

DIRECT TESTIMONY

of

Philip Rukosuev

Rates Department

Financial Analysis Division

Illinois Commerce Commission

Camelot Utilities, Inc

Proposed General Increase in Water Rates

Docket Nos. 11-0059/0141/0142 (Cons.)

April 26, 2011

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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)¹ as a Fiscal Intern.

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

22

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, Commonwealth Edison Company rate case (10-0467), the
28 Illinois American Water Co. rate case (09-0319), the Ameren electric rate cases
29 (09-0306/09-0307/09-0308), the Ameren UCB/POR tariffs (08-0619/08-0620/08-
30 0621), the RME sewer certificate cases (08-0490/08-0491), the IPA procurement
31 plan (08-0519), the ComEd rate design investigation (08-0532), and the IAWC
32 certificate case (08-0585).

33

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

35 A. The purpose of my direct testimony is to: (1) provide proposed water and sewer
36 rates and associated schedules for Camelot Utilities, Inc (“Camelot” or
37 “Company”) that reflect Staff’s revenue requirement (ICC Staff Exhibit 1.0,
38 Schedules 1.1 C-W and C-S); (2) discuss whether the Company is in compliance
39 with Sections 8-306(h) and 8-306(i) of the Public Utilities Act (“Act”); and (3)
40 recommend that the Company provide in its rebuttal testimony updated tariff
41 sheets that reflect its positions in the current phase of this proceeding.

42

43 **Q. Please describe Camelot Utilities, Inc.**

44 A. Camelot is a wholly owned subsidiary of Utilities, Inc. ("UI") located in Winnebago
45 County, Illinois. It provides water and sewer service to approximately 200
46 customers. Camelot, along with all of UI's water and wastewater systems, is run
47 by Water Service Corporation ("WSC"), which provides management,
48 administration, engineering, accounting, billing, data processing, and regulatory
49 services for the utility systems. (Company Ex. 1.0, pp. 1-2.)
50

51 **Q. Are you sponsoring any schedules with your testimony?**

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

53
54 **Schedule 5.1** - Class Cost of Service Study (Bill Factor Computation)
55

56 **Schedule 5.2** - Class Cost of Service Study (Revenue Requirement &
57 Calculation of Rates)
58

59 **Schedule 5.3** - Comparison of Company Present and Proposed Water Rates
60 and Staff Proposed Water Rates
61

62 **Schedule 5.4** - Comparison of Company Present and Proposed Sewer Rates
63 and Staff Proposed Sewer Rates
64

65 **Schedule 5.5, 5.6, 5.7, 5.8, 5.9 and 5.10** - Typical Bill Comparisons
66

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

68 A. My testimony is organized into three major parts. First, I begin with a discussion
69 of the water billing units, water cost of service studies and water rate design.
70 Second, I discuss sewer billing units, sewer cost of service studies, sewer rate
71 design, and whether the Company is in compliance with Sections 8-306(h) and 8-
72 306(i) of the Act. Finally, I will address bill impacts.

73

74

WATER

75 **BILLING UNITS**

76 **Q. What billing units does the Company propose for the Base Facilities**
77 **Charges?**

78 A. The Company has proposed 2,538, 12, and 60 annual billing units in Schedule D
79 for the 5/8," 3/4," and 1" Meter Base Facilities Charge, respectively, all of which
80 correspond to a per month charge. The billing units are used to determine the
81 rates that will recover the approved revenue requirement.

82

83 **Q. Do you find the Company's proposed billing units for the Base Facilities**
84 **Charge to be reasonable?**

85 A. Yes. The Base Facilities Charge billing units should be based on the number of
86 bills that are sent out. This provides the number of times that a Base Facilities
87 Charge is billed to customers in the test year. The Company has stated there
88 are approximately 200 customers. In order to calculate the number of bills per
89 year, I multiplied 200 times 12 months in a year, which results in 2,400 billing
90 units (i.e., 200 x 12). The slight variation from the Company's proposal of 2,610
91 billing units is due to new customers during 2009 or previous customers
92 discontinuing service. Because, the Company's proposal is based on actual bills
93 sent out during the test year ending December 31, 2009, 2,610 is the appropriate
94 number of billing units to determine the Base Facilities Charge.

95

96 **Q. What billing units does the Company propose for the Usage Charge?**

97 A. The Company has used 13,222,633 gallons for the 5/8" Meter Usage Charge,
98 40,200 gallons for the 3/4" Meter Usage Charge, and 396,966 gallons for the 1"
99 Meter Usage Charge as the billing units in Schedule D, which is a per 1,000
100 gallons of water used charge.

101

102 **Q. Do you find the Company's proposed billing units for the Usage Charge to**
103 **be reasonable?**

104 A. Yes. In response to Staff Data Request PR 1.14, the Company states that the
105 gallons used in each metered class were taken from actual consumption data,
106 because the Company does not forecast consumption. The Company has
107 provided workpapers to support its data. The billing units the Company proposed
108 are based on actual gallons of water billed during the December 31, 2009, test
109 year. Therefore, this data is appropriate to use in setting rates in this docket.

110

111 **COST OF SERVICE STUDY ("COSS")**

112 **Q. Briefly describe the importance of a COSS as the basis for determining**
113 **rates for utility service.**

114 A. In general, a COSS is performed to assist in the development and design of cost
115 based rates. A COSS is performed to allocate costs among all customer classes
116 to determine each customer class' respective responsibility for the costs imposed

117 on the utility. The various costs on the utility system are allocated among the
118 customer classes according to cost causation principles. The COSS determines
119 the cost to serve customers and, thus, provides the basis of designing rates for a
120 utility.

121

122 **Q. Did the Company provide a COSS upon which the water rates proposed in**
123 **this docket are based?**

124 A. No, it did not. In response to Staff Data Request PR 1.20, the Company states
125 that the estimated cost of a COSS is approximately \$15,000 to \$25,000, which
126 would be far too expensive for its customers. The Company further states that UI
127 has not hired a COSS expert for its rate cases in the past.

128

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

131 A. Yes. I understand the Company's concern that a COSS would be too expensive
132 for ratepayers because the cost would have to be allocated over a small number
133 of customers resulting in an adverse impact on rates. The Company's
134 approximately 200 customers are all residential customers; therefore, a
135 traditional COSS would provide minimal benefits at best. I believe that it would
136 not be in the best interests of the customers to incur the expense of a COSS.

137

138 **Q. Since there has not been a COSS provided as a basis for rates in this case,**
139 **how do you recommend setting water rates in this docket?**

140 A. I recommend setting water rates by increasing the Base Facilities Charges and
141 the Usage Charge based on AWWA Meter factors, which will be discussed later
142 in my testimony. The rates should recover Staff's recommended revenue
143 requirement as shown in ICC Staff Ex. 1.0, Schedule 1.01 C-W. This will also be
144 further discussed below.

145

146 **RATE DESIGN**

147 **Q. Please describe the Company's current rate structure.**

148 A. The Company currently has two types of charges in its rate structure: the Base
149 Facilities Charge is a flat per month charge and the Usage Charge is a charge
150 per 1,000 gallons of water. The Base Facilities Charge recovers the fixed costs
151 to serve customers, which are the costs that do not vary with the amount of water
152 consumed. The fixed costs typically include costs for meter reading, billing,
153 customer accounts, collection expenses, and maintenance and capital costs
154 related to meters. (American Water Works Association ("AWWA" Manual, M54,
155 First Edition, p. 35.) The Usage Charge recovers the costs that are variable
156 based on usage and not recovered through the fixed charge. The Usage Charge
157 varies in proportion to the level of a customer's consumption. (*Id.*)

158

159 **Q. Does the Company propose to change the water rate structure?**

160 A. No. The Company does not propose to change the current rate structure that
161 has been in place since a Final Order was entered in Docket No. 92-0345 dated
162 June 23, 1993.

163

164 **Q. What level of revenue increase does the Company propose?**

165 A. The Company proposes that Camelot receive a revenue increase of
166 approximately 254% (i.e., \$191,661) from current water revenues of \$75,339 to
167 recover its proposed revenue requirement. (Company filing, Schedule B, p. 2 of
168 4.)

169

170 **Q. Has the Company proposed new rates to recover these increased revenues**
171 **from customers?**

172 A. Yes. The Company proposes new rates for all customers and proposes changes
173 to other miscellaneous charges. The review of miscellaneous charges will be
174 discussed in Staff witness Christopher Boggs' Direct Testimony, ICC Staff Exhibit
175 6.0.

176

177 **Q. Please describe the Company's current and proposed water rates.**

178 A. The Company's current and proposed water Base Facilities Charges are shown
179 below.

180

181

182

BASE FACILITIES CHARGES – WATER			
Meter size	Current rate²	Proposed rate	% Increase
5/8" Meter	\$ 5.00	\$ 17.72	254%
3/4" Meter	\$ 5.00	\$ 17.72	254%
1" Meter	\$ 5.00	\$ 17.72	254%

183

184 The Company's current Usage Charge is \$4.56 per 1,000 gallons of water and
185 the Company's proposed Usage Charge is \$16.16 per 1,000 gallons of water.

186 This is an increase of 254%.

187

188 **Q. How did the Company determine its proposal for the Base Facilities Charge**
189 **and the Usage Charge?**

190 A. The Company did not provide any narrative in its direct testimony on how the
191 Company's proposed rates were calculated. In the responses to Staff Data
192 Requests PR 1.11 and 1.13, the Company refers Staff to Schedules D&E of the
193 original docket filing. In response to Staff Date Request PR 1.18, the Company
194 stated that an AWWA Meter factor was used based on meter size in calculating
195 the billing units for both residential customers. In its Supplemental Response to
196 Staff Data Request PR 1.18, however, the Company corrected its response by
197 stating that there was no weighting method employed to recognize the relative
198 numbers of different types of residential customers in the Company's service

² The billing cycle for all customers will change from bi-monthly to monthly billing if approved by the ICC. Therefore, currently, a Base Facilities Charge of \$5.00 per month corresponds to \$10.00 bi-monthly charge.

199 territory. Therefore, the Company appeared to have used an across the board
200 increase to determine its proposed rates.

201

202 **Q. What is your opinion of how the Company developed the specific Base**
203 **Facilities Charge and Usage Charge it proposes in this proceeding?**

204 A. My review of the filing indicates the proposed Usage Charge revenue is
205 approximately 83% (i.e., \$220,751) of the total proposed water revenue of
206 \$267,000 shown on Schedule D, which leaves approximately 17% (i.e., 46,249)
207 for the Base Facilities Charge revenue. I agree with the proposal to recover a
208 greater percent of the revenue requirement from the Usage Charge as customers
209 are more able to control their monthly bill by adjusting their usage to match their
210 budget. However, the Company did not develop a COSS for this case as
211 previously discussed; consequently, there is no cost foundation for Company's
212 proposed 5/8", 3/4" and 1" meter size Base Facilities Charges or the proposed
213 Usage Charge.

214

215 In contrast, Staff increased its Base Facilities Charges based on AWWA meter
216 factors, where the allocation of costs among customer types was done through
217 the application of meter factors³. This approach relates the flow for meters larger
218 than 5/8" to that of the volume of flow for 5/8" meter⁴. In other words, Staff used

³ Meter Capacity factors are used for different size meters, using the standard 5/8" residential meter as a basis. These capacity factors are based on the "maximum flow criteria" of the American Water Works Association. (American Water Works Association, AWWA Manual M1, 2000, p. 202.)

⁴ See Schedule 3 - Bill Factor Computation.

219 equivalent meter ratios expressed in terms of the ratio of related meter capacity
220 for each meter size relative to a 5/8" meter size. The remaining revenue
221 requirement increase will be recovered through the Usage Charge, which I
222 recommend should be \$14.55 per 1,000 gallons. This causes a 219% increase
223 in the Usage Charge (compared with Company's proposed 254% increase)
224 which provides the customers with some measure of opportunity to control their
225 water bills by using less water.

226

227 Staff's proposed water rate structure is transparent, feasible in its application,
228 yields necessary revenues in a stable and predictable manner, and is simple for
229 customers to understand so that they can take full advantage of the price signals
230 produced by it.

231

232 **Q. Do you recommend the Company's proposal for water rates be approved?**

233 A. No. First, the Company is proposing rates based on its proposed revenue
234 requirement. Second, there is no cost foundation for Company's proposed rates.
235 I recommend the Commission set rates based upon Staff's methodology based
236 on AWWA meter factors which in turn recovers the proposed revenue
237 requirement presented in Staff witness Michael Ostrander's direct testimony.
238 (ICC Staff Ex. 1.0, Schedule 1.01 C-W, column (i), line 1.)

239

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

242 A. Yes. I have prepared a set of rates that recovers Staff's proposed revenue
243 requirement. I adjusted the Base Facilities Charge and Usage Charge as further
244 discussed below.

245

246 **Q. Please describe Staff Exhibit 5.0 Schedules 5.1 and 5.2.**

247 A. Staff Exhibit 5.0, Schedule 5.1 shows how the Factored Bills for Camelot were
248 calculated. The computation is derived from the number of bills from each of the
249 Company's meter sizes multiplied by the corresponding AWWA Meter Factors.
250 The result is the number of Factored Bills. Factored Bills are then used to
251 establish the monthly Base Facilities Charge ("BFC") for the 5/8" meter
252 customers in Schedule 5.2. I determined the increase for the monthly BFC and
253 the usage charge based on approximately a 17/83 split.⁵ Once the 5/8" meter
254 BFC is established, Staff's proposed BFC's for each of the other meter sizes are
255 calculated using the AWWA Meter Factor multipliers as shown in Schedule 5.3.

256

257 **Q. Please describe Staff Exhibit 5.0, Schedule 5.3.**

258 A. Schedule 5.3 compares the Company's present and proposed rates based on its
259 revenue requirement versus Staff's proposed rates based on Staff's revenue

⁵ My review of Company's Exhibit 1.1 Schedule D indicates that the proposed Usage Charge revenue is approximately 83% (i.e., \$220,751) of the total proposed water revenue of \$267,000 shown on Schedule D, which leaves approximately 17% (i.e., \$46,249) for the Base Facilities Charge revenue.

260 requirement. The Company's information for the Billing Units was taken from
261 Schedule D. The Present Rates were taken from the Camelot Utilities, Inc.
262 Current Tariffs. ILL.C.C No. 3, Seventh Revised Sheet No. 1. The Company
263 Proposed Rates were taken from the Camelot Utilities, Inc. Proposed Tariff
264 Pages. ILL.C.C No. 3, Eighth Revised Sheet No. 1.

265
266 I calculated my proposed water rates by multiplying Staff proposed 5/8" meter
267 BFC (derived from Schedule 5.2) by the AWWA Meter Factor multipliers (derived
268 from Schedule 5.1). My proposed rate design reflects Staff's proposed revenue
269 requirement shown in Staff Ex. 1.0, Schedule 1.01 C-W. Staff's proposed
270 revenue requirement of \$239,480 is approximately %10.31 less than the
271 Company's proposed revenue requirements of \$267,000⁶ for water. The Base
272 Facilities Charges for the 5/8," 3/4," and 1" meter sizes increase by (17.00%),
273 24.29%, 107.53%, respectively, and the Usage Charge increase by 219%, under
274 Staff's proposed rates.

275

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

278 A. My proposed rates are designed to recover Staff's proposed revenue
279 requirement. In general, my proposed rates produce smaller bill increases than
280 the Company's because Staff's recommended revenue requirement is smaller

⁶ Service Revenues – Water (Camelot Utilities Inc. Schedule B, page 2 of 4).

281 than the Company's proposal. If there is any difference between the revenue
282 requirement adopted by the Commission and Staff's revenue requirement, then
283 Staff's proposed Base Facilities Charges and Usage Charge should be adjusted
284 by changing the value of the 'Total Operating Revenue Requirements' in cell
285 (B)(1) in Staff Exhibit 5.0 Schedule 5.2.

286

287

SEWER

288 **BILLING UNITS**

289

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

291 A. The Company's present rate structure consists of a flat monthly facilities charge
292 of \$40.63.⁷

293

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

295 A. With the exception of one change, the Company does not propose to modify the
296 current rate structure that has been in place since a Final Order was entered in
297 Docket No. 92-0345 dated June 23, 1993. The Company's proposed sewer rate
298 structure consists of: a low usage sewer rate (<1,000 gallons)⁸ of \$77.87 and a
299 separate \$81.91 sewer rate for all other customers using at least 1,000 gallons of
300 water in a billing period. The Company's proposed charge can be found on Staff
301 Ex. 5.0, Schedule 5.4.

⁷ ILL. C.C. No. 3, Sixth Revised Sheet No. 1.

⁸ As mandated by Section 8-306(h) of the Act.

302

303 **Q. What billing units does the Company propose for the Base Facilities**
304 **Charges?**

305 A. The Company has proposed 2,466, 72, 12 and 60 annual billing units in
306 Schedule D for the 5/8", 5/8" (Low Use < 1,000 gallons), 3/4" and 1" sewer Meter
307 Base Facilities Charge, all which correspond to a per month charge. The billing
308 units are used to determine the rates that will recover the approved revenue
309 requirement.

310

311 **Q. Do you find the Company's proposed billing units for the Base Facilities**
312 **Charge to be reasonable?**

313 A. Yes. As discussed earlier, the Base Facilities Charge billing units should be
314 based on the number of bills that are sent out. Therefore, because, the
315 Company's proposal is based on actual bills sent out during the test year ending
316 December 31, 2009, 2,610 is the appropriate number of billing units to determine
317 the Base Facilities Charge.

318

319 **COST OF SERVICE STUDY ("COSS")**

320

321 **Q. Did the Company provide a sewer COSS upon which the water rates**
322 **proposed in this docket are based?**

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

326

327 **RATE DESIGN**

328

329 **Q. What level of revenue increase does the Company propose?**

330 A. The Company proposes that Camelot receive a revenue increase of
331 approximately 101% (i.e., \$107,456) from current sewer revenues of \$106,044 to
332 recover its proposed revenue requirement.⁹

333

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

336 A. The Company's proposal to maintain the current rate structure for a monthly
337 sewer charge is reasonable in the absence of a cost study to support an
338 alternative approach. This rate structure was approved by the Commission in the
339 Company's last rate case and is, therefore, presumed just and reasonable
340 absent any updated information indicating the contrary. The following are the
341 sewer Base Facilities Charges under the Company's proposal:

342

343

⁹ Service Revenues – Sewer (Company Filing - Schedule B, p. 3 of 4).

BASE FACILITIES CHARGES – SEWER			
Meter size	Current rate¹⁰	Company Proposed rates	% Increase
5/8" Meter	\$ 40.63	\$ 81.91	102%
5/8" Meter (Low Use)	-	\$ 77.87	-
3/4" Meter	\$ 40.63	\$ 81.91	102%
1" Meter	\$ 40.63	\$ 81.91	102%

344

345 **Q. Do you recommend the Company's proposal for sewer rates be approved?**

346 A. No. The Company is proposing rates based on its proposed revenue
347 requirement. I recommend the Commission set rates based upon Staff's
348 proposed revenue requirement presented in Staff witness Michael Ostrander's
349 direct testimony. (ICC Staff Ex. 1.0, Schedule 1.01 C-S, column (i), line 1.)

350

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

353 A. Yes. I have prepared a set of rates that recover Staff's proposed sewer revenue
354 requirement which are presented on Schedule 5.4.

355

356 **Q. Please describe Schedule 5.4.**

357 A. Schedule 5.4 compares the Company's present and proposed sewer rates based
358 on its revenue requirement versus Staff's proposed sewer rates based on Staff's
359 revenue requirement. The Company information for the Billing Units was taken

¹⁰ The billing cycle for all customers will change from bi-monthly to monthly billing if approved by the ICC. Therefore, currently, a Base Facilities Charge of \$40.63 per month corresponds to \$81.26 bi-monthly charge.

360 from Schedule D. The Present Rates were taken from the Camelot Utilities, Inc.
361 Current Tariffs. ILL.C.C. No. 3, Sixth Revised Sheet No. 1. The Company
362 Proposed Rates were taken from the Camelot Utilities, Inc. Proposed Tariff
363 Pages. ILL.C.C No. 3, Seventh Revised Sheet No. 1.

364
365 I calculated my proposed sewer rates by multiplying the ratio of Staff's proposed
366 revenue requirement to the Company's proposed revenue requirement across-
367 the-board, to the Company's proposed Base Facilities Charges. My proposed
368 rate design reflects Staff's proposed revenue requirement shown in Staff Ex. 1.0,
369 Schedule 1.01 C-W. Staff's proposed sewer revenue requirements of \$202,316
370 is approximately %5.24 less than the Company's proposed revenue
371 requirements of \$213,500¹¹ for sewer. The following are the Base Facilities
372 Charges under my proposal:

373

BASE FACILITIES CHARGES – SEWER			
Meter size	Current rate¹²	Staff Proposed rates	% Increase
5/8" Meter	\$ 40.63	\$ 77.62	91%
5/8" Meter (Low Use)	-	\$ 73.79	-
3/4" Meter	\$ 40.63	\$ 77.62	91%
1" Meter	\$ 40.63	\$ 77.62	91%

374

¹¹ Service Revenues – Water (Camelot Utilities Inc. Schedule B, page 2 of 4).

¹² The billing cycle for all customers will change from bi-monthly to monthly billing if approved by the ICC. Therefore, currently, a Base Facilities Charge of \$5.00 per month corresponds to \$10.00 bi-monthly charge.

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

377 A. My proposed sewer rates are designed to recover Staff's proposed sewer
378 revenue requirement. In general, my proposed sewer rates produce smaller bill
379 increases than the Company's because Staff's recommended revenue
380 requirement is smaller than the Company's proposal. If there is any difference
381 between the sewer revenue requirement adopted by the Commission and Staff's
382 sewer revenue requirement, then Staff's proposed Base Facilities Charges
383 should be adjusted by a uniform percentage to recover the sewer revenue
384 requirement adopted by the Commission.

385

386 **Low Usage Sewer Rate**

387

388 **Q. What is the starting point for your discussion of the low usage sewer rate?**

389 A. I begin with the language of 220 ILCS 5/8-306(h) of the Public Utilities Act ("Act").
390 In 2006, the Act was amended by adding Section 8-306 concerning "Special
391 Provisions Relating to Water and Sewer Utilities." Section 8-306(h) requires that
392 each public utility providing water and sewer service must establish a unit sewer
393 rate for customers using less than 1,000 gallons in a billing period. It states:

394 Water and sewer utilities; low usage. Each public utility that
395 provides water and sewer service must establish a unit sewer rate,
396 subject to review by the Commission that applies only to those
397 customers who use less than 1,000 gallons of water in any billing
398 period. (220 ILCS 5/8-306(h))
399

400 **Q. Is the Company's proposed rate design in compliance with 220 ILCS 5/8-**
401 **306(h) of the Act?**

402 A. Yes. The Company proposed a separate sewer rate of \$77.87 for customers with
403 usage less than 1,000 gallons per billing period. The proposed low usage sewer
404 rate is exactly \$4.04 (or 18.70%) less than rates for similar customers using at
405 least 1,000 gallons of water in a billing period.

406
407 **Q. How did the Company calculate its proposed low usage rate?**

408 A. In response to Staff Data Request PR 1.28, the Company stated that the
409 calculation was done using the same methodology that was used in the recent
410 Camelot and Northern Hills rate cases. The Company provided supporting
411 workpapers in which it shows how the proposed low usage sewer rate was
412 calculated. In essence, the first step was to calculate the 2009 proportion of
413 customers with less than 1,000 gallons of consumption per billing period
414 (approximately 2.77% of customers or 72.30 billing units) versus the 2009
415 proportion of customers with more than 1,000 gallons of consumption per billing
416 period (approximately 97.23% of customers or 2537.70 billing units). Then, the
417 means of allocating the costs associated with the low usage sewer rate versus
418 the regular monthly sewer rate was based on the share of revenue increase
419 associated with low usage customers compared to the share of revenue increase
420 associated with all other customers.

421

422 **Q. Do you agree with the Company's methodology to develop the proposed**
423 **low usage rate?**

424 A. Yes. A flat rate encompasses all customers and all uses in a billing period, from
425 a customer who has zero usage, such as customers who may be seasonal
426 customers, to customers who are average or large users. This means that large
427 users are likely paying proportionally less and low users are likely paying
428 proportionally more relative to their usage. Thus, it is logical to conclude that the
429 design of a rate for a low use customer – less than 1,000 gallons in a month –
430 should result in a lower rate. In this instance, Camelot has proffered a
431 methodology to calculate a low usage sewer rate that appears to be reasonably
432 discounted.

433
434 Based on the information provided, I find that the Company's methodology to
435 calculate the proposed low usage sewer rate of \$77.87 is reasonable. However,
436 the Company is proposing sewer rates based on its revenue requirement, while
437 my proposed sewer rates are designed to recover the revenue requirement
438 proposed by Staff. Therefore, the Company's proposed low usage sewer rate of
439 \$77.87 and a separate \$81.91 sewer rate for all other customers using at least
440 1,000 gallons of water in a billing period were incorporated into my proposed rate
441 design and adjusted across-the-board based on Staff's revised revenue
442 requirement.

443

444 As a result, I propose the following sewer rates: a low usage sewer rate of
445 \$73.79 and a separate \$77.62 sewer rate for all other customers using at least
446 1,000 gallons of water in a billing period.

447

448 **Q. What is your recommendation regarding Section 8-306(h)?**

449 A. The Company provided satisfactory support for its position for the calculation of
450 the low usage sewer rate. Therefore, based on my review of the information
451 provided, I recommend that Staff's proposed low usage sewer rate of \$73.79 and
452 a separate \$77.62 sewer rate for all other customers using at least 1,000 gallons
453 of water in a billing period be accepted.

454

455 **Q. Is there any other issue with the Company's proposed rates?**

456 A. Yes, the proposed rates do not comply with 220 ILCS 5/8-306(i) of the Act.
457 Camelot's initial rate case filing did not address Section 8-306(i) or the rate it
458 requires. Sec. 8-306(i) of the Act states:

459 Water and sewer utilities; separate meters. Each public utility that
460 provides water and sewer service must offer separate rates for
461 water and sewer service to any commercial or residential customer
462 who uses separate meters to measure each of those services. In
463 order for the separate rate to apply, a combination of meters must
464 be used to measure the amount of water that reaches the sewer
465 system and the amount of water that does not reach the sewer
466 system. (220 ILCS 5/8-306(i))
467

468 In essence, the Company needs to propose separate water and sewer rates for
469 customers who use separate meters to measure each of those services, even if

470 the Company does not currently have any customers who use a separate meter
471 to measure each service.

472

473 **Q. What is your recommendation with regard to Section 8-406(i)?**

474 A. Although I am not a lawyer, it is my understanding that Section 8-306(i) of the
475 Act mandates that the Company “must offer separate rates for water and sewer
476 service to any commercial or residential customer who uses separate meters to
477 measure each of those services.” However, without a rate that complies with this
478 section of the Act, any customer who may install a separate meter will be
479 deprived of the opportunity to have a lower sewer bill for the amount of water that
480 does not flow through the sewer system.

481

482 Since there is nothing that precludes the Company from developing and offering
483 such a distinction in rates in this case, I recommend that the Company submit
484 rates to comply with Section 8-306(i) in rebuttal testimony even if there are no
485 customers currently utilizing separate meters for water and sewer service, as it
486 may potentially deprive future customers of lower sewer bills.

487

488 **BILL IMPACTS**

489 **Q. Did you develop a typical bill comparison to illustrate the impact of current**
490 **rates compared to proposed rates?**

491 A. Yes, I have. The results are illustrated in Schedules 5.5, 5.6, 5.7, 5.8, 5.9 and
492 5.10. Schedule 5.5 shows Company current water rates compared to Staff
493 proposed water rates. Schedule 5.6 shows Company current water rates
494 compared to Company proposed water rates. Schedule 5.7 shows Staff
495 proposed water rates compared to Company proposed water rates. Schedule
496 5.8 shows Company current water and sewer rates compared to Staff proposed
497 water and sewer rates. Schedule 5.9 shows Company current water and sewer
498 rates compared to Company proposed water and sewer rates. Schedule 5.10
499 shows Staff proposed water and sewer rates compared to Company proposed
500 water and sewer rates. All six schedules are based on a comparison of monthly
501 rates because the Company is proposing to change its billing cycle from quarterly
502 to monthly.

503

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

505 A. Yes, I did.

506

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

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

513

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

516 A. Yes. Based on the percent increases that are being requested by the Company
517 to the rates, it appears that customers may experience rate shock. Moreover, in
518 response to Staff Data Request PR 1.23, the Company stated: "[c]ustomers may
519 experience a rate shock, however, the Company has not had a rate increase
520 since 1992 and Camelot customers have benefited from capital improvements
521 without rate increases while the Company's costs have increased annually." As
522 indicated in Schedules 5.5 and 5.6, the monthly bill to a typical customer with
523 usage of 5,210 gallons¹³, the percentage increase is approximately 214.75%
524 (\$61.76) and 254.39% (\$73.16) (for 5/8" meter) under Staff's and Company's
525 proposed water rates, respectively. Also, as indicated in Schedules 5.8 and 5.9,
526 the monthly bill to a typical customer with usage of 5,210 gallons, the percentage
527 increase is 142.31% (\$98.75) and 164.92% (\$114.44) (for 5/8" meter) under
528 Staff's and Company's proposed water and sewer rates, respectively. The
529 customers of Camelot Territory may experience rate shock under the Company's
530 proposal, however, the rates that I propose for this rate case are based on Staff's
531 proposed revenue requirement and are lower. Thus, although an average
532 increase of 212.77% (for 5/8" meter)¹⁴ and 135.90% (for 5/8" meter)¹⁵ might be

¹³ According to its Public Notice, the Company illustrated the impact of its rate increase based on an assumed average monthly consumption of 5,210 gallons.

¹⁴ ICC Exhibit No. 5.0, Schedule 5.5.

¹⁵ ICC Exhibit No. 5.0, Schedule 5.8.

533 considered steep in some circumstances, it is lower than what is being proposed
534 by the Company, and the increase is necessary in order for the Company to
535 recover its revenue requirement. It should also be recognized that the Company
536 has not had a rate increase since 1992.

537

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

539 **A.** Yes, it does.

Camelot Utilities, Inc
 Class Cost of Service Study
 Bill Factor Computation
 Test Year Ended December 31, 2009

	(A)	(B)	(C)	(D)
Water Residential				
Line No.	Meter Size	# of bills	AWWA Meter Factor	Factored Bills
1	5/8"	2538	1	2,538.00
2	3/4"	12	1.5	18.00
3	1"	60	2.5	150.00
4	1 1/2"	0	5	-
5	2"	0	8	-
6	3"	0	15	-
7	4"	0	25	-
8	6"	0	50	-
9	Total Factored Bills			2,706.00

Notes:

- Column (A) - Company Exhibit 1.1 Schedule D
- Column (B) - Company Exhibit 1.1 Schedule D
- Column (C) - American Water Works Association, AWWA Manual M1, 2000, p. 202.
- Column (D) - (C)*(B)

Camelot Utilities, Inc
 Class Cost of Service Study
 Revenue Requirement & Calculation of Rates
 Test Year Ended December 31, 2009

Water Revenue Requirements & Calculation of Water Rates

Line No.	(A) Account Name	(B) Projected	(C) Allocation Basis BFC	(D) Gallage	(E) Allocation Amount BFC [(C)*(B)]	(F) Gallage [(D)*(B)]
1	Total Operating Revenue Requirements	\$ 239,480	17%	83%	\$ 40,712	\$ 198,768
2						
3	Less Miscellaneous Income	(914)	100.00%		(914)	
4						
5	Revenue Requirement From Rates	<u>\$ 238,566</u>			<u>\$ 39,798</u>	<u>\$ 198,768</u>
6						
7	Factored Bills				2,706	
8	Gallons Sold (000)					13,660
9						
10	Monthly BFC				<u>\$ 14.71</u>	
11	Gallage Charge (per 1,000)					<u>\$ 14.55</u>

Notes:

- (B)(1) ICC Staff Exhibit 1.0 Schedule 1.1 C-W (i)(3)
- (B)(3) ICC Staff Exhibit 1.0 Schedule 1.1 C-W (i)(2)
- (B)(5) (B)(1) + (B)(3)
- (C)(1) Company's BFC share of water revenues from rates
- (D)(1) Company's Usage share of water revenues from rates
- (E)(7) ICC Staff Exhibit 5.0; Schedule 5.1 (D)(9)
- (F)(8) Company Exhibit 1.1 Schedule D
- (E)(10) (E)(5) / (E)(7)
- (F)(11) (F)(5) / (F)(8)

Camelot Utilities, Inc.
 Comparison of Company Present and Proposed Water Rates and Staff Proposed Water Rates

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Billing Units	Present Rates	Company Present Revenue [(C)*(B)]	Company Proposed Rates	Company Proposed Revenue [(E)*(B)]	AWWA Meter Factor (from Schedule 5.1)	Resulting Base Facilities Charge (from Schedule 5.2)	Staff Proposed Rates [(G)*(H)]	Staff Proposed Revenue [(I)*(B)]	Dollar Difference [(J)-(F)]	Total % Difference [(I)/(E)]	% increase from present rates [(J)-(D)/(D)]	
1	Base Facilities Charge												
2	5/8 inch	2,538	\$ 5.00	\$ 12,690	\$ 17.72	\$ 44,973	1.00	\$ 14.71	\$ 14.71	\$ 37,327	\$ (7,646)	-17.00%	194%
3	3/4 inch	12	\$ 5.00	\$ 60	\$ 17.72	\$ 213	1.50	\$ 14.71	\$ 22.06	\$ 265	\$ 52	24.29%	341%
4	1 inch	60	\$ 5.00	\$ 300	\$ 17.72	\$ 1,063	2.50	\$ 14.71	\$ 36.77	\$ 2,206	\$ 1,143	107.53%	635%
5	Usage Charge												
6	All meter sizes	13,659,799	\$ 4.56	\$ 62,289	\$ 16.16	\$ 220,742		\$ 14.55	\$ 198,768	\$ (21,975)	-9.95%	219%	
								219%					
7	Miscellaneous Revenues			584.00		\$ 914			\$ 914	\$ -	0.00%	57%	
8	Residential Revenues from Rates					\$ 266,991			\$ 238,566				
9	Residential Total Revenues			\$ 75,923		\$ 267,905			\$ 239,480				

¹ Rounding
 Billing Units from Schedule D
 Present Rates from Camelot Utilities, Inc. Current Tariffs. ILL.C.C No. 3, Seventh Revised Sheet No. 1
 Company Proposed Rates from Company Proposed Tariff Pages. ILL.C.C No. 3, Eighth Revised Sheet No. 1

Camelot Utilities, Inc.
 Comparison of Company Present and Proposed Sewer and Staff Proposed Sewer Rates

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(I)	(J)	(K)	(L)	(M)
	Billing Units	Present Rates	Company Present Revenue [(C)*(B)]	Company Proposed Rates	Company Proposed Revenue [(E)*(B)]	Staff Proposed Rates [(G)*(H)]	Staff Proposed Revenue [(I)*(B)]	Dollar Difference [(J)-(F)]	Total % Difference [(L)/(E)]	% increase from present rates [(J)-(D)/(D)]	
1	Base Facilities Charge										
2	5/8 inch	2,466	\$ 40.63	\$ 100,194	\$ 81.91	\$ 201,990	\$ 77.62	\$ 191,405.78	\$ (10,584.22)	-5.24%	91%
3	5/8 inch (Low Use)	72	\$ 40.63	\$ 2,925	\$ 77.87	\$ 5,607	\$ 73.79	\$ 5,312.85	\$ (294.15)	-5.25%	82%
4	3/4 inch	12	\$ 40.63	\$ 488	\$ 81.91	\$ 983	\$ 77.62	\$ 931.41	\$ (51.59)	-5.25%	91%
5	1 inch	60	\$ 40.63	\$ 2,438	\$ 81.91	\$ 4,915	\$ 77.62	\$ 4,657.07	\$ (257.93)	-5.25%	91%
6	Usage Charge										
7	All meter sizes										
8	Miscellaneous Revenues			\$ 831		\$ 831		\$ 831	\$ -	0.00%	0%
9	Residential Revenues from Rates			* \$ 106,044		* \$ 213,495		* \$ 202,307			
10	Residential Total Revenues			* \$ 106,875		* \$ 214,326		* \$ 203,138			

* Rounding
 Billing Units from Schedule D
 Present Rates from Camelot Utilities, Inc. Current Tariffs. ILL.C.C No. 3, Sixth Revised Sheet No. 1
 Company Proposed Rates from Company Proposed Tariff Pages. ILL.C.C No. 3, Seventh Revised Sheet No. 1

Calculation of Ratio Applied Across-the-Board to Staff Proposed Sewer Rates

Line No.	(A)	(B)	(C)
	Proposed Sewer Revenues	Company	Staff
1		\$ 213,500.00	\$ 202,316.00
2	Total (Line 2 + Line 3)	\$ 213,500.00	\$ 202,316.00
3	Ratio (C4/B4)	94.76%	

Source: Company Schedule D
 ICC Staff Exhibit 1.0 , Schedule 1.01 C-S

Camelot Utilities, Inc
 Typical Bill Comparison of Current Water Rates vs.
 Staff Proposed Water Rates

Residential & Commercial 5/8" meter size

Rate Comparison			
Present Rates		Staff Proposed Rates	Percent Difference
Usage Charge			
Per 1000 gallons	\$ 4.56	\$ 14.55	
Fixed Charge per month	\$ 5.00	\$ 14.71	194.20%

Bill Comparison					
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference	
0.000	\$ 5.00	\$ 14.71	\$ 9.71	194.20%	
1.000	\$ 9.56	\$ 29.26	\$ 19.70	206.07%	
1.200	\$ 10.47	\$ 32.17	\$ 21.70	207.20%	
1.400	\$ 11.38	\$ 35.08	\$ 23.70	208.15%	
1.600	\$ 12.30	\$ 37.99	\$ 25.69	208.96%	
1.800	\$ 13.21	\$ 40.90	\$ 27.69	209.66%	
2.000	\$ 14.12	\$ 43.81	\$ 29.69	210.27%	
2.163	\$ 14.86	\$ 46.18	\$ 31.32	210.71%	
2.400	\$ 15.94	\$ 49.63	\$ 33.69	211.28%	
2.600	\$ 16.86	\$ 52.54	\$ 35.68	211.70%	
2.800	\$ 17.77	\$ 55.45	\$ 37.68	212.08%	
3.000	\$ 18.68	\$ 58.36	\$ 39.68	212.42%	
3.200	\$ 19.59	\$ 61.27	\$ 41.68	212.73%	
3.400	\$ 20.50	\$ 64.18	\$ 43.68	213.01%	
3.600	\$ 21.42	\$ 67.09	\$ 45.67	213.27%	
3.800	\$ 22.33	\$ 70.00	\$ 47.67	213.51%	
4.000	\$ 23.24	\$ 72.91	\$ 49.67	213.73%	
4.200	\$ 24.15	\$ 75.82	\$ 51.67	213.93%	
4.400	\$ 25.06	\$ 78.73	\$ 53.67	214.12%	
4.600	\$ 25.98	\$ 81.64	\$ 55.66	214.29%	
4.800	\$ 26.89	\$ 84.55	\$ 57.66	214.45%	
5.000	\$ 27.80	\$ 87.46	\$ 59.66	214.60%	
*	5.210	\$ 28.76	\$ 90.52	\$ 61.76	214.75%
	5.400	\$ 29.62	\$ 93.28	\$ 63.66	214.88%
	5.600	\$ 30.54	\$ 96.19	\$ 65.65	215.01%
	5.800	\$ 31.45	\$ 99.10	\$ 67.65	215.12%
	6.000	\$ 32.36	\$ 102.01	\$ 69.65	215.23%
	6.200	\$ 33.27	\$ 104.92	\$ 71.65	215.34%
	6.400	\$ 34.18	\$ 107.83	\$ 73.65	215.44%
	6.600	\$ 35.10	\$ 110.74	\$ 75.64	215.53%
	6.800	\$ 36.01	\$ 113.65	\$ 77.64	215.62%
	7.000	\$ 36.92	\$ 116.56	\$ 79.64	215.71%
	7.200	\$ 37.83	\$ 119.47	\$ 81.64	215.79%
	7.400	\$ 38.74	\$ 122.38	\$ 83.64	215.87%
	7.600	\$ 39.66	\$ 125.29	\$ 85.63	215.94%
	7.800	\$ 40.57	\$ 128.20	\$ 87.63	216.01%
	8.000	\$ 41.48	\$ 131.11	\$ 89.63	216.08%
			Average	\$ 53.44	212.77%

* Average Consumption

Camelot Utilities, Inc
 Typical Bill Comparison of Current Water Rates vs.
 Company Proposed Water Rates

Residential & Commercial 5/8" meter size

Rate Comparison			
Present Rates		Company Proposed Rates	Percent Difference
Usage Charge			
Per 1000 gallons	\$ 4.56	\$ 16.16	
Fixed Charge per month	\$ 5.00	\$ 17.72	254.40%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 5.00	\$ 17.72	\$ 12.72	254.40%
1.000	\$ 9.56	\$ 33.88	\$ 24.32	254.39%
1.200	\$ 10.47	\$ 37.11	\$ 26.64	254.39%
1.400	\$ 11.38	\$ 40.34	\$ 28.96	254.39%
1.600	\$ 12.30	\$ 43.58	\$ 31.28	254.39%
1.800	\$ 13.21	\$ 46.81	\$ 33.60	254.39%
2.000	\$ 14.12	\$ 50.04	\$ 35.92	254.39%
2.163	\$ 14.86	\$ 52.67	\$ 37.81	254.39%
2.400	\$ 15.94	\$ 56.50	\$ 40.56	254.39%
2.600	\$ 16.86	\$ 59.74	\$ 42.88	254.39%
2.800	\$ 17.77	\$ 62.97	\$ 45.20	254.39%
3.000	\$ 18.68	\$ 66.20	\$ 47.52	254.39%
3.200	\$ 19.59	\$ 69.43	\$ 49.84	254.39%
3.400	\$ 20.50	\$ 72.66	\$ 52.16	254.39%
3.600	\$ 21.42	\$ 75.90	\$ 54.48	254.39%
3.800	\$ 22.33	\$ 79.13	\$ 56.80	254.39%
4.000	\$ 23.24	\$ 82.36	\$ 59.12	254.39%
4.200	\$ 24.15	\$ 85.59	\$ 61.44	254.39%
4.400	\$ 25.06	\$ 88.82	\$ 63.76	254.39%
4.600	\$ 25.98	\$ 92.06	\$ 66.08	254.39%
4.800	\$ 26.89	\$ 95.29	\$ 68.40	254.39%
5.000	\$ 27.80	\$ 98.52	\$ 70.72	254.39%
* 5.210	\$ 28.76	\$ 101.91	\$ 73.16	254.39%
5.400	\$ 29.62	\$ 104.98	\$ 75.36	254.39%
5.600	\$ 30.54	\$ 108.22	\$ 77.68	254.39%
5.800	\$ 31.45	\$ 111.45	\$ 80.00	254.39%
6.000	\$ 32.36	\$ 114.68	\$ 82.32	254.39%
6.200	\$ 33.27	\$ 117.91	\$ 84.64	254.39%
6.400	\$ 34.18	\$ 121.14	\$ 86.96	254.39%
6.600	\$ 35.10	\$ 124.38	\$ 89.28	254.39%
6.800	\$ 36.01	\$ 127.61	\$ 91.60	254.39%
7.000	\$ 36.92	\$ 130.84	\$ 93.92	254.39%
7.200	\$ 37.83	\$ 134.07	\$ 96.24	254.39%
7.400	\$ 38.74	\$ 137.30	\$ 98.56	254.39%
7.600	\$ 39.66	\$ 140.54	\$ 100.88	254.39%
7.800	\$ 40.57	\$ 143.77	\$ 103.20	254.39%
8.000	\$ 41.48	\$ 147.00	\$ 105.52	254.39%
Average			\$ 63.50	254.39%

* Average Consumption

Camelot Utilities, Inc
 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
Usage Charge			
Per 1000 gallons	\$ 14.55	\$ 16.16	11.07%
Fixed Charge per month	\$ 14.71	\$ 17.72	20.46%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 14.71	\$ 17.72	\$ 3.01	20.46%
1.000	\$ 29.26	\$ 33.88	\$ 4.62	15.79%
1.200	\$ 32.17	\$ 37.11	\$ 4.94	15.36%
1.400	\$ 35.08	\$ 40.34	\$ 5.26	15.01%
1.600	\$ 37.99	\$ 43.58	\$ 5.59	14.70%
1.800	\$ 40.90	\$ 46.81	\$ 5.91	14.44%
2.000	\$ 43.81	\$ 50.04	\$ 6.23	14.22%
2.163	\$ 46.18	\$ 52.67	\$ 6.49	14.06%
2.400	\$ 49.63	\$ 56.50	\$ 6.87	13.85%
2.600	\$ 52.54	\$ 59.74	\$ 7.20	13.70%
2.800	\$ 55.45	\$ 62.97	\$ 7.52	13.56%
3.000	\$ 58.36	\$ 66.20	\$ 7.84	13.43%
3.200	\$ 61.27	\$ 69.43	\$ 8.16	13.32%
3.400	\$ 64.18	\$ 72.66	\$ 8.48	13.22%
3.600	\$ 67.09	\$ 75.90	\$ 8.81	13.13%
3.800	\$ 70.00	\$ 79.13	\$ 9.13	13.04%
4.000	\$ 72.91	\$ 82.36	\$ 9.45	12.96%
4.200	\$ 75.82	\$ 85.59	\$ 9.77	12.89%
4.400	\$ 78.73	\$ 88.82	\$ 10.09	12.82%
4.600	\$ 81.64	\$ 92.06	\$ 10.42	12.76%
4.800	\$ 84.55	\$ 95.29	\$ 10.74	12.70%
5.000	\$ 87.46	\$ 98.52	\$ 11.06	12.65%
* 5.210	\$ 90.52	\$ 101.91	\$ 11.40	12.59%
5.400	\$ 93.28	\$ 104.98	\$ 11.70	12.55%
5.600	\$ 96.19	\$ 108.22	\$ 12.03	12.50%
5.800	\$ 99.10	\$ 111.45	\$ 12.35	12.46%
6.000	\$ 102.01	\$ 114.68	\$ 12.67	12.42%
6.200	\$ 104.92	\$ 117.91	\$ 12.99	12.38%
6.400	\$ 107.83	\$ 121.14	\$ 13.31	12.35%
6.600	\$ 110.74	\$ 124.38	\$ 13.64	12.31%
6.800	\$ 113.65	\$ 127.61	\$ 13.96	12.28%
7.000	\$ 116.56	\$ 130.84	\$ 14.28	12.25%
7.200	\$ 119.47	\$ 134.07	\$ 14.60	12.22%
7.400	\$ 122.38	\$ 137.30	\$ 14.92	12.19%
7.600	\$ 125.29	\$ 140.54	\$ 15.25	12.17%
7.800	\$ 128.20	\$ 143.77	\$ 15.57	12.14%
8.000	\$ 131.11	\$ 147.00	\$ 15.89	12.12%
Average			\$ 10.06	13.32%

* Average Consumption

Camelot Utilities, Inc
 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
Usage Charge (per 1000 gals.)	\$ 4.56	\$ 14.55	219.08%
Fixed Charge per month			
Water	\$ 5.00	\$ 14.71	194.20%
Sewer	\$ 40.63	\$ 77.62	91.04%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 45.63	\$ 92.33	\$ 46.70	102.34%
1.000	\$ 50.19	\$ 106.88	\$ 56.69	112.95%
1.200	\$ 51.10	\$ 109.79	\$ 58.69	114.84%
1.400	\$ 52.01	\$ 112.70	\$ 60.69	116.67%
1.600	\$ 52.93	\$ 115.61	\$ 62.68	118.44%
1.800	\$ 53.84	\$ 118.52	\$ 64.68	120.14%
2.000	\$ 54.75	\$ 121.43	\$ 66.68	121.79%
2.163	\$ 55.49	\$ 123.80	\$ 68.31	123.09%
2.400	\$ 56.57	\$ 127.25	\$ 70.68	124.93%
2.600	\$ 57.49	\$ 130.16	\$ 72.67	126.42%
2.800	\$ 58.40	\$ 133.07	\$ 74.67	127.87%
3.000	\$ 59.31	\$ 135.98	\$ 76.67	129.27%
3.200	\$ 60.22	\$ 138.89	\$ 78.67	130.63%
3.400	\$ 61.13	\$ 141.80	\$ 80.67	131.95%
3.600	\$ 62.05	\$ 144.71	\$ 82.66	133.23%
3.800	\$ 62.96	\$ 147.62	\$ 84.66	134.47%
4.000	\$ 63.87	\$ 150.53	\$ 86.66	135.68%
4.200	\$ 64.78	\$ 153.44	\$ 88.66	136.86%
4.400	\$ 65.69	\$ 156.35	\$ 90.66	138.00%
4.600	\$ 66.61	\$ 159.26	\$ 92.65	139.11%
4.800	\$ 67.52	\$ 162.17	\$ 94.65	140.19%
5.000	\$ 68.43	\$ 165.08	\$ 96.65	141.24%
*	5.210	\$ 69.39	\$ 168.14	142.31%
	5.400	\$ 70.25	\$ 170.90	143.26%
	5.600	\$ 71.17	\$ 173.81	144.23%
	5.800	\$ 72.08	\$ 176.72	145.18%
	6.000	\$ 72.99	\$ 179.63	146.10%
	6.200	\$ 73.90	\$ 182.54	147.00%
	6.400	\$ 74.81	\$ 185.45	147.88%
	6.600	\$ 75.73	\$ 188.36	148.74%
	6.800	\$ 76.64	\$ 191.27	149.58%
	7.000	\$ 77.55	\$ 194.18	150.39%
	7.200	\$ 78.46	\$ 197.09	151.19%
	7.400	\$ 79.37	\$ 200.00	151.97%
	7.600	\$ 80.29	\$ 202.91	152.73%
	7.800	\$ 81.20	\$ 205.82	153.48%
	8.000	\$ 82.11	\$ 208.73	154.21%
		Average	\$ 90.43	135.90%

* Average Consumption

Camelot Utilities, Inc
 Typical Bill Comparison of Current Water and Sewer
 Rates vs. Company Proposed Water and Sewer Rates

Residential & Commercial 5/8" meter size

Rate Comparison			
Present Rates		Company Proposed Rates	Percent Difference
Usage Charge (per 1000 gals.)	\$ 4.56	\$ 16.16	254.39%
Fixed Charge per month			
Water	\$ 5.00	\$ 17.72	254.40%
Sewer	\$ 40.63	\$ 81.91	101.60%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 45.63	\$ 99.63	\$ 54.00	118.34%
1.000	\$ 50.19	\$ 115.79	\$ 65.60	130.70%
1.200	\$ 51.10	\$ 119.02	\$ 67.92	132.91%
1.400	\$ 52.01	\$ 122.25	\$ 70.24	135.04%
1.600	\$ 52.93	\$ 125.49	\$ 72.56	137.10%
1.800	\$ 53.84	\$ 128.72	\$ 74.88	139.08%
2.000	\$ 54.75	\$ 131.95	\$ 77.20	141.00%
2.163	\$ 55.49	\$ 134.58	\$ 79.09	142.52%
2.400	\$ 56.57	\$ 138.41	\$ 81.84	144.66%
2.600	\$ 57.49	\$ 141.65	\$ 84.16	146.40%
2.800	\$ 58.40	\$ 144.88	\$ 86.48	148.09%
3.000	\$ 59.31	\$ 148.11	\$ 88.80	149.72%
3.200	\$ 60.22	\$ 151.34	\$ 91.12	151.31%
3.400	\$ 61.13	\$ 154.57	\$ 93.44	152.84%
3.600	\$ 62.05	\$ 157.81	\$ 95.76	154.34%
3.800	\$ 62.96	\$ 161.04	\$ 98.08	155.79%
4.000	\$ 63.87	\$ 164.27	\$ 100.40	157.19%
4.200	\$ 64.78	\$ 167.50	\$ 102.72	158.56%
4.400	\$ 65.69	\$ 170.73	\$ 105.04	159.89%
4.600	\$ 66.61	\$ 173.97	\$ 107.36	161.19%
4.800	\$ 67.52	\$ 177.20	\$ 109.68	162.45%
5.000	\$ 68.43	\$ 180.43	\$ 112.00	163.67%
* 5.210	\$ 69.39	\$ 183.82	\$ 114.44	164.92%
5.400	\$ 70.25	\$ 186.89	\$ 116.64	166.03%
5.600	\$ 71.17	\$ 190.13	\$ 118.96	167.16%
5.800	\$ 72.08	\$ 193.36	\$ 121.28	168.26%
6.000	\$ 72.99	\$ 196.59	\$ 123.60	169.34%
6.200	\$ 73.90	\$ 199.82	\$ 125.92	170.39%
6.400	\$ 74.81	\$ 203.05	\$ 128.24	171.41%
6.600	\$ 75.73	\$ 206.29	\$ 130.56	172.41%
6.800	\$ 76.64	\$ 209.52	\$ 132.88	173.39%
7.000	\$ 77.55	\$ 212.75	\$ 135.20	174.34%
7.200	\$ 78.46	\$ 215.98	\$ 137.52	175.27%
7.400	\$ 79.37	\$ 219.21	\$ 139.84	176.18%
7.600	\$ 80.29	\$ 222.45	\$ 142.16	177.07%
7.800	\$ 81.20	\$ 225.68	\$ 144.48	177.94%
8.000	\$ 82.11	\$ 228.91	\$ 146.80	178.78%
		Average	\$ 104.78	157.45%

* Average Consumption

Camelot Utilities, Inc
 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
Usage Charge (per 1000 gals.)	\$ 14.55	\$ 16.16	11.07%
Fixed Charge per month			
Water	\$ 14.71	\$ 17.72	20.46%
Sewer	\$ 77.62	\$ 81.91	5.53%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 92.33	\$ 99.63	\$ 7.30	7.91%
1.000	\$ 106.88	\$ 115.79	\$ 8.91	8.34%
1.200	\$ 109.79	\$ 119.02	\$ 9.23	8.41%
1.400	\$ 112.70	\$ 122.25	\$ 9.55	8.48%
1.600	\$ 115.61	\$ 125.49	\$ 9.88	8.54%
1.800	\$ 118.52	\$ 128.72	\$ 10.20	8.60%
2.000	\$ 121.43	\$ 131.95	\$ 10.52	8.66%
2.163	\$ 123.80	\$ 134.58	\$ 10.78	8.71%
2.400	\$ 127.25	\$ 138.41	\$ 11.16	8.77%
2.600	\$ 130.16	\$ 141.65	\$ 11.49	8.82%
2.800	\$ 133.07	\$ 144.88	\$ 11.81	8.87%
3.000	\$ 135.98	\$ 148.11	\$ 12.13	8.92%
3.200	\$ 138.89	\$ 151.34	\$ 12.45	8.97%
3.400	\$ 141.80	\$ 154.57	\$ 12.77	9.01%
3.600	\$ 144.71	\$ 157.81	\$ 13.10	9.05%
3.800	\$ 147.62	\$ 161.04	\$ 13.42	9.09%
4.000	\$ 150.53	\$ 164.27	\$ 13.74	9.13%
4.200	\$ 153.44	\$ 167.50	\$ 14.06	9.16%
4.400	\$ 156.35	\$ 170.73	\$ 14.38	9.20%
4.600	\$ 159.26	\$ 173.97	\$ 14.71	9.23%
4.800	\$ 162.17	\$ 177.20	\$ 15.03	9.27%
5.000	\$ 165.08	\$ 180.43	\$ 15.35	9.30%
* 5.210	\$ 168.14	\$ 183.82	\$ 15.69	9.33%
5.400	\$ 170.90	\$ 186.89	\$ 15.99	9.36%
5.600	\$ 173.81	\$ 190.13	\$ 16.32	9.39%
5.800	\$ 176.72	\$ 193.36	\$ 16.64	9.41%
6.000	\$ 179.63	\$ 196.59	\$ 16.96	9.44%
6.200	\$ 182.54	\$ 199.82	\$ 17.28	9.47%
6.400	\$ 185.45	\$ 203.05	\$ 17.60	9.49%
6.600	\$ 188.36	\$ 206.29	\$ 17.93	9.52%
6.800	\$ 191.27	\$ 209.52	\$ 18.25	9.54%
7.000	\$ 194.18	\$ 212.75	\$ 18.57	9.56%
7.200	\$ 197.09	\$ 215.98	\$ 18.89	9.59%
7.400	\$ 200.00	\$ 219.21	\$ 19.21	9.61%
7.600	\$ 202.91	\$ 222.45	\$ 19.54	9.63%
7.800	\$ 205.82	\$ 225.68	\$ 19.86	9.65%
8.000	\$ 208.73	\$ 228.91	\$ 20.18	9.67%
		Average	\$ 14.35	9.11%

* Average Consumption