territory is located in Jo  
41 Davies County. It provides water service to approximately 2,200 customers and  
42 sewer service to approximately 800 customers (Direct Testimony of Dimitry  
43 Neyzelman, p. 2). Galena Territory, along with all of UI's water and wastewater  
44 systems, is run by Water Service Corporation ("WSC"), which provides

45 management, administration, engineering, accounting, billing, data processing,  
46 and regulatory services for the utility systems. (*Id.*, p. 1).

47

48 **Q. Are you sponsoring any schedules or attachments with your testimony?**

49 A. Yes, I have attached the following schedules:

50 Schedule 4.1 - Comparison of Company Proposed and Staff Proposed Water  
51 Rates

52

53 Schedule 4.2 - Comparison of Company Proposed and Staff Proposed Sewer  
54 Rates

55

56 Schedules 4.3, 4.4, 4.5, 4.6, 4.7 and 4.8 - Typical Bill Comparison

57

58 **RATE DESIGN**

59

60 **Q. What level of increases does the Company propose for the Galena Territory**  
61 **rate area?**

62 A. The Company proposes that the Galena Territory receive a rate increase of  
63 approximately 82.50% (\$443,225)<sup>2</sup> for water and 33.77% (69,787)<sup>3</sup> for sewer to  
64 recover its proposed revenue requirement.

65

66 **Q. Has the Company proposed a new set of rates to recover these increased**  
67 **revenues from customers in the Galena Territory rate area?**

68 A. Yes. The Company proposed a new set of rates for all customers in all service  
69 classifications and proposed changes to other miscellaneous charges.

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<sup>2</sup> Galena Territory Schedule B, p.2.

<sup>3</sup> Galena Territory Schedule B, p.3.

70

71 **Q. How is the remainder of your testimony organized?**

72 A. I begin with a discussion of water rates. Then I discuss sewer rates, bill impacts  
73 and miscellaneous charges.

74

75 **WATER**

76

77 **Q. Please describe the Company's present water rate structure.**

78 A. The Company's present water rate structure consists of a minimum monthly bill  
79 of \$18 that includes the first 3,000 gallons of usage and a single block usage  
80 charge of \$2.52 per 1,000 gallons for all additional usage by metered residential  
81 and commercial customers. Rates for other customer classes also feature  
82 minimum bills that include a certain level of monthly usage that are both higher  
83 than the residential levels.

84

85 **Q. Did the Company provide an updated cost of service study ("COSS") upon  
86 which the water rates proposed in this docket are based?**

87 A. The Company did not provide an updated COSS. In response to Staff Data  
88 Request PR 1.22, the Company stated that the estimated cost of a COSS is  
89 approximately \$15,000 to \$25,000, which would be far too expensive for its  
90 customers. Galena Territory has not hired a COSS expert for its rate cases in  
91 the past. Therefore, if the Company were to perform a COSS in any future rate  
92 case, it would be necessary to hire a consultant, adding to the cost to customers.

93

94 **Q. Do you agree with the Company's argument for not preparing a COSS for**  
95 **this docket?**

96 A. Yes. I understand the Company's concern that a COSS would be too expensive  
97 for ratepayers because the cost would have to be allocated over a small number  
98 of customers resulting in an adverse impact on rates. Indeed, the water utility's  
99 total system demands, seasonal demands, facility needs, and the resulting costs  
100 are a function of the diverse demands among water utility's customers. This  
101 diversity of demand among classes results in different costs of service per unit of  
102 water sold<sup>4</sup>. However, because both service characteristics and usage patterns  
103 affect the cost of service, and, due to the homogeneous nature of the Company's  
104 customer base, i.e., customer-usage patterns are similar among customers'  
105 classifications, it would not be in the best interests of the customers to incur the  
106 expense of a COSS at this point. (Company Response to Staff Data Request PR  
107 1.22).

108

109 **Q. Please describe the Company's proposed water rate structure.**

110 A. The Company has proposed to the replace the current minimum bill structure  
111 with a separate Base Facilities Charge and a single block usage charge that  
112 covers all water consumption. The Company's proposed charges under the  
113 proposed rate structure can be found on Staff Ex. 4.0, Schedule 4.1.

114

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<sup>4</sup> American Water Works Association, AWWA Manual M1, 2000, p. 82.

115 **Q. How did the Company calculate its proposed water customer charges and**  
116 **usage charges?**

117 A. In response to Staff Data Request PR 1.15, the Company replied that the usage  
118 rate was set at \$9.09 to match the proposed usage rates in Apple Canyon's and  
119 Lake Wildwood's (Docket Nos. 09-0548-09-0549) usage rates. In essence, the  
120 Company wants to consolidate and minimize the disparity in charges between  
121 individual systems and to increase the uniformity and consistency of the charges  
122 with other Utilities Inc. Illinois water utilities. These changes are based on  
123 discussions for future consolidation of Utilities Inc.'s Illinois systems.

124

125 After the usage charge was set at \$9.09, the Company increased its base  
126 facilities charge based on AWWA meter factors<sup>5</sup>, where the allocation of costs  
127 among customer types was done through the application of meter factors. This  
128 approach relates the flow for meters larger than 5/8" to that of the volume of flow  
129 for a 5/8" meter. In other words, the Company used equivalent meter ratios  
130 expressed in terms of the ratio of related meter capacity for each meter size  
131 relative to a 5/8" meter size.<sup>6</sup> For the Company, the 5/8" water meter is the size  
132 most often used by residential customers. The AWWA meter factors were used  
133 in calculating the billing units for residential and commercial customers.  
134 Consequently, these factored billing units were used in the calculation of the  
135 base facilities charge per meter size. The Company determined that its

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<sup>5</sup> Company Response to Staff Data Request JMO 1-2 CONFIDENTIAL.

<sup>6</sup> American Water Works Association, AWWA Manual M1, 2000, p. 202.

136 increases for the monthly customer charges and the usage charges result in  
137 approximately a 43/57 split, respectively.

138

139 **Q. What is your opinion of the Company's proposal to replace the minimum**  
140 **bill with a Base Facilities Charge and a separate charge for usage?**

141 A. I find it reasonable. It represents a significant improvement over the current rate  
142 structure. There is no incentive to conserve or reduce wasteful usage at  
143 consumption levels below 3,000 gallons. Moreover, the minimum bill does not  
144 recognize that the cost of service to customers varies by meter size. Customers  
145 with larger meters are more costly to serve than customers with smaller meters;  
146 however, all customers are currently required to make the same minimum  
147 payment of \$18/month and the remaining portion of the meter charge is based  
148 purely on usage.

149

150 The Company's proposed water rate structure is transparent, feasible in its  
151 application, yields necessary revenues in a stable and predictable manner,  
152 minimizes unexpected changes in customer bills, and is simple for customers to  
153 understand so that they can take full advantage of the price signals produced by  
154 it. The proposed rate structure also takes into account the relative costs of the  
155 various meter sizes. Lastly, it is consistent with rate structures for other public  
156 utilities of similar size.

157

158 **Q. What is your opinion of how the Company developed the specific customer**  
159 **and usage charges it proposes in this proceeding?**

160 A. I agree with the Company's approach based on my review of the workpapers  
161 provided by the Company that show all appropriate calculations<sup>7</sup>. The Company  
162 did not develop a cost of service study for this case; hence, there is no cost  
163 foundation for its proposed \$9.09 usage charge. Nevertheless, I support such a  
164 charge as it will provide a step toward uniformity and consistency across the UI  
165 service territories. This step towards a uniform usage charge approach is similar  
166 to that proposed by UI for other miscellaneous fees in other ongoing UI rate case  
167 dockets.<sup>8</sup> As for the Base Facilities Charges, allocating costs among customer  
168 classes through the application of meter factors is the most accurate approach in  
169 the absence of a COSS.

170

171 **Q. Do you have any reservations about the Company's proposed water**  
172 **charges?**

173 A. Yes. The Company is proposing charges based on its revenue requirement. I  
174 recommend the Commission set rates based upon Staff's proposed revenue  
175 requirement.

176

177 **Q. Have you developed a set of proposed rates to recover Staff's proposed**  
178 **revenue requirement?**

---

<sup>7</sup> Company Response to Staff Data Request JMO 1-2 CONFIDENTIAL.

<sup>8</sup> Please see further discussion on page 22-23

179 A. Yes. I have prepared a set of rates that recover Staff's proposed revenue  
180 requirement presented in Staff witness Ostrander's testimony (ICC Staff Ex. 1.0,  
181 Schedule 1.1 W and Schedule 1.1 S). I adjusted the residential and commercial  
182 customer charges and usage charges according to a formula which is discussed  
183 below.

184

185 **Q. Please describe Schedules 4.1 and 4.2.**

186 A. Schedules 4.1 and 4.2 contain the Company's proposed rates and my proposed  
187 rates. The information in Schedules 4.1 and 4.2 was primarily provided in the  
188 Company's Schedule E. Schedules 4.1 and 4.2 compare the Company's  
189 proposed rates based on its revenue requirement versus Staff's proposed rates  
190 based on Staff's revenue requirement. I calculated my proposed rates by  
191 multiplying the ratio of Staff's proposed revenue requirement, to the Company's  
192 proposed revenue requirement across-the-board, to the Company's proposed  
193 customer charges (water & sewer) and usage charges (water). My proposed  
194 rate design reflects Staff's proposed revenue requirement shown in Staff Ex. 1.0,  
195 Schedule 1.1 W and Schedule 1.1 S. Staff's proposed revenue requirements of  
196 \$ 822,150 and \$ 231,278 are approximately %15.62 and %15.60 less than the  
197 Company's proposed revenue requirements of \$978,649<sup>9</sup> and \$275,581<sup>10</sup> for  
198 water and sewer, respectively.

199

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<sup>9</sup> Service Revenues – Water (Company Schedule B, p. 2).

<sup>10</sup> Service Revenues – Sewer (Company Schedule B, p. 3).

200 **Q. How should your proposed rates be revised if the Commission adopts a**  
201 **revenue requirement that differs from the Staff proposal?**

202 A. My proposed rates are designed to recover Staff's proposed revenue  
203 requirement. In general, my proposed rates produce smaller bill increases than  
204 the Company's because Staff's recommended revenue requirement is smaller  
205 than the Company's proposal. The increases vary depending on the level of  
206 water use, size of meter, service classification and other factors. If there is any  
207 difference between the revenue requirement adopted by the Commission and  
208 Staff's revenue requirement, then Staff's proposed customer charges and usage  
209 charges should be adjusted by a uniform percentage to recover the revenue  
210 requirement adopted by the Commission.

211

212 **Q. What test year water usage levels and billing units does the Company**  
213 **propose in this case?**

214 A. The Company proposes to use year ending December 2008 usage levels and  
215 billing units for the test year (Direct Testimony of Dimitry Neyzelman, Schedule  
216 E). The Company supported these billing units by stating in response to Staff  
217 Data Request PR 1.18 that the gallons used in each metered class were taken  
218 from actual consumption data. The Company also provided confidential  
219 workpapers to support its data.<sup>11</sup>

220

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<sup>11</sup> Company Response to Staff Data Request JMO 1-2 CONFIDENTIAL.

221 **Q. Do you find the Company's proposed pro forma test year usage levels and**  
222 **billing units reasonable?**

223 A. Yes. I consider the Company's proposed usage levels and billing units  
224 acceptable given that they correspond to actual consumption data for ratepayers.

225

226 **SEWER**

227 **Q. Please describe the Company's present sewer rate structure.**

228 A. The Company's present rate structure consists of a flat monthly facilities charge  
229 of \$19.72.<sup>12</sup>

230

231 **Q. Please describe the Company's proposed sewer rate structure.**

232 A. The Company does not propose to change the present sewer rate structure. It  
233 has proposed to increase the monthly sewer rate to \$26.28.<sup>13</sup> The Company's  
234 proposed charge can be found on Staff Ex. 4.0, Schedule 4.2.

235

236 **Q. Did the Company provide an updated cost of service study ("COSS") upon**  
237 **which sewer rates proposed in this docket are based?**

238 A. No, it did not. As noted earlier, the Company indicated it did not perform a COSS  
239 due to cost considerations and the impact of such costs on its relatively small  
240 base of customers.

241

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<sup>12</sup> ILL. C.C. No. 1, Third Revised Sheet No. 1.

<sup>13</sup> ILL. C.C. No. 1, Fourth Revised Sheet No. 1.

242 **Q. What is your opinion of the Company's proposed approach to sewer rate**  
243 **design?**

244 A. The Company's proposal to maintain the current rate structure for a monthly  
245 sewer charge is reasonable in the absence of a cost study to support an  
246 alternative approach. This rate structure was approved by the Commission in the  
247 Company's last rate case and is, therefore, just and reasonable absent any  
248 updated information indicating the contrary. Nevertheless, the specific charge  
249 that is proposed should not be adopted because it is based on the Company's  
250 proposed sewer revenue requirement.

251

252 **Q. What do you therefore propose?**

253 A. I propose adoption of a monthly sewer charge based on Staff's proposed  
254 revenue requirement. My proposed sewer charges can be found on Staff Ex.  
255 4.0, Schedule 4.2.

256

257 **BILL IMPACTS**

258

259 **Q. Have you developed a typical bill comparison to illustrate the impact of**  
260 **current rates compared to proposed rates?**

261 A. Yes, I have. The results are illustrated in Schedules 4.3, 4.4, 4.5, 4.6, 4.7 and  
262 4.8. Schedule 4.3 shows Company current water rates compared to Staff  
263 proposed water rates. Schedule 4.4 shows Company current water rates  
264 compared to Company proposed water rates. Schedule 4.5 shows Staff

265 proposed water rates compared to Company proposed water rates. Schedule  
266 4.6 shows Company current water and sewer rates compared to Staff proposed  
267 water and sewer rates. Schedule 4.7 shows Company current water and sewer  
268 rates compared to Company proposed water and sewer rates. Schedule 4.8  
269 shows Staff proposed water and sewer rates compared to Company proposed  
270 water and sewer rates. All six schedules are based on a comparison of monthly  
271 rates because the Company is proposing to change its billing cycle from quarterly  
272 to monthly.

273

274 **Q. Did you consider rate shock in developing your proposed rates?**

275 A. Yes, I did.

276

277 **Q. Please explain the concept of “rate shock.”**

278 A. Rate shock occurs when a customer purchasing a commodity, such as water,  
279 must pay a significantly higher amount for comparable service. While customers  
280 generally do not expect prices to remain unchanged forever, they also typically  
281 do not expect an abrupt and extreme change in prices that could cause them  
282 significant financial distress.

283

284 **Q. Does the typical bill comparison table show that customers may  
285 experience rate shock?**

286 A. Based on the percent increases that are being requested by the Company to the  
287 rates, it appears that customers may experience rate shock. Moreover, in

288 response to Staff Data Request PR 1.26, the Company stated: "[c]ustomers may  
289 experience a rate shock, however, the Company has not had a rate increase  
290 since 1987 and Galena customers have benefited from capital improvements  
291 without rate increases while the Company's costs have increased annually." As  
292 indicated in Schedules 4.3 and 4.4, the monthly bill to a typical customer with  
293 usage of 2,163 gallons<sup>14</sup>, the percentage increase is approximately 63.56%  
294 (\$11.44) and 93.84% (\$16.89) (for 5/8" meter) under Staff's and Company's  
295 proposed water rates, respectively. Also, as indicated in Schedules 4.6 and 4.7,  
296 the monthly bill to a typical customer with usage of 2,163 gallons, the percentage  
297 increase is 36.85% (\$13.90) and 62.17% (\$23.45) (for 5/8" meter) under Staff's  
298 and Company's proposed water and sewer rates, respectively. The customers of  
299 Galena Territory may experience rate shock under the Company's proposal,  
300 however, the rates that I propose for this rate case are based on Staff's proposed  
301 revenue requirement and are substantially lower. Thus, although an average  
302 increase of 64.70% (for 5/8" meter)<sup>15</sup> and 43.33% (for 5/8" meter)<sup>16</sup> might be  
303 considered steep in some circumstances, it is considerably lower than what is  
304 being proposed by the Company, and the increase is necessary in order for the  
305 Company to recover its revenue requirement.

306

307 **MISCELLANEOUS TARIFF CHARGES**

308

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<sup>14</sup> According to its Public Notice, the Company illustrated the impact of its rate increase based on an assumed average monthly consumption of 2,163 gallons.

<sup>15</sup> ICC Exhibit No. 4.0, Schedule 4.3.

<sup>16</sup> ICC Exhibit No. 4.0, Schedule 4.6.

309 **Q. Is the Company making a proposal regarding its Non-Sufficient Funds**  
310 **(NSF) Check Charge?**

311 A. Yes. The Company proposes to increase the Non-Sufficient Funds (NSF) Check  
312 charge from \$5 to \$25.

313

314 **Q. Why does the Company propose the NSF Check charge to increase from \$5**  
315 **to \$25?**

316 A. In his Direct Testimony, Company witness Neyzelman stated that banks  
317 generally charge NSF fees of \$25-\$35, that the Company is proposing more  
318 consistent fees throughout Utilities Inc. and its subsidiaries, and referred to  
319 Section 3-806 of the Illinois Commercial Code (810 ILCS 3-806) which provides  
320 for a \$25 fee or “costs and expenses, including reasonable attorneys fees ...  
321 whichever is greater” for NSF checks. (Direct Testimony of Dimitry Neyzelman,  
322 p. 14). Furthermore, in response to Galena Territory Association’s Data Request  
323 1.2, the Company provided workpapers, such as copies of bank statements  
324 showing the amount the utility is charged for an NSF check and supporting  
325 confidential documentation<sup>17</sup> showing the average cost for the Company to  
326 process such a charge.

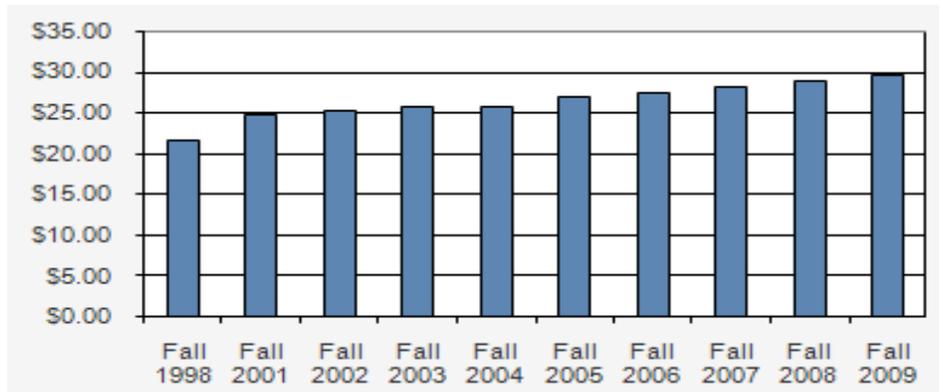
327

328 **Q. How do you respond to the Company’s proposed NSF Check charge**  
329 **increase?**

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<sup>17</sup> Galena Response to Data Request GTA 1.2 NSF Charge CONFIDENTIAL.

330 A. The Commission has approved a \$25 NSF Check charge in previous rate  
331 cases<sup>18</sup> to allow companies to cover employee costs and act as a deterrent to  
332 customers issuing NSF checks. In addition, the \$25 fee is consistent with  
333 Section 3-806 of the Illinois Commercial Code. Moreover, according to  
334 bankrate.com, NSF fees rose 2.1 percent to an average \$29.58 according to their  
335 2009 Checking Study. The following table<sup>19</sup> represents the average NSF fee  
336 growth over the years in the United States:



337  
338 According to the Company's response to Staff Data Request PR 1.07, the  
339 Company only had 5 to 9 NSF checks in the years 2007-2009. A \$25 NSF  
340 charge will allow the Company to recover costs associated with processing NSF  
341 checks.

342  
343 Furthermore, for comparison purposes, the following table presents examples of  
344 actual and proposed NSF Check charge fees for other Illinois water utilities:  
345

<sup>18</sup> People's Gas and North Shore Gas rate cases (Docket Nos. 07-0421 and 07-0242) and Nicor Gas rate case (Docket No. 08-0363).

<sup>19</sup> <http://www.bankrate.com/finance/checking/bounced-check-fees-rise-again.aspx>.

Utility Name	NSF Fee
Aqua IL - University Park	\$ 15.00
Aqua IL - Oak Run	\$ 15.00
Cedar Water Company, Inc.	\$ 30.00
Sundale Utilities, Inc.	\$ 15.00
Utilities Inc. – Lake Wildwood	\$25 (proposed)
Utilities Inc. – Apple Canyon	\$25 (proposed)
Utilities Inc. – Northern Hills	\$25 (proposed)
Utilities Inc. – Whispering Hills	\$25 (proposed)

346

347

This table indicates that the proposed \$25 NSF Check charge is not

348

unreasonably high and would allow for a consistent NSF Check charge across

349

other water utilities owned by Utilities Inc., Galena Territory's parent company.

350

Based on my discussion above, I recommend approval of the proposed \$25 NSF

351

Check charge.

352

353 **Q. Is the Company making a proposal regarding its Reconnection Charge?**

354

A. Yes. The Company proposes an increase to its reconnection charge from \$7 to

355

\$37.50. (Direct Testimony of Dimitry Neyzelman, p. 15).

356

357 **Q. What is the rationale for the proposed increase?**

358

A. The Company conducted a cost analysis to determine the appropriate level of the

359

reconnection fee. In a confidential response to the Galena Territory

360

Association's DR 1.4<sup>20</sup>, the Company provides adequate documentation to

361

support the proposed increase. The cost analysis presents calculations of the

362

Company's current average cost of labor for one hour of employee time to

363

provide such service. According to the Company's response to Staff Data

---

<sup>20</sup> Galena Response to Data Request GTA 1.4 Reconnect Charge CONFIDENTIAL.

364 Request PR 1.08 (1), on average, there were 37.3 reconnections for the years  
365 2007 - 2009.

366

367 **Q. Do you recommend approval of the Company's proposed change to its**  
368 **Reconnection Charge?**

369 A. Yes, I do. The Company demonstrated that an increase in its Reconnection  
370 Charge is necessary and will allow the Company to recover costs associated with  
371 such service.

372

373 **Q. Are there any other proposed changes to the Company's Tariffs?**

374 A. Yes. The Company is requesting to add After Hour Call-out Charges to its tariffs,  
375 change the billing cycle for customers from quarterly to monthly, and increase its  
376 New Customer charge to \$25.

377

378 **Q. Please discuss the Company's proposed After Hour Call-out Charges.**

379 A. The Company proposes to establish an After Hour Call-out charge as described  
380 in section 4C of the Company tariff Rules, Rates and Conditions of Service  
381 section. The Company's proposed minimum rate is equal to two hours of the  
382 current labor rate or \$106. For all time accumulated above the two hour  
383 minimum, the Company proposes to bill customers at the rate of \$53 per hour.  
384 (Direct Testimony of Dimitry Neyzelman, p.16).

385

386 The Company conducted a cost analysis to determine the appropriate level of the  
387 After Hour Call-out Charges. In a confidential response to the Galena Territory  
388 Association's Data Request 1.4<sup>21</sup>, the Company documents the average service  
389 call costs after business hours. In response to Staff Data Request PR 1.12, the  
390 Company stated that such a minimum charge would act as a deterrent in  
391 instances when a customer calls and requests service to an issue that can be  
392 otherwise handled during normal business hours. Also, in response to Staff Data  
393 Request PR 1.14, the Company stated, "[c]ustomers who are involuntarily  
394 disconnected for non-payment would be disconnected during normal business  
395 hours. After-hours reconnections would be voluntary."

396

397 **Q. Do you recommend approval of the Company's proposal to establish its**  
398 **minimum After Hour Call-out charge at \$106?**

399 A. Yes. Based upon its confidential cost analysis workpapers, the Company  
400 sufficiently demonstrated that the \$106 fee is reasonable in order to recover the  
401 actual cost incurred by the Company in providing this service.

402

403 **Q. Please discuss the Company's proposed change to its billing cycle.**

404 A. In his direct testimony, Company witness Neyzelman states that the proposal to  
405 switch from the current quarterly billing cycle to a monthly billing cycle will enable  
406 the utility to provide better service to customers. (Direct Testimony of Dimitry  
407 Neyzelman, p. 9-10). He lists the advantage of customers being able to properly

---

<sup>21</sup> Galena GTA 1.4 Reconnect Charge CONFIDENTIAL.

408 budget for water utility expenses, expeditious detection of customer concerns  
409 and resolution of system problems, and shorter response times to unaccounted  
410 for water and water loss issues because those issues could be looked into and  
411 resolved on a monthly basis versus a quarterly basis, as the primary reasons for  
412 the proposed change.

413

414 **Q. How do you respond to the Company's proposal to change the billing**  
415 **cycle?**

416 A. I do not take issue with the Company's proposal. I agree with Company witness  
417 Neyzelman that a switch to a monthly billing cycle will allow customers to better  
418 budget for their monthly water utility expenses. I also agree that Company  
419 customer service representatives will be able to address and resolve customer  
420 concerns more quickly because customer billing problems and consumption data  
421 will be available on a more frequent basis. Additionally, the utility could more  
422 efficiently respond to unaccounted for water and water loss issues that could  
423 increase operating costs to the Company and subsequently be passed on to  
424 customers. This change in the billing cycle would increase the uniformity and  
425 consistency with other Utilities Inc. Illinois water utilities, given that Utilities Inc.  
426 has proposed to change its billing cycle to monthly in several currently filed rate  
427 cases.<sup>22</sup>

428

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<sup>22</sup> Docket Nos. 09-0548 and 09-0549 Consolidated, Docket No. 10-0280 and Docket No. 10-0298.

429 **Q. Do you recommend approval of the Company's proposal to change its**  
430 **billing cycle from quarterly to monthly?**

431 A. Yes, I do. The benefits of the billing cycle change listed above will improve the  
432 efficiency and the quality of service the Company provides to its customers.

433

434 **Q. Please discuss the Company's proposed increase to its New Customer**  
435 **Charge.**

436 A. The Company proposes an increase to its New Customer Charge from \$12 to  
437 \$25. (Direct Testimony of Dimitry Neyzelman, p. 15). In the Company's  
438 response to the Galena Territory Association's Data Request 1.3, the Company  
439 provided confidential workpapers showing the costs of initiating service to a new  
440 customer.

441

442 **Q. Do you recommend approval of the Company's proposal to increase its**  
443 **New Customer Charge from \$15 to \$25?**

444 A. Yes, I do. The Company conducted a cost analysis to determine the average  
445 cost of such a charge. In this analysis, the Company demonstrated that an  
446 increase in its New Customer Charge is necessary and will allow the Company to  
447 recover costs associated with initiating service.

448

449 **Q. Do you have any other issues to discuss?**

450 A. Yes. I would like to point out that the Company is proposing charges in this rate  
451 proceeding to be more consistent (uniform) with those charged by other Illinois

452 water utilities owned by its parent company, Utilities, Inc. Currently, increases in  
453 similar charges are being proposed by Utilities Inc. for its other Illinois water  
454 utilities in the following rate cases: Whispering Hills ( Docket 10-0110), Lake  
455 Wildwood and Apple Canyon (Docket Nos. 09-0548 and 09-0549 Cons.) and  
456 Northern Hills (Docket No. 10-0298). Uniformity benefits customers, the  
457 Company and the Commission. When Company charges, practices and policies  
458 are uniform, efficiency in operations results where employees can better and  
459 more quickly respond to customer needs. Galena Territory is one of 24 water  
460 utility companies in Illinois that are wholly owned subsidiaries of UI. There is  
461 currently a general lack of uniformity and consistency in the tariff language and  
462 tariff books for UI's Illinois water utility companies. To address this problem,  
463 Galena Territory has requested several changes to fees and charges to make  
464 them more consistent with the charges of other UI Illinois water utilities.  
465 Generally, I support these changes as these revisions will provide uniformity and  
466 consistency across the UI service territories. This view is shared by the  
467 Commission in light of the emphasis on uniform charges in Docket 07-0507,  
468 where it concluded: "The Commission considers efforts to make IAWC's tariffs  
469 more uniform and consistent appropriate. Uniformity and consistency among  
470 IAWC's tariffs will facilitate customer understanding of tariffs, the delivery of  
471 customer service, and the Commission oversight of IAWC." (Order, Docket No.  
472 07-0507, July 30, 2008, p. 98).

473

474 **Q. Does this conclude your direct testimony?**

475 A. Yes, it does.

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Water Rates

<u>All Customer Classifications</u>								
Line No.	Class/Description (A)	Sales 1,000 Gallons (B)	Company Proposed Total Revenue (C)	% of Revenue to Total (D)	Staff Proposed Total Revenue (E)	% of Revenue to Total (F)	Dollar Difference [(E)-(C)] (G)	Total Revenue % Difference [(G)/(C)] (H)
1	Water Residential	56,775	\$ 914,412.00	93.43%	\$ 771,543.00	93.36%	\$ (142,869.00)	-15.62%
2	Water Commercial	4,907	\$ 59,976.00	6.13%	\$ 50,607.00	6.12%	\$ (9,369.00)	-15.62%
5	Total Water Sales	61,682	974,388	99.56%	822,150	99.48%	(152,238)	-15.62%
7	Other Operating Revenues		<u>4,289</u>	<u>0.44%</u>	<u>4,289</u>	<u>0.52%</u>	<u>0</u>	<u>0.00%</u>
8	Total Operating Revenues		<u>\$ 978,677.00</u>	<u>100.00%</u>	<u>\$ 826,439.00</u>	<u>100.00%</u>	<u>\$ (152,238.00)</u>	<u>-15.56%</u>

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Water Rates

<b>Water Residential</b>		Customer Meter Billings (B)	Proposed Sales 1000 Gallons (C)	Company Proposed Rates (D)	Company Proposed Total Revenue (E)	Proposed Sales 1000 Gallons (F)	Staff Proposed Rates (G)	Staff Proposed Total Revenue (H)
Line No.	Description (A)							
1	<b>Customer Charges:</b>							
2	5/8 inch	25,699.74		\$ 15.23	\$ 391,407.00		\$ 12.85	\$ 330,242.00
3	3/4 inch	129.00		\$ 15.23	\$ 1,965.00		\$ 12.85	\$ 1,658.00
4	1 inch	111.00		\$ 38.07	\$ 4,226.00		\$ 32.10	\$ 3,563.00
5	1 1/2 inch	0.00		\$ 46.14	\$ -		\$ 38.93	\$ -
6	2 inch	6.00		\$ 121.83	\$ 731.00		\$ 102.80	\$ 617.00
7	3 inch	0.00		\$ 228.43	\$ -		\$ 192.75	\$ -
8	4 inch	0.00		\$ 380.72	\$ -		\$ 321.25	\$ -
9	6 inch	0.00		\$ 761.45	\$ -		\$ 642.51	\$ -
10	<b>Usage Charges:</b>							
11	5/8 inch		55,587.30	\$ 9.0900	\$ 505,289.00	55,587.30	\$ 7.6700	\$ 426,355.00
12	3/4 inch		398.60	\$ 9.0900	\$ 3,623.00	398.60	\$ 7.6700	\$ 3,057.00
13	1 inch		608.90	\$ 9.0900	\$ 5,535.00	608.90	\$ 7.6700	\$ 4,670.00
14	1 1/2 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
15	2 inch		180.00	\$ 9.0900	\$ 1,636.00	180.00	\$ 7.6700	\$ 1,381.00
16	3 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
17	4 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
18	6 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
19	Residential Total	<u>25,945.74</u>	<u>56,774.80</u>		<u>914,412.00</u>	<u>56,774.80</u>		<u>771,543.00</u>

Source: Company Schedule E  
 ICC Staff Exhibit 1.0 , Schedule 1.1 W

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Water Rates

<b>Water Commercial</b>		Customer Meter Billings (B)	Proposed Sales 1000 Gallons (C)	Company Proposed Rates (D)	Company Proposed Total Revenue (E)	Proposed Sales 1000 Gallons (F)	Staff Proposed Rates (G)	Staff Proposed Total Revenue (H)
Line No.	Description (A)							
1	<b>Customer Charges:</b>							
2	5/8 inch	258.00		\$ 15.23	\$ 3,929.00		\$ 12.85	\$ 3,315.00
3	3/4 inch	9.00		\$ 15.23	\$ 137.00		\$ 12.85	\$ 116.00
4	1 inch	81.00		\$ 38.07	\$ 3,084.00		\$ 32.10	\$ 2,600.00
5	1 1/2 inch	72.00		\$ 76.14	\$ 5,482.00		\$ 64.25	\$ 4,626.00
6	2 inch	0.00		\$ 121.83	\$ -		\$ 102.80	\$ -
7	3 inch	12.00		\$ 228.43	\$ 2,741.00		\$ 192.75	\$ 2,313.00
8	4 inch	0.00		\$ 380.72	\$ -		\$ 321.25	\$ -
9	6 inch	0.00		\$ 761.45	\$ -		\$ 642.51	\$ -
10	<b>Usage Charges:</b>							
11	5/8 inch		1,201.90	\$ 9.0900	\$ 10,925.00	1,201.90	\$ 7.6700	\$ 9,219.00
12	3/4 inch		16.00	\$ 9.0900	\$ 145.00	16.00	\$ 7.6700	\$ 123.00
13	1 inch		1,118.88	\$ 9.0900	\$ 10,171.00	1,118.88	\$ 7.6700	\$ 8,582.00
14	1 1/2 inch		1,539.10	\$ 9.0900	\$ 13,990.00	1,539.10	\$ 7.6700	\$ 11,805.00
15	2 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
16	3 inch		1,031.00	\$ 9.0900	\$ 9,372.00	1,031.00	\$ 7.6700	\$ 7,908.00
17	4 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
18	6 inch		0.00	\$ 9.0900	\$ -	0.00	\$ 7.6700	\$ -
19	Commercial Total	<u>432.00</u>	<u>4,906.88</u>		<u>\$ 59,976.00</u>	<u>4,906.88</u>		<u>\$ 50,607.00</u>

Source: Company Schedule E  
 ICC Staff Exhibit 1.0 , Schedule 1.1 W

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Water Rates

<b>Other Operating Revenues</b>		Customer Meter Billings (B)	Proposed Sales 1000 Gallons (C)	Company Proposed Rates (D)	Company Proposed Total Revenue (E)	Proposed Sales 1000 Gallons (F)	Staff Proposed Rates (G)	Staff Proposed Total Revenue (H)
Line No.	Description (A)							
1	Other Operating Revenues Total	-	-		<u>\$ 4,289.00</u>	-		<u>\$ 4,289.00</u>

**Source:** Company Schedule E  
 ICC Staff Exhibit 1.0 , Schedule 1.1 W

Galena Territory Utilities Company  
Calculation of Ratio Applied Across-the-Board to Staff  
Proposed Rates

Line No.	(A)	(B) Company	(C) Staff
1			
2	<b>Proposed Water Revenues</b>	\$ 974,388.00	\$ 822,150.00
3	<b>Proposed Sewer Revenues</b>	\$ 274,010.00	\$ 231,278.00
4	<b>Total (Line 2 + Line 3)</b>	<u>\$ 1,248,398.00</u>	<u>\$ 1,053,428.00</u>
5	<b>Ratio (C4/B4)</b>	<b>84.38%</b>	

Source: Company Schedule E  
ICC Staff Exhibit 1.0 , Schedule 1.1 W and 1.1 S

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Sewer Rates

<b>All Customer Classifications</b>								
Line No.	Class/Description (A)	Sales 1,000 Gallons (B)	Company Proposed Total Revenue (C)	% of Revenue to Total (D)	Staff Proposed Total Revenue (E)	% of Revenue to Total (F)	Dollar Difference [(E)-(C)] (G)	Total Revenue % Difference [(G)/(C)] (H)
1	Sewer Residential	0	\$ 226,312.00	82.11%	\$ 191,004.00	82.02%	\$ (35,308.00)	-15.60%
2	Sewer Commercial	0	\$ 47,698.00	17.31%	\$ 40,257.00	17.29%	\$ (7,441.00)	-15.60%
3	Total Sewer Sales	0	274,010	99.42%	231,261	99.31%	(42,749)	-15.60%
4	Other Operating Revenues		<u>1,606</u>	<u>0.58%</u>	<u>1,606</u>	<u>0.69%</u>	<u>0</u>	<u>0.00%</u>
5	Total Operating Revenues		<u>\$ 275,616.00</u>	<u>100.00%</u>	<u>\$ 232,867.00</u>	<u>100.00%</u>	<u>\$ (42,749.00)</u>	<u>-15.51%</u>

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Sewer Rates

Line No.	<u>Sewer</u> Class/ Description (A)	Customer Meter Billings (B)	Proposed Sales 1000 Gallons (C)	Company Proposed Rates (D)	Company Proposed Total Revenue (E)	Proposed Sales 1000 Gallons (F)	Staff Proposed Rates (G)	Staff Proposed Total Revenue (H)
1	<b>Sewer Residential</b>	8,611.56		\$ 26.28	\$ 226,312.00		\$ 22.18	\$ 191,004.00
2	<b>Sewer Commercial</b>	<u>1,815.00</u>		\$ 26.28	<u>\$ 47,698.00</u>		\$ 22.18	<u>\$ 40,257.00</u>
3	<b>Total Sewer Sales</b>	<u>10,426.6</u>	-		<u>274,010.0</u>	-		<u>231,261.0</u>

Source: Company Schedule E  
 ICC Staff Exhibit 1.0 , Schedule 1.1 S

Galena Territory Utilities Company  
 Comparison of Company Proposed and Staff Proposed  
 Sewer Rates

<b>Other Operating Revenues</b>		Customer Meter Billings (B)	Proposed Sales 1000 Gallons (C)	Company Proposed Rates (D)	Company Proposed Total Revenue (E)	Proposed Sales 1000 Gallons (F)	Staff Proposed Rates (G)	Staff Proposed Total Revenue (H)
Line No.	Description (A)							
1	Other Operating Revenues Total	-	-		<u>\$ 1,606.00</u>	-		<u>\$ 1,606.00</u>

Source: Company Schedule E  
 ICC Staff Exhibit 1.0, Schedule 1.1 S

Galena Territory Utilities Company  
 Typical Bill Comparison of Current Water Rates vs.  
 Staff Proposed Water Rates

Residential & Commercial 5/8" meter size

Rate Comparison				Percent Difference
Present Rates		Staff Proposed Rates		
<b>Usage Charge (per 1000 gallons)</b>				
First 3,000 gallons	\$ 6.00	Per 1,000 gals.	\$ 7.67	
Over 3,000 gallons	\$ 2.52			
<b>Fixed Charge per month</b>	\$ 18.00		\$ 12.85	-28.61%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 18.00	\$ 12.85	\$ (5.15)	-28.61%
1.000	\$ 18.00	\$ 20.52	\$ 2.52	14.00%
1.200	\$ 18.00	\$ 22.05	\$ 4.05	22.52%
1.400	\$ 18.00	\$ 23.59	\$ 5.59	31.04%
1.600	\$ 18.00	\$ 25.12	\$ 7.12	39.57%
1.800	\$ 18.00	\$ 26.66	\$ 8.66	48.09%
2.000	\$ 18.00	\$ 28.19	\$ 10.19	56.61%
* 2.163	\$ 18.00	\$ 29.44	\$ 11.44	63.56%
2.400	\$ 18.00	\$ 31.26	\$ 13.26	73.66%
2.600	\$ 18.00	\$ 32.79	\$ 14.79	82.18%
2.800	\$ 18.00	\$ 34.33	\$ 16.33	90.70%
3.000	\$ 18.00	\$ 35.86	\$ 17.86	99.22%
3.200	\$ 26.06	\$ 37.39	\$ 11.33	43.47%
3.400	\$ 26.57	\$ 38.93	\$ 12.36	46.52%
3.600	\$ 27.07	\$ 40.46	\$ 13.39	49.46%
3.800	\$ 27.58	\$ 42.00	\$ 14.42	52.29%
4.000	\$ 28.08	\$ 43.53	\$ 15.45	55.02%
4.200	\$ 28.58	\$ 45.06	\$ 16.48	57.65%
4.400	\$ 29.09	\$ 46.60	\$ 17.51	60.20%
4.600	\$ 29.59	\$ 48.13	\$ 18.54	62.65%
4.800	\$ 30.10	\$ 49.67	\$ 19.57	65.03%
5.000	\$ 30.60	\$ 51.20	\$ 20.60	67.32%
5.200	\$ 31.10	\$ 52.73	\$ 21.63	69.54%
5.400	\$ 31.61	\$ 54.27	\$ 22.66	71.69%
5.600	\$ 32.11	\$ 55.80	\$ 23.69	73.77%
5.800	\$ 32.62	\$ 57.34	\$ 24.72	75.79%
6.000	\$ 33.12	\$ 58.87	\$ 25.75	77.75%
6.200	\$ 33.62	\$ 60.40	\$ 26.78	79.65%
6.400	\$ 34.13	\$ 61.94	\$ 27.81	81.49%
6.600	\$ 34.63	\$ 63.47	\$ 28.84	83.28%
6.800	\$ 35.14	\$ 65.01	\$ 29.87	85.01%
7.000	\$ 35.64	\$ 66.54	\$ 30.90	86.70%
7.200	\$ 36.14	\$ 68.07	\$ 31.93	88.34%
7.400	\$ 36.65	\$ 69.61	\$ 32.96	89.94%
7.600	\$ 37.15	\$ 71.14	\$ 33.99	91.49%
7.800	\$ 37.66	\$ 72.68	\$ 35.02	93.00%
8.000	\$ 38.16	\$ 74.21	\$ 36.05	94.47%
Average			\$ 18.89	64.70%

\* Average Consumption

Galena Territory Utilities Company  
 Typical Bill Comparison of Current Water Rates vs.  
 Company Proposed Water Rates

Residential & Commercial 5/8" meter size

Rate Comparison				Percent Difference
Present Rates		Company Proposed Rates		
<b>Usage Charge (per 1000 gallons)</b>				
First 3,000 gallons	\$ 6.00	Per 1000 gallons	\$ 9.09	
Over 3,000 gallons	\$ 2.52			
<b>Fixed Charge per month</b>	<b>\$ 18.00</b>		<b>\$ 15.23</b>	<b>-15.39%</b>

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 18.00	\$ 15.23	\$ (2.77)	-15.39%
1.000	\$ 18.00	\$ 24.32	\$ 6.32	35.11%
1.200	\$ 18.00	\$ 26.14	\$ 8.14	45.21%
1.400	\$ 18.00	\$ 27.96	\$ 9.96	55.31%
1.600	\$ 18.00	\$ 29.77	\$ 11.77	65.41%
1.800	\$ 18.00	\$ 31.59	\$ 13.59	75.51%
2.000	\$ 18.00	\$ 33.41	\$ 15.41	85.61%
* 2.163	\$ 18.00	\$ 34.89	\$ 16.89	93.84%
2.400	\$ 18.00	\$ 37.05	\$ 19.05	105.81%
2.600	\$ 18.00	\$ 38.86	\$ 20.86	115.91%
2.800	\$ 18.00	\$ 40.68	\$ 22.68	126.01%
3.000	\$ 18.00	\$ 42.50	\$ 24.50	136.11%
3.200	\$ 26.06	\$ 44.32	\$ 18.25	70.04%
3.400	\$ 26.57	\$ 46.14	\$ 19.57	73.65%
3.600	\$ 27.07	\$ 47.95	\$ 20.88	77.14%
3.800	\$ 27.58	\$ 49.77	\$ 22.20	80.49%
4.000	\$ 28.08	\$ 51.59	\$ 23.51	83.73%
4.200	\$ 28.58	\$ 53.41	\$ 24.82	86.85%
4.400	\$ 29.09	\$ 55.23	\$ 26.14	89.86%
4.600	\$ 29.59	\$ 57.04	\$ 27.45	92.77%
4.800	\$ 30.10	\$ 58.86	\$ 28.77	95.58%
5.000	\$ 30.60	\$ 60.68	\$ 30.08	98.30%
5.200	\$ 31.10	\$ 62.50	\$ 31.39	100.93%
5.400	\$ 31.61	\$ 64.32	\$ 32.71	103.48%
5.600	\$ 32.11	\$ 66.13	\$ 34.02	105.95%
5.800	\$ 32.62	\$ 67.95	\$ 35.34	108.34%
6.000	\$ 33.12	\$ 69.77	\$ 36.65	110.66%
6.200	\$ 33.62	\$ 71.59	\$ 37.96	112.91%
6.400	\$ 34.13	\$ 73.41	\$ 39.28	115.09%
6.600	\$ 34.63	\$ 75.22	\$ 40.59	117.21%
6.800	\$ 35.14	\$ 77.04	\$ 41.91	119.27%
7.000	\$ 35.64	\$ 78.86	\$ 43.22	121.27%
7.200	\$ 36.14	\$ 80.68	\$ 44.53	123.21%
7.400	\$ 36.65	\$ 82.50	\$ 45.85	125.10%
7.600	\$ 37.15	\$ 84.31	\$ 47.16	126.94%
7.800	\$ 37.66	\$ 86.13	\$ 48.48	128.73%
8.000	\$ 38.16	\$ 87.95	\$ 49.79	130.48%
		Average	\$ 27.49	95.20%

\* Average Consumption

Galena Territory Utilities Company  
 Typical Bill Comparison of Staff Proposed Water Rates  
 vs. Company Proposed Water Rates

Residential & Commercial 5/8" meter size

Rate Comparison					
	Staff Proposed Rates		Company Proposed Rates		Percent Difference
<b>Usage Charge (per 1000 gals.)</b>	\$	7.67	\$	9.09	18.51%
<b>Fixed Charge per month</b>	\$	12.85	\$	15.23	18.52%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 12.85	\$ 15.23	\$ 2.38	18.52%
1.000	\$ 20.52	\$ 24.32	\$ 3.80	18.52%
1.200	\$ 22.05	\$ 26.14	\$ 4.08	18.52%
1.400	\$ 23.59	\$ 27.96	\$ 4.37	18.52%
1.600	\$ 25.12	\$ 29.77	\$ 4.65	18.52%
1.800	\$ 26.66	\$ 31.59	\$ 4.94	18.52%
2.000	\$ 28.19	\$ 33.41	\$ 5.22	18.52%
* 2.163	\$ 29.44	\$ 34.89	\$ 5.45	18.52%
2.400	\$ 31.26	\$ 37.05	\$ 5.79	18.52%
2.600	\$ 32.79	\$ 38.86	\$ 6.07	18.52%
2.800	\$ 34.33	\$ 40.68	\$ 6.36	18.52%
3.000	\$ 35.86	\$ 42.50	\$ 6.64	18.52%
3.200	\$ 37.39	\$ 44.32	\$ 6.92	18.52%
3.400	\$ 38.93	\$ 46.14	\$ 7.21	18.52%
3.600	\$ 40.46	\$ 47.95	\$ 7.49	18.52%
3.800	\$ 42.00	\$ 49.77	\$ 7.78	18.52%
4.000	\$ 43.53	\$ 51.59	\$ 8.06	18.52%
4.200	\$ 45.06	\$ 53.41	\$ 8.34	18.52%
4.400	\$ 46.60	\$ 55.23	\$ 8.63	18.52%
4.600	\$ 48.13	\$ 57.04	\$ 8.91	18.52%
4.800	\$ 49.67	\$ 58.86	\$ 9.20	18.52%
5.000	\$ 51.20	\$ 60.68	\$ 9.48	18.52%
5.200	\$ 52.73	\$ 62.50	\$ 9.76	18.52%
5.400	\$ 54.27	\$ 64.32	\$ 10.05	18.52%
5.600	\$ 55.80	\$ 66.13	\$ 10.33	18.52%
5.800	\$ 57.34	\$ 67.95	\$ 10.62	18.52%
6.000	\$ 58.87	\$ 69.77	\$ 10.90	18.52%
6.200	\$ 60.40	\$ 71.59	\$ 11.18	18.52%
6.400	\$ 61.94	\$ 73.41	\$ 11.47	18.52%
6.600	\$ 63.47	\$ 75.22	\$ 11.75	18.52%
6.800	\$ 65.01	\$ 77.04	\$ 12.04	18.52%
7.000	\$ 66.54	\$ 78.86	\$ 12.32	18.52%
7.200	\$ 68.07	\$ 80.68	\$ 12.60	18.52%
7.400	\$ 69.61	\$ 82.50	\$ 12.89	18.52%
7.600	\$ 71.14	\$ 84.31	\$ 13.17	18.52%
7.800	\$ 72.68	\$ 86.13	\$ 13.46	18.52%
8.000	\$ 74.21	\$ 87.95	\$ 13.74	18.52%
Average			\$ 8.60	18.52%

\* Average Consumption

Galena Territory Utilities Company  
 Typical Bill Comparison of Current Water and Sewer Rates  
 vs. Staff Proposed Water and Sewer Rates

Residential & Commercial 5/8" meter size

Rate Comparison				
Present Rates		Staff Proposed Rates		Percent Difference
<b>Usage Charge (per 1000 gallons)</b>				
First 3,000 gallons	\$ 6.00	Per 1000 gallons	\$ 7.67	
Over 3,000 gallons	\$ 2.52			
<b>Fixed Charge per month</b>				
Water	\$ 18.00		\$ 12.85	-28.61%
Sewer	\$ 19.72		\$ 22.18	12.47%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 37.72	\$ 35.03	\$ (2.69)	-7.13%
1.000	\$ 37.72	\$ 42.70	\$ 4.98	13.20%
1.200	\$ 37.72	\$ 44.23	\$ 6.51	17.27%
1.400	\$ 37.72	\$ 45.77	\$ 8.05	21.34%
1.600	\$ 37.72	\$ 47.30	\$ 9.58	25.40%
1.800	\$ 37.72	\$ 48.84	\$ 11.12	29.47%
2.000	\$ 37.72	\$ 50.37	\$ 12.65	33.54%
* 2.163	\$ 37.72	\$ 51.62	\$ 13.90	36.85%
2.400	\$ 37.72	\$ 53.44	\$ 15.72	41.67%
2.600	\$ 37.72	\$ 54.97	\$ 17.25	45.74%
2.800	\$ 37.72	\$ 56.51	\$ 18.79	49.80%
3.000	\$ 37.72	\$ 58.04	\$ 20.32	53.87%
3.200	\$ 45.78	\$ 59.57	\$ 13.79	30.12%
3.400	\$ 46.29	\$ 61.11	\$ 14.82	32.02%
3.600	\$ 46.79	\$ 62.64	\$ 15.85	33.87%
3.800	\$ 47.30	\$ 64.18	\$ 16.88	35.69%
4.000	\$ 47.80	\$ 65.71	\$ 17.91	37.47%
4.200	\$ 48.30	\$ 67.24	\$ 18.94	39.21%
4.400	\$ 48.81	\$ 68.78	\$ 19.97	40.92%
4.600	\$ 49.31	\$ 70.31	\$ 21.00	42.59%
4.800	\$ 49.82	\$ 71.85	\$ 22.03	44.22%
5.000	\$ 50.32	\$ 73.38	\$ 23.06	45.83%
5.200	\$ 50.82	\$ 74.91	\$ 24.09	47.40%
5.400	\$ 51.33	\$ 76.45	\$ 25.12	48.94%
5.600	\$ 51.83	\$ 77.98	\$ 26.15	50.45%
5.800	\$ 52.34	\$ 79.52	\$ 27.18	51.93%
6.000	\$ 52.84	\$ 81.05	\$ 28.21	53.39%
6.200	\$ 53.34	\$ 82.58	\$ 29.24	54.81%
6.400	\$ 53.85	\$ 84.12	\$ 30.27	56.21%
6.600	\$ 54.35	\$ 85.65	\$ 31.30	57.59%
6.800	\$ 54.86	\$ 87.19	\$ 32.33	58.94%
7.000	\$ 55.36	\$ 88.72	\$ 33.36	60.26%
7.200	\$ 55.86	\$ 90.25	\$ 34.39	61.56%
7.400	\$ 56.37	\$ 91.79	\$ 35.42	62.84%
7.600	\$ 56.87	\$ 93.32	\$ 36.45	64.09%
7.800	\$ 57.38	\$ 94.86	\$ 37.48	65.32%
8.000	\$ 57.88	\$ 96.39	\$ 38.51	66.53%
Average			\$ 21.35	43.33%

\* Average Consumption

Galena Territory Utilities Company  
 Typical Bill Comparison of Current Water and Sewer  
 Rates vs. Company Proposed Water and Sewer Rates

Residential & Commercial 5/8" meter size

Rate Comparison				Percent Difference
Present Rates		Company Proposed Rates		
<b>Usage Charge (per 1000 gallons)</b>				
First 3,000 gallons	\$ 6.00	Per 1000 gallons	\$ 9.09	
Over 3,000 gallons	\$ 2.52			
<b>Fixed Charge per month</b>				
Water	\$ 18.00		\$ 15.23	-15.39%
Sewer	\$ 19.72		\$ 26.28	33.27%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 37.72	\$ 41.51	\$ 3.79	10.05%
1.000	\$ 37.72	\$ 50.60	\$ 12.88	34.15%
1.200	\$ 37.72	\$ 52.42	\$ 14.70	38.97%
1.400	\$ 37.72	\$ 54.24	\$ 16.52	43.79%
1.600	\$ 37.72	\$ 56.05	\$ 18.33	48.61%
1.800	\$ 37.72	\$ 57.87	\$ 20.15	53.43%
2.000	\$ 37.72	\$ 59.69	\$ 21.97	58.24%
* 2.163	\$ 37.72	\$ 61.17	\$ 23.45	62.17%
2.400	\$ 37.72	\$ 63.33	\$ 25.61	67.88%
2.600	\$ 37.72	\$ 65.14	\$ 27.42	72.70%
2.800	\$ 37.72	\$ 66.96	\$ 29.24	77.52%
3.000	\$ 37.72	\$ 68.78	\$ 31.06	82.34%
3.200	\$ 45.78	\$ 70.60	\$ 24.81	54.20%
3.400	\$ 46.29	\$ 72.42	\$ 26.13	56.45%
3.600	\$ 46.79	\$ 74.23	\$ 27.44	58.65%
3.800	\$ 47.30	\$ 76.05	\$ 28.76	60.80%
4.000	\$ 47.80	\$ 77.87	\$ 30.07	62.91%
4.200	\$ 48.30	\$ 79.69	\$ 31.38	64.97%
4.400	\$ 48.81	\$ 81.51	\$ 32.70	66.99%
4.600	\$ 49.31	\$ 83.32	\$ 34.01	68.97%
4.800	\$ 49.82	\$ 85.14	\$ 35.33	70.91%
5.000	\$ 50.32	\$ 86.96	\$ 36.64	72.81%
5.200	\$ 50.82	\$ 88.78	\$ 37.95	74.68%
5.400	\$ 51.33	\$ 90.60	\$ 39.27	76.50%
5.600	\$ 51.83	\$ 92.41	\$ 40.58	78.30%
5.800	\$ 52.34	\$ 94.23	\$ 41.90	80.05%
6.000	\$ 52.84	\$ 96.05	\$ 43.21	81.78%
6.200	\$ 53.34	\$ 97.87	\$ 44.52	83.47%
6.400	\$ 53.85	\$ 99.69	\$ 45.84	85.12%
6.600	\$ 54.35	\$ 101.50	\$ 47.15	86.75%
6.800	\$ 54.86	\$ 103.32	\$ 48.47	88.35%
7.000	\$ 55.36	\$ 105.14	\$ 49.78	89.92%
7.200	\$ 55.86	\$ 106.96	\$ 51.09	91.46%
7.400	\$ 56.37	\$ 108.78	\$ 52.41	92.97%
7.600	\$ 56.87	\$ 110.59	\$ 53.72	94.46%
7.800	\$ 57.38	\$ 112.41	\$ 55.04	95.92%
8.000	\$ 57.88	\$ 114.23	\$ 56.35	97.36%
Average			\$ 34.05	69.85%

\* Average Consumption

Galena Territory Utilities Company  
 Typical Bill Comparison of Staff Proposed Water and  
 Sewer Rates vs. Company Proposed Water and Sewer  
 Rates

Residential & Commercial 5/8" meter size

Rate Comparison				
Staff Proposed Rates		Company Proposed Rates		Percent Difference
<b>Usage Charge (per 1000 gals.)</b>	\$ 7.67	Per 1000 gallons	\$ 9.09	18.51%
<b>Fixed Charge per month</b>				
Water	\$ 12.85		\$ 15.23	18.52%
Sewer	\$ 22.18		\$ 26.28	18.49%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 35.03	\$ 41.51	\$ 6.48	18.50%
1.000	\$ 42.70	\$ 50.60	\$ 7.90	18.50%
1.200	\$ 44.23	\$ 52.42	\$ 8.18	18.50%
1.400	\$ 45.77	\$ 54.24	\$ 8.47	18.50%
1.600	\$ 47.30	\$ 56.05	\$ 8.75	18.50%
1.800	\$ 48.84	\$ 57.87	\$ 9.04	18.50%
2.000	\$ 50.37	\$ 59.69	\$ 9.32	18.50%
* 2.163	\$ 51.62	\$ 61.17	\$ 9.55	18.50%
2.400	\$ 53.44	\$ 63.33	\$ 9.89	18.50%
2.600	\$ 54.97	\$ 65.14	\$ 10.17	18.50%
2.800	\$ 56.51	\$ 66.96	\$ 10.46	18.50%
3.000	\$ 58.04	\$ 68.78	\$ 10.74	18.50%
3.200	\$ 59.57	\$ 70.60	\$ 11.02	18.50%
3.400	\$ 61.11	\$ 72.42	\$ 11.31	18.50%
3.600	\$ 62.64	\$ 74.23	\$ 11.59	18.51%
3.800	\$ 64.18	\$ 76.05	\$ 11.88	18.51%
4.000	\$ 65.71	\$ 77.87	\$ 12.16	18.51%
4.200	\$ 67.24	\$ 79.69	\$ 12.44	18.51%
4.400	\$ 68.78	\$ 81.51	\$ 12.73	18.51%
4.600	\$ 70.31	\$ 83.32	\$ 13.01	18.51%
4.800	\$ 71.85	\$ 85.14	\$ 13.30	18.51%
5.000	\$ 73.38	\$ 86.96	\$ 13.58	18.51%
5.200	\$ 74.91	\$ 88.78	\$ 13.86	18.51%
5.400	\$ 76.45	\$ 90.60	\$ 14.15	18.51%
5.600	\$ 77.98	\$ 92.41	\$ 14.43	18.51%
5.800	\$ 79.52	\$ 94.23	\$ 14.72	18.51%
6.000	\$ 81.05	\$ 96.05	\$ 15.00	18.51%
6.200	\$ 82.58	\$ 97.87	\$ 15.28	18.51%
6.400	\$ 84.12	\$ 99.69	\$ 15.57	18.51%
6.600	\$ 85.65	\$ 101.50	\$ 15.85	18.51%
6.800	\$ 87.19	\$ 103.32	\$ 16.14	18.51%
7.000	\$ 88.72	\$ 105.14	\$ 16.42	18.51%
7.200	\$ 90.25	\$ 106.96	\$ 16.70	18.51%
7.400	\$ 91.79	\$ 108.78	\$ 16.99	18.51%
7.600	\$ 93.32	\$ 110.59	\$ 17.27	18.51%
7.800	\$ 94.86	\$ 112.41	\$ 17.56	18.51%
8.000	\$ 96.39	\$ 114.23	\$ 17.84	18.51%
Average			\$ 12.70	18.51%

\* Average Consumption