

DIRECT TESTIMONY

of

Philip Rukosuev

Rates Department

Financial Analysis Division

Illinois Commerce Commission

Charmar Water Company
Cherry Hill Water Company
Clarendon Water Company
Killarney Water Company
Ferson Creek Utilities Company
Harbor Ridge Utilities, Inc.

Proposed General Increase in Water Rates

Docket Nos. 11-0561/0562/0563/0564/0565/0566 (Cons.)

October 20, 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.

27

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

29 A. The purpose of my direct testimony is to: (1) provide my proposed water and
30 sewer rates and associated schedules for Ferson Creek Utilities Company
31 (“Ferson Creek”) that reflect Staff’s proposed revenue requirements (ICC Staff
32 Exhibit 1.0, Schedule 1.01 FC-W and FC-S); (2) provide my proposed water and
33 sewer rates and associated schedules for Harbor Ridge Utilities, Inc. (“Harbor
34 Ridge”) that reflect Staff’s proposed revenue requirements (ICC Staff Exhibit 1.0,
35 Schedule 1.01 HR-W and HR-S); (3) discuss whether Ferson Creek and Harbor
36 Ridge (collectively referred to as “Companies”) are in compliance with Sections
37 8-306(h) and 8-306(i) of the Public Utilities Act (“Act”); and (4) provide my
38 recommendation regarding updated tariff sheets that reflect the Companies’
39 positions in the current phase of this proceeding.

40

41 **Q. Please describe the Companies.**

42 A. Ferson Creek is a wholly owned subsidiary of Utilities, Inc. (“UI”) located in The
43 Windings of Ferson Creek, Illinois. It provides water and sewer service to

44 approximately 378 and 370 customers, respectively. Harbor Ridge is also a
45 wholly owned subsidiary of Utilities, Inc. (“UI”) located near Antioch, Illinois. It
46 provides water and sewer service to approximately 319 and 316 customers,
47 respectively. The Companies, along with all of UI’s water and wastewater
48 systems, are run by UI’s Water Service Corporation (“WSC”), which provides
49 management, administration, engineering, accounting, billing, data processing,
50 and regulatory services for the utility systems. (Ferson Creek Ex. 1.0, pp. 2 – 3,
51 Harbor Ridge Ex. 1.0, pp. 2 – 3.)

52

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

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

55

56 **Schedule 5.1** - Class Cost of Service Study (Bill Factor Computation)

57

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

60

61 **Schedule 5.3** - Comparison of Companies Present and Proposed Water Rates
62 and Staff Proposed Water Rates

63

64 **Schedule 5.4** - Comparison of Companies Present and Proposed Sewer Rates
65 and Staff Proposed Sewer Rates

66

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

68

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

70 A. My testimony is organized into three major parts. First, I begin with a discussion
71 of the water billing units, water cost of service studies and water rate design.

72 Second, I discuss sewer billing units, sewer rate design, and whether the

73 Companies are in compliance with Sections 8-306(h) and 8-306(i) of the Act.

74 Finally, I will address bill impacts.

75

76

WATER

77 **BILLING UNITS**

78 **Q. What billing units did the Companies propose for the Base Facilities**
79 **Charges (“BFCs”)?**

80 A. In Schedule E, Ferson Creek proposed the following billing units, all of which
81 correspond to a per month charge:

Ferson Creek Utilities Company²		
Meter Size³	Units	BFC
5/8" Residential	3,818	\$ 13.01
3/4" Residential	626	\$ 13.01
1" Residential	72	\$ 13.01
1.5" Commercial	12	\$ 13.01

82

83 In Schedule E, Harbor Ridge proposed the following billing units, all of which
84 correspond to a per month charge:

Harbor Ridge Utilities, Inc.⁴		
Meter Size	Units	BFC⁵
5/8" Residential.	3,352	\$ 12.62
3/4" Meter	-	\$ 14.73
1" Residential	252	\$ 18.20
1.5" Residential	-	\$ 26.09

² Ferson Creek Ex. 1.0.

³ If a meter size has billing units, the specific customer class that applies is noted. If there are currently no billing units for a listed meter size, the label “Meter” is used instead of the customer class. The same labeling format is used for all charts in this testimony.

⁴ Harbor Ridge Ex. 1.0.

⁵ The BFC billing units are used to determine the rates that will recover the approved revenue requirement.

2" Residential	-	\$	36.08
3" Meter	-	\$	57.34
4" Meter	-	\$	87.95
5/8" Commercial	12	\$	12.62
2" Commercial	36	\$	36.08

85

86 **Q. Do you find the Companies' proposed billing units for the BFCs to be**
 87 **reasonable?**

88 A. Yes. The BFC's billing units should be based on the respective number of bills
 89 that are sent out. This provides the number of times that a BFC is billed to
 90 customers in the test year. In response to Staff Data Request PR 2.08, the
 91 Companies stated that each customer account represents one meter. Because,
 92 the Companies' proposal is based on actual bills sent out during the test year
 93 ending September 30, 2010, the proposed billing units for the BFCs are
 94 reasonable.

95

96 **Q. What billing units did the Companies propose for the Usage Charges?**

97 A. In Schedule E, Ferson Creek proposed the following billing units:

Ferson Creek Utilities Company⁶		
Class Type	Gallonage	Usage Charges Per 1,000 gallons
5/8" Residential	23,278,507	\$ 4.90
3/4" Residential	3,518,910	\$ 4.90
1" Residential	918,900	\$ 4.90
1.5" Commercial	373,000	\$ 4.90

98

99 In Schedule E, Harbor Ridge proposed the following billing units:

⁶ Ferson Creek Ex. 1.0

Harbor Ridge Utilities, Inc.⁷		
Meter Size	Gallage⁸	Usage Charges Per 1,000 gallons
5/8" Residential.	11,827,250	\$ 7.85
3/4" Meter	-	\$ 7.85
1" Residential	680,880	\$ 7.85
1.5" Residential	-	\$ 7.85
2" Residential	-	\$ 7.85
3" Meter	-	\$ 7.85
4" Meter	-	\$ 7.85
5/8" Commercial	15,590	\$ 7.85
2" Commercial	411,500	\$ 7.85

100

101 **Q. Do you find the Companies' proposed billing units for the Usage Charges**
102 **to be reasonable?**

103 A. Yes. In response to Staff Data Request PR 1.14, the Companies state that the
104 gallons used in each metered class were taken from actual consumption data.
105 The Companies provided workpapers to support its data. The billing units
106 proposed by the Companies are based on actual gallons of water billed during
107 the September 30, 2010, test year. Therefore, this data is appropriate to use in
108 setting rates in this docket.

109

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

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

⁷ Harbor Ridge Ex. 1.0.

⁸ The gallonage billing units are used to determine the rates that will recover the approved revenue requirement for the usage charges.

113 A. In general, a COSS is performed to assist in the development and design of cost
114 based rates. A COSS is performed to allocate costs among all customer classes
115 to determine each customer class' respective responsibility for the costs imposed
116 on the utility. The various costs on the utility system are allocated among the
117 customer classes according to cost causation principles. The COSS determines
118 the cost to serve customers and, thus, provides the basis of designing rates for a
119 utility.

120

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

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

127

128 **Q. Do you agree with the Companies' argument for not preparing a COSS for**
129 **this docket?**

130 A. Yes. I understand the Companies' concern that a COSS would be too expensive
131 for ratepayers because the cost would have to be allocated over a small number
132 of customers resulting in an adverse impact on rates. Ferson Creek has
133 approximately 378 water customers and 370 Sewer customers (Ferson Creek
134 Ex. 1.0, p. 3), and Harbor Ridge has approximately 319 water customers and 316

135 sewer customers (Harbor Ridge Ex. 1.0, p. 3). The majority of the Companies'
136 customers are residential customers; therefore, a traditional COSS would provide
137 minimal benefits at best. (Staff Data Request Response PR 1.20.) I believe that it
138 would not be in the best interests of the customers to incur the expense of a
139 COSS.

140

141 **Q. What is your recommendation regarding cost of service and rate design in**
142 **these rate cases?**

143 A. Subject to certain modifications that I will discuss later in my testimony, I
144 recommend that the Companies' cost of service approach in these dockets be
145 utilized for developing the rate design.

146

147 **Q. What are your concerns regarding cost of service and rate design in future**
148 **UI rate cases?**

149 A. The Companies have compelling reservations regarding the cost to hire a
150 consultant to perform a COSS; I believe, however, that there could be feasible
151 and less costly cost of service study alternatives that Staff and UI can jointly
152 develop for use in future rate case fillings that would be more transparent and
153 cost-based than the one proposed by the Companies in this proceeding.

154

155 **Q. What is your recommendation regarding COSS in future UI rate cases?**

156 A. I recommend the following:

157

158 1. The Commission should order UI to work with Staff to review and analyze
159 UI's current method of cost of service and rate design methodology.

160 2. The Commission should order UI to develop a COSS with Staff for use in
161 future UI rate cases.

162 3. The Commission should order that such review and analysis should be
163 completed not less than six months prior to the next UI rate case filing.

164

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

167 A. I recommend setting water rates by increasing the BFCs and the Usage Charges
168 based on AWWA Meter factors, which will be discussed later in my testimony.
169 The rates should recover Staff's recommended revenue requirement as shown in
170 ICC Staff Exhibit 1.0, Schedules 1.01 FC-W, FC-S, HR-W and HR-S.

171

172 **RATE DESIGN**

173 **Q. Please describe the Companies' current rate structure.**

174 A. The Companies currently have two types of charges in its rate structure: the
175 BFC, which is a flat per month charge, and the Usage Charge is a charge per
176 1,000 gallons of water. The BFC attempts to recover the fixed costs to serve
177 customers, which are the costs that do not vary with the amount of water
178 consumed. The fixed costs typically include costs for meter reading, billing,

179 customer accounts, collection expenses, and maintenance and capital costs
180 related to meters. (American Water Works Association (“AWWA” Manual), M54,
181 First Edition, p. 35.) The Usage Charge attempts to recover the costs that are
182 variable based on usage and not recovered through the fixed charge. The total
183 charge based on usage varies in proportion to the level of a customer’s
184 consumption. (*Id.*)

185

186 **Q. Do the Companies propose to change the water rate structure?**

187 A. No. The Companies do not propose to change the current rate structure that has
188 been in place since a Final Order was entered in Docket No. 83-0432 dated June
189 21, 1984 (Ferson Creek Ex. 1.0, p. 3) and Docket No. 94-0512 dated October 23,
190 1995 (Harbor Ridge Ex. 1.0, p. 3).

191

192 **Q. What level of revenue increase do the Companies propose?**

193 A. The Companies propose the following increases to recover their proposed
194 revenue requirement:

Ferson Creek Utilities Company (Part 285 filing, Schedule B, pp. 2-4.)						
Revenues	Water	Sewer	Total	Total	Water	Sewer
Present	\$ 98,251	\$ 132,160	\$ 230,411	% Increase	% Increase	% Increase
Proposed	\$ 196,679	\$ 252,400	\$ 449,079	94.90%	100.18%	90.98%

Harbor Ridge Utilities, Inc. (Part 285 filing, Schedule B, pp. 2-4.)						
Revenues	Water	Sewer	Total	Total	Water	Sewer
Present	\$ 71,230	\$ 29,582	\$ 100,812	% Increase	% Increase	% Increase
Proposed	\$ 149,871	\$ 72,585	\$ 222,456	120.66%	110.40%	145.37%

195

196 **Q. Have the Companies proposed new rates to recover these increased**
197 **revenues from customers?**

198 A. Yes. The Companies propose new rates for all customers and also propose
199 changes to other miscellaneous charges. The review of miscellaneous charges
200 will be discussed in Staff witness Cheri Harden’s Direct Testimony, ICC Staff
201 Exhibit 4.0.

203 **Q. Please describe the Companies’ current and proposed water rates.**

204 A. The Companies’ current and proposed water rates are shown in the tables
205 below:

Ferson Creek Utilities Company				
Meter Size	Current		Proposed	
	Usage Charges Per 1,000 gallons	BFC	Usage Charges Per 1,000 gallons	BFC
5/8" Residential	\$ 2.45	\$ 6.50	\$ 4.90	\$ 13.01
3/4" Residential	\$ 2.45	\$ 6.50	\$ 4.90	\$ 13.01
1" Residential	\$ 2.45	\$ 6.50	\$ 4.90	\$ 13.01
1.5" Commercial	\$ 2.45	\$ 6.50	\$ 4.90	\$ 13.01

206

Harbor Ridge Utilities, Inc.				
Meter Size	Current		Proposed	
	Usage Charges Per 1,000 gallons	BFC	Usage Charges Per 1,000 gallons	BFC
5/8" Residential	\$ 3.73	\$ 6.00	\$ 7.85	\$ 12.62
3/4" Meter	\$ 3.73	\$ 7.00	\$ 7.85	\$ 14.73
1" Residential	\$ 3.73	\$ 8.65	\$ 7.85	\$ 18.20
1.5" Residential	\$ 3.73	\$ 12.40	\$ 7.85	\$ 26.09
2" Residential	\$ 3.73	\$ 17.15	\$ 7.85	\$ 36.08
3" Meter	\$ 3.73	\$ 27.25	\$ 7.85	\$ 57.34
4" Meter	\$ 3.73	\$ 41.80	\$ 7.85	\$ 87.95
5/8" Commercial	\$ 3.73	\$ 6.00	\$ 7.85	\$ 12.62

2" Commercial	\$	3.73	\$	17.15	\$	7.85	\$	36.08
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207

208 **Q. How did the Companies determine their proposal for the BFCs and the**
209 **Usage Charges?**

210 A. The Companies did not provide any narrative in their direct testimonies on how
211 the proposed rates were calculated. In their responses to Staff Data Requests
212 PR 1.12 and 1.13 that asked to provide all supporting documentation, reasoning
213 and calculations relied on to derive the Customer and Usage Charges figures
214 presented in the initial filing, the Companies referred to Schedules D&E of their
215 initial filing. The Companies also state that the Usage Charges and the BFCs
216 were increased across the board by the same factor for consistency purposes
217 except for Charmar.

218

219 **Q. Was any weighting method employed by the Companies to recognize the**
220 **relative numbers of different types of residential and/or commercial**
221 **customers in the Companies service territory?**

222 A. No. In their response to Staff Data Request PR 1.18, the Companies stated that
223 there was no weighting method employed to recognize the relative numbers of
224 different types of residential customers in the Companies service territory. As
225 stated earlier, the Companies used an across the board increase for Ferson
226 Creek and Harbor Ridge.

227

228 **Q. What is your opinion of how the Companies developed the specific BFCs**
229 **and Usage Charges in this proceeding?**

230 A. For Ferson Creek, my review of the filing indicates that the proposed Usage
231 Charge revenue is approximately 70% (i.e., \$137,648⁹) of the proposed service
232 water revenues of \$196,679 shown on Schedule E, which leaves approximately
233 30% (i.e., \$59,031¹⁰) for the BFC revenue. For Harbor Ridge, my review of the
234 filing indicates that the proposed Usage Charge revenue is approximately 68%
235 (i.e., \$101,541) of the proposed service water revenues of \$149,871 shown on
236 Schedule E, which leaves approximately 32% (i.e., \$48,339) for the BFC
237 revenue.

238
239 I agree with the proposal to recover a greater percent of the revenue requirement
240 from the Usage Charge as customers are more able to control their monthly bill
241 by adjusting their usage to match their budget. However, the Companies did not
242 develop a COSS for this case as previously discussed; consequently, there is no
243 cost foundation for Companies' proposed BFCs or the proposed Usage
244 Charges.¹¹

245

⁹ Staff Ex. 5.0, Schedule 5.3, p. 1.

¹⁰ Staff Ex. 5.0, Schedule 5.3, p. 2.

¹¹ This situation is similar to Docket No. 11-0141, in which the Camelot Utility Inc. stated that there was no weighting method employed to recognize the relative numbers of different types of residential customers in the Company's service territory. In that case, Staff objected to this simplistic method and in rebuttal the Company agreed with Staff's proposed correction.

246 In contrast, I increased the Companies' BFCs based on AWWA meter factors,
247 where the allocation of costs among customer types was done through the
248 application of meter factors.¹² This approach relates the flow for meters larger
249 than 5/8" to that of the volume of flow for 5/8" meter.¹³ In other words, I used
250 equivalent meter ratios expressed in terms of the ratio of related meter capacity
251 for each meter size relative to a 5/8" meter size. The remaining revenue
252 requirement increase will be recovered through the Usage Charge, which I
253 recommend to be \$4.49 (Ferson Creek) and \$7.65 (Harbor Ridge) per 1,000
254 gallons. This causes a 83.47% (Ferson Creek) and 105% (Harbor Ridge)
255 increase in the Usage Charge, compared with the Companies' proposed 100%
256 (Ferson Creek) and %110.46 (Harbor Ridge) increases, which provides the
257 customers with some measure of opportunity to control their water bills by using
258 less water.

259

260 **Q. Do you recommend the Companies' proposal for water rates be approved?**

261 A. No, for a number of reasons. First, the Companies are proposing rates based on
262 their proposed revenue requirement. Second, as discussed above, there is no
263 cost foundation for the Companies' proposed rates. I recommend the
264 Commission set rates using AWWA meter factors, as described above, based

¹² 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.)

¹³ See Schedule 3 - Bill Factor Computation.

265 upon Staff's proposed revenue requirement presented in Staff witness Dianna
266 Hathhorn's direct testimony. (ICC Staff Ex. 1.0.)

267

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

270 A. Yes. I have prepared a set of rates that recovers Staff's proposed revenue
271 requirement. I adjusted the BFCs and Usage Charges as discussed below.

272

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

274 A. Staff Exhibit 5.0, Schedule 5.1 shows how the Factored Bills for the Companies
275 were calculated. The computation is derived from the number of bills from each
276 of the Companies' meter sizes multiplied by the corresponding AWWA Meter
277 Factors. The result is the number of Factored Bills. Factored Bills are then used
278 to establish the monthly BFCs for the 5/8" meter customers in Schedule 5.2. For
279 Ferson Creek, I determined the increase for the monthly BFCs and the Usage
280 Charges based on approximately a 30/70 split.¹⁴ For Harbor Ridge, I determined
281 the increase for the monthly BFCs and the Usage Charges based on
282 approximately a 32/68 split.¹⁵ Once the 5/8" meter BFC is established, my

¹⁴ My review of the filing indicates that the proposed Usage Charge revenue is approximately 70% (i.e., \$137,648) of the proposed service water revenues of \$196,679 shown on Schedule E, which leaves approximately 30% (i.e., \$59,031) for the BFC revenue.

¹⁵ My review of the filing indicates that the proposed Usage Charge revenue is approximately 68% (i.e., \$101,541) of the proposed service water revenues of \$149,871 shown on Schedule E, which leaves approximately 32% (i.e., \$48,339) for the BFC revenue.

283 proposed BFCs for each of the other meter sizes were calculated using the
284 AWWA Meter Factor multipliers as shown in Schedule 5.3.

285

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

287 A. Schedule 5.3 compares the Companies' present and proposed rates based on
288 their revenue requirement versus my proposed rates based on Staff's revenue
289 requirement. The Companies' information for the Present Rates, Proposed
290 Rates, and Billing Units was taken from the Companies' Schedule E.

291

292 I calculated my proposed water rates by multiplying my proposed 5/8" meter BFC
293 (derived from Schedule 5.2) by the AWWA Meter Factor multipliers (derived from
294 Schedule 5.1). My proposed rate design reflects Staff's proposed revenue
295 requirement shown in ICC Staff Exhibit 1.0, Schedules 1.01 FC-W, FC-S, HR-W
296 and HR-S. The BFCs and Usage Charges for Ferson Creek that I propose are
297 as follows:

Ferson Creek Utilities Company				
Meter Size	Current		Staff Proposed	
	Usage Charges Per 1,000 gallons	BFC	Usage Charges Per 1,000 gallons	BFC
5/8" Residential	\$ 2.45	\$ 6.50	\$ 4.49	\$ 10.65
3/4" Residential	\$ 2.45	\$ 6.50	\$ 4.49	\$ 15.98
1" Residential	\$ 2.45	\$ 6.50	\$ 4.49	\$ 26.64
1.5" Commercial	\$ 2.45	\$ 6.50	\$ 4.49	\$ 53.27
2" Meter	N/A	N/A	\$ 4.49	\$ 85.23
3" Meter	N/A	N/A	\$ 4.49	\$ 159.81
4" Meter	N/A	N/A	\$ 4.49	\$ 266.35
6" Meter	N/A	N/A	\$ 4.49	\$ 532.71

298

299 The BFCs and Usage Charges for Harbor Ridge that I propose are as follows:

Harbor Ridge Utilities, Inc.				
Meter Size	Current		Staff Proposed	
	Usage Charges Per 1,000 gallons	BFC	Usage Charges Per 1,000 gallons	BFC
5/8" Residential	\$ 3.73	\$ 6.00	\$ 7.43	\$ 8.21
3/4" Meter	\$ 3.73	\$ 7.00	\$ 7.43	\$ 12.32
1" Residential	\$ 3.73	\$ 8.65	\$ 7.43	\$ 20.53
1.5" Residential	\$ 3.73	\$ 12.40	\$ 7.43	\$ 41.05
2" Residential	\$ 3.73	\$ 17.15	\$ 7.43	\$ 65.68
5/8" Commercial	\$ 3.73	\$ 6.00	\$ 7.43	\$ 8.21
2" Commercial	\$ 3.73	\$ 17.15	\$ 7.43	\$ 65.68
3" Meter	N/A	N/A	\$ 7.43	\$ 123.15
4" Meter	N/A	N/A	\$ 7.43	\$ 205.25
6" Meter	N/A	N/A	\$ 7.43	\$ 410.50

300

301 **Q. Do you believe that your modified proposal for water rates is reasonable**
 302 **and provide a better basis for water ratemaking in this case?**

303 A. Yes. First, my proposed water rate structure is transparent, feasible in its
 304 application, yields necessary revenues in a stable and predictable manner, and is
 305 simple for customers to understand so that they can take full advantage of the
 306 price signals produced by it. Second, I have increased the Companies' BFCs
 307 based on AWWA meter factors, where the allocation of costs among customer
 308 types was done through the application of meter factors. My approach is
 309 superior to what is being proposed by the Companies', which is in fact an
 310 arbitrary across-the-board increase that results in a deviation from cost-based
 311 rates.

312

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

315 A. My proposed water rates are designed to recover Staff's proposed revenue
316 requirement. In general, my proposed rates produce smaller bill increases than
317 the Companies' because Staff's recommended revenue requirement is smaller
318 than the Companies' proposal. If there is any difference between the revenue
319 requirement adopted by the Commission and Staff's revenue requirement, then
320 my proposed BFCs and Usage Charges should be adjusted by modifying the
321 Companies' BFCs based on AWWA meter factors¹⁶ (based on the new revenue
322 requirement) to recover the water revenue requirement adopted by the
323 Commission.

324

325

SEWER

BILLING UNITS

327 **Q. Please describe the Companies' present sewer rate structure.**

328 A. The Companies' present rate structure consists of a flat monthly facilities charge
329 of \$29.50 (Ferson Creek Residential), \$7.82 (Harbor Ridge Residential), and
330 \$35.00 (Harbor Ridge Commercial).

331

332 **Q. Please describe the Companies' proposed sewer rate structure.**

¹⁶ For Ferson Creek: adjust Cell (B)(1) in Staff Exhibit 5.0 Schedule 5.2. For Harbor Ridge: adjust Cell (B)(X) in Staff Exhibit 5.0 Schedule 5.2.

333 A. With the exception of one change, the Companies do not propose to modify the
 334 current rate structure. The Companies' proposed sewer rate structure is as
 335 follows:

Ferson Creek Utilities Company	
Meter Size	Proposed
	BFC
1" Residential Sewer	\$ 56.43
3/4" Residential Sewer	\$ 56.43
5/8" Residential Sewer (Low Use)	\$ 52.39
5/8" Residential Sewer	\$ 56.43

336

Harbor Ridge Utilities, Inc.	
Meter Size	Proposed
	BFC
Residential Sewer	\$ 17.73
5/8" Residential Sewer (Low Use)	\$ 13.69
Commercial Sewer	\$ 205.35

337

338 **Q. What billing units do the Companies propose for the BFCs?**

339 A. The Companies propose the following annual billing units in Schedule E, all of
 340 which correspond to a per month charge. The billing units are used to determine
 341 the rates that will recover the approved revenue requirement.

Ferson Creek Utilities Company	
Meter Size	Proposed
	Units
5/8" Residential Sewer	3,682
5/8" Residential Sewer (Low Use)	100
3/4" Residential Sewer	626
1" Residential Sewer	72

342

Harbor Ridge Utilities, Inc.

Meter Size	Proposed
	Units
Residential Sewer	3,439
5/8" Residential Sewer (Low Use)	129
Commercial Sewer	48

343

344 **Q. Do you find the Companies' proposed billing units for the BFC to be**
 345 **reasonable?**

346 A. Yes. As discussed earlier, the BFCs billing units should be based on the number
 347 of bills that are sent out. The Companies' proposal is based on actual bills sent
 348 out during the test year ending September 30, 2010, therefore, these are the
 349 appropriate number of billing units to use in determining the BFCs.

350

351 **RATE DESIGN**

352 **Residential Rate Design**

353

354 **Q. What level of revenue increase do the Companies propose?**

355 A. The Companies propose the following increases to recover their proposed
 356 revenue requirement.¹⁷

Ferson Creek Utilities Company		
Revenues	Sewer	Sewer
Present	\$132,160	% Increase
Proposed	\$252,400	90.98%

Harbor Ridge Utilities, Inc.		
Revenues	Sewer	Sewer

¹⁷ Service Revenues – Sewer (Company Filing - Schedule B, p. 3 of 4).

Present	\$ 29,582	% Increase
Proposed	\$ 72,585	145.37%

357

358 **Q. What is your opinion of the Companies' proposed approach to sewer rate**
 359 **design?**

360 A. The Companies' proposal to maintain the current rate structure for a monthly
 361 sewer charge (with an exception of the additional low usage tier) is reasonable in
 362 the absence of a cost study to support an alternative approach. This rate
 363 structure was approved by the Commission in the Companies' last rate case and
 364 is, therefore, presumed just and reasonable absent any updated information
 365 indicating the contrary. The following are the sewer BFCs under the Companies'
 366 proposal:

367

Ferson Creek Utilities Company				
Meter Size	Current	Proposed	\$	%
	BFC	BFC	Increase	Increase
1" Residential Sewer	\$ 29.50	\$ 56.43	\$ 26.93	91%
3/4" Residential Sewer	\$ 29.50	\$ 56.43	\$ 26.93	91%
5/8" Residential Sewer (Low Use)	N/A	\$ 52.39	N/A	N/A
5/8" Residential Sewer	\$ 29.50	\$ 56.43	\$ 26.93	91%

368

Harbor Ridge Utilities, Inc.				
Meter Size	Current	Proposed	\$	%
	BFC	BFC	Increase	Increase
Residential Sewer	\$ 7.82	\$ 17.73	\$ 9.91	127%
5/8" Residential Sewer (Low Use)	N/A	\$ 13.69	N/A	N/A
Commercial Sewer	\$ 35.00	\$ 205.35	\$ 170.35	487%

369

370 **Q. Do you recommend the Companies' proposal for sewer rates be approved?**

371 A. No, for two reasons. First, the Companies are proposing rates based on their
372 proposed revenue requirement. I recommend the Commission set rates based
373 upon Staff's proposed revenue requirement presented in Staff witness Diana
374 Hathhorn's direct testimony. (ICC Staff Ex. 1.0, Schedule 1.01 FC-S and HR-S.)
375 Second, Harbor Ridge is proposing a Commercial Sewer rate which is excessive
376 and incompatible with the overall increase requested by the Company for its
377 Sewer operations. The sizeable nature of the Commercial Sewer rate pushes the
378 boundary of affordability for the Company's relatively small number of businesses
379 (48 billing units) located in its territory. Therefore, I have taken steps to mitigate
380 this extraordinary increase, as discussed later in my testimony.

381
382 **Q. Have you developed a set of proposed rates to recover Staff's proposed**
383 **revenue requirement?**

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

386
387 **Q. Please describe Schedule 5.4.**

388 A. Schedule 5.4 compares the Companies' present and proposed sewer rates
389 based on their revenue requirement versus Staff's proposed sewer rates based
390 on Staff's revenue requirement. The Companies' information for the billing units
391 and BFCs were taken from their respective Schedule Es.

392

393 I calculated my proposed sewer rates by multiplying the ratio of Staff's proposed
394 revenue requirement to the Companies' proposed revenue requirement across-
395 the-board, to the Companies' proposed BFCs. My proposed rate design reflects
396 Staff's proposed revenue requirement. The following are the sewer BFCs under
397 my proposal:
398

Ferson Creek Utilities Company				
Meter Size	Current	Staff Proposed	\$	%
	BFC	BFC	Increase	Increase
5/8" Residential Sewer	\$ 29.50	\$ 52.21	\$ 22.71	77%
5/8" Residential Sewer (Low Use)	N/A	\$ 48.37 ¹⁸	N/A	N/A
3/4" Residential Sewer	\$ 29.50	\$ 52.21	\$ 22.71	77%
1" Residential Sewer	\$ 29.50	\$ 52.21	\$ 22.71	77%

399

Harbor Ridge Utilities, Inc.				
Meter Size	Current	Staff Proposed	\$	%
	BFC	BFC	Increase	Increase
Residential Sewer	\$ 7.82	\$ 16.68	\$ 8.77	113%
5/8" Residential Sewer (Low Use)	N/A	\$ 12.79 ¹⁹	N/A	N/A
Commercial Sewer	\$ 35.00	\$ 68.09	\$ 32.70	95%

400

401 **Harbor Ridge Commercial Rate Design**

402 **Q. Please discuss your issues with regards to Harbor Ridge commercial**
403 **sewer rate class.**

404 A. The Company's Commercial Sewer rate is drastically higher than its average
405 increase for the territory as a whole. Also, the Company's Commercial Sewer

¹⁸ Adjusted by \$0.11 to correct for rounding errors.

¹⁹ Adjusted by \$0.09 to correct for rounding errors.

406 rate increase is magnified further when compared to wastewater rates charged
407 by other Commission-regulated utilities at various territories, including those
408 owned and operated by Utilities, Inc. If left unmitigated, a 487% increase (or
409 \$170.35 per month) could in fact cause significant adverse financial
410 consequences for the utility's commercial customers.

411

412 **Q. Have you done anything to mitigate the excessive increase to the**
413 **commercial sewer class?**

414 **A.** Yes. As discussed previously, although the Company believes that some
415 customers may experience rate shock, the Company did not provide in its direct
416 testimony any steps to mitigate the bill impacts for any of its customers, not to
417 mention the commercial class that will experience a 487% increase to their sewer
418 collection rates. Therefore, I have taken a number of proactive steps to mitigate
419 the effect of this significant increase. Essentially, I recommend the Company
420 distribute the sewer class revenue requirement more evenly over the small
421 amount of customers they have.

422

423 **Q. Please describe your mitigation efforts.**

424 **A.** Basically, my mitigation course of action involves three parts, described as
425 follows:

426 Step 1: Increase to Harbor Ridge residential rates as follows:

Harbor Ridge Utilities, Inc.				
Meter Size	Current	Company Proposed	\$	%

	BFC	BFC	Increase	Increase
Residential Sewer	\$ 7.82	\$ 17.73	\$ 9.91	127%

427

428 Applying a 127% increase to the current commercial sewer rate of \$35 per
429 month, the resulting rate is \$79.34 (a rate increase of \$44.34 per month, or
430 127%), compared to a rate increase of \$205 per month (or 487%), as proposed
431 by the Company in its initial filing. The 127% increase represents a reasoned
432 judgment in determining the revenue responsibilities of the Company's sewer
433 customer classes while addressing bill impact concerns.

434

435 Step 2: At a rate of \$79.34 for the commercial class, a revenue shortfall of
436 \$6,048 results if all other customer classes' sewer rates remain as proposed by
437 the Company. In order to recover this deficit, I increased the residential sewer
438 rates by an across-the-board equal percentage of 109.65%, which is
439 approximately the ratio of Per Company Proforma Proposed Revenues divided
440 by the Total Sewer Revenues (inclusive of the deficit). The following rates
441 resulted from application of Step 1 and Step 2:

Harbor Ridge Utilities, Inc.					
Meter Size	Current	Company Proposed	Staff Proposed	Difference (\$)	Difference (%)
	BFC	BFC	BFC	Staff - Company	
Residential Sewer	\$7.82	\$ 17.73	\$ 19.44	\$ 1.71	9.64%
5/8" Residential Sewer (Low Use)	N/A	\$ 13.69	\$ 15.01	\$ 1.32	9.67%
Commercial Sewer	\$35.00	\$ 205.35	\$ 79.34	\$ (126.01)	-61.36%

442

443 Step 3: I adjusted the modified rates across-the-board based on Staff’s revised
444 revenue requirement.

445

446 **Q. What are the final resulting sewer rates following your mitigation**
447 **measures?**

448 **A.** The table below illustrates the results of my mitigation efforts following after I
449 adjusted the modified rates across-the-board based on Staff’s revised revenue
450 requirement. It should be noted that while the residential class received an
451 additional \$8.77 (or 112%) increase to their monthly sewer BFC, the commercial
452 class received a \$137.65 (or -67%) reduction to their otherwise excessive sewer
453 BFC.

Harbor Ridge Utilities, Inc.					
Meter Size	Current	Company Proposed	Staff Proposed	Difference (\$)	Difference (%)
	BFC	BFC	BFC	Staff - Company	
Residential Sewer	\$7.82	\$ 17.73	\$ 16.68	\$ (1.05)	-6%
5/8" Residential Sewer (Low Use)	N/A	\$ 13.69	\$ 12.79 ²⁰	\$ (0.90)	-7%
Commercial Sewer	\$35.00	\$ 205.35	\$ 68.09	\$ (137.26)	-67%

454

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

457 **A.** My proposed sewer rates are designed to recover Staff’s proposed sewer
458 revenue requirement. In general, my proposed sewer rates produce smaller bill
459 increases than the Companies’ because Staff’s recommended revenue

²⁰ Was further adjusted by \$0.09 to adjust for rounding errors.

460 requirement is smaller than the Companies' proposal. If there is any difference
461 between the sewer revenue requirement adopted by the Commission and Staff's
462 sewer revenue requirement, then Staff's proposed BFCs should be adjusted by a
463 uniform percentage to recover the sewer revenue requirement adopted by the
464 Commission.

465

466 **Low Usage Sewer Rate**

467

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

469 A. I begin with the language of 220 ILCS 5/8-306(h) of the Public Utilities Act ("Act").

470 In 2006, the Act was amended by adding Section 8-306 concerning "Special
471 Provisions Relating to Water and Sewer Utilities." Section 8-306(h) requires that

472 each public utility providing water and sewer service must establish a unit sewer

473 rate for customers using less than 1,000 gallons in a billing period. It states:

474 Water and sewer utilities; low usage. Each public utility that
475 provides water and sewer service must establish a unit sewer rate,
476 subject to review by the Commission that applies only to those
477 customers who use less than 1,000 gallons of water in any billing
478 period. (220 ILCS 5/8-306(h))
479

480 **Q. Is the Companies' proposed rate design in compliance with 220 ILCS 5/8-
481 306(h) of the Act?**

482 A. Yes. The Companies proposed a separate sewer rate of \$52.39 (Ferson Creek)
483 and \$13.69 (Harbor Ridge) for customers with usage less than 1,000 gallons per

484 billing period. The proposed low usage sewer rate is less than rates for similar
485 customers using at least 1,000 gallons of water in a billing period.

486

487 **Q. How did the Companies calculate their proposed low usage rate?**

488 A. In response to Staff Data Request PR 1.28, the Companies stated that the
489 calculation was done using the same methodology that was used in the recent
490 Galena and Northern Hills rate cases. The Companies provided supporting
491 workpapers in which they show how the proposed low usage sewer rate was
492 calculated. In essence, the first step was to calculate the 2010 proportion of
493 customers with less than 1,000 gallons of consumption per billing period²¹ versus
494 the 2010 proportion of customers with more than 1,000 gallons of consumption
495 per billing period.²² Then, the means of allocating the costs associated with the
496 low usage sewer rate versus the regular monthly sewer rate was based on the
497 share of revenue increase associated with low usage customers compared to the
498 share of revenue increase associated with all other customers.

499

500 **Q. Do you agree with the Companies' methodology to develop the proposed**
501 **low usage rate?**

502 A. Yes. A flat rate encompasses all customers and all uses in a billing period, from
503 a customer who has zero usage, such as customers who may be seasonal

²¹ Approximately 2.22% of customers or 99 billing units for Ferson Creek and approximately 3.62% of customers or 129 billing units for Harbor Ridge.

²² Approximately 97.78% of customers or 4380 billing units for Ferson Creek and approximately 96.38% of customers or 3438 billing units for Harbor Ridge.

504 customers, to customers who are average or large users. This means that large
505 users are likely paying proportionally less and low users are likely paying
506 proportionally more relative to their usage. Thus, it is logical to conclude that the
507 design of a rate for a low use customer – less than 1,000 gallons in a month –
508 should result in a lower rate. In this instance, the Companies have proffered a
509 methodology to calculate a low usage sewer rate that appears to be reasonably
510 discounted. The Companies' calculation was done using the same methodology
511 that was used in the recent Galena, Northern Hills, Lake Holiday, and Camelot
512 rate cases (Docket Nos. 10-0280, 10-0298, 11-0142 and 11-0141 respectively).

513

514 Based on the information provided, I find that the Companies' methodology to
515 calculate the proposed low usage sewer rate is reasonable. However, the
516 Companies proposed sewer rates based on their revenue requirement, while my
517 proposed sewer rates are designed to recover the revenue requirement
518 proposed by Staff. Therefore, the Companies' proposed low usage sewer rates
519 were incorporated into my proposed rate design and adjusted across-the-board
520 based on Staff's revised revenue requirement.

521

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

523 A. I recommend that my proposed low usage sewer rates based on Staff's revenue
524 requirement be accepted.

525

526 **Q. Are there any other issues with the Companies' proposed rates?**

527 A. Yes, it appears that the proposed rates do not comply with 220 ILCS 5/8-306(i) of
528 the Act. The Companies' initial rate case filing did not address Section 8-306(i)
529 or the rate it requires. Sec. 8-306(i) of the Act states:

530 Water and sewer utilities; separate meters. Each public utility that
531 provides water and sewer service must offer separate rates for
532 water and sewer service to any commercial or residential customer
533 who uses separate meters to measure each of those services. In
534 order for the separate rate to apply, a combination of meters must
535 be used to measure the amount of water that reaches the sewer
536 system and the amount of water that does not reach the sewer
537 system. (220 ILCS 5/8-306(i))
538

539 The Companies did not propose separate water and sewer rates for customers
540 who use separate meters to measure each of those services, even if the
541 Companies do not currently have any customers who use a separate meter to
542 measure each service.

543

544 **Q. What is your recommendation with regard to Section 8-306(i)?**

545 A. Although I am not a lawyer, it is my understanding that Section 8-306(i) of the
546 Act mandates that the Companies "must offer separate rates for water and sewer
547 service to any commercial or residential customer who uses separate meters to
548 measure each of those services." However, without a rate that complies with this
549 section of the Act, any customer who may install a separate meter will be
550 deprived of the opportunity to have a lower sewer bill for the amount of water that
551 does not flow through the sewer system.

552

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

558

559 **BILL IMPACTS**

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

562 A. Yes, I did. The results are illustrated in Schedules²³ 5.5, 5.6, 5.7, 5.8, 5.9 and
563 5.10. Schedule 5.5 shows Companies current water rates compared to Staff
564 proposed water rates. Schedule 5.6 shows Companies current water rates
565 compared to Companies proposed water rates. Schedule 5.7 shows Staff
566 proposed water rates compared to Companies proposed water rates. Schedule
567 5.8 shows Companies current water and sewer rates compared to Staff proposed
568 water and sewer rates. Schedule 5.9 shows Companies current water and sewer
569 rates compared to Companies proposed water and sewer rates. Schedule 5.10
570 shows Staff proposed water and sewer rates compared to Companies proposed
571 water and sewer rates. All six schedules are based on a comparison of monthly

²³ Each Schedule consists of two pages (one for each Company).

572 rates because the Companies are proposing to change its billing cycle from bi-
573 monthly to monthly.

574

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

576 A. Yes, I did. My analysis indicates that the Companies' current rates are
577 insufficient to generate the operating revenue necessary to permit the
578 Companies to earn a fair and reasonable rate of return and to cover their test
579 year expenses to operate and maintain their systems. My proposed rates are
580 intended to yield revenues sufficient to recover test year operating expenses and
581 to produce a reasonable return on rate base.

582

583 **Q. Please explain the concept of "rate shock."**

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

589

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

592 A. Yes. Based on the percent increases that are being requested by the
593 Companies to their current rates, it appears that customers may experience rate

594 shock. Moreover, in response to Staff Data Request PR 1.23, the Companies
 595 stated that customers may experience rate shock; however, the individual
 596 Companies have not had a rate increase for 27 years (Ferson Creek) and 16
 597 years (Harbor Ridge) and that customers have benefited from capital
 598 improvements without rate increases while the Companies' costs have increased
 599 annually.

600

601 **Q. What do the schedules indicate about potential rate shock?**

602 A. As indicated in Schedules 5.5 and 5.6 (water only), the monthly bill to a typical
 603 residential customer with usage of 6,097 (Ferson Creek) and 3,500 (Harbor
 604 Ridge) gallons²⁴, the percentage increases for Ferson Creek and Harbor Ridge
 605 (both for 5/8" meter) under my and Companies' proposed water rates are:

Company	Level of Usage	Current Monthly Bill	Company Proposed Monthly Bill	Staff Proposed Monthly Bill
Ferson Creek	6097 gallons	\$ 21.44	\$ 42.89	\$ 38.05
Harbor Ridge	3500 gallons	\$ 19.06	\$ 40.10	\$ 35.00

606

607 Also, as indicated in Schedules 5.8 and 5.9 (water and sewer), the monthly bill to
 608 a typical customer with usage of 6,097 (Ferson Creek) and 3,500 (Harbor Ridge)
 609 gallons, the percentage increases for Ferson Creek and Harbor Ridge (both for
 610 5/8" meter) under my and Companies' proposed water rates are:

Company	Level of Usage	Current	Company Proposed	Staff Proposed
---------	----------------	---------	------------------	----------------

²⁴ According to the Companies' Public Notice, the Companies illustrated the impact of their rate increase based on an assumed average monthly consumption of 6,097 and 3,500 gallons for Ferson Creek and Harbor Ridge, respectively.

		Monthly Bill	Monthly Bill	Monthly Bill
Ferson Creek	6097 gallons	\$ 50.94	\$ 99.32	\$ 90.27
Harbor Ridge	3500 gallons	\$ 26.88	\$ 57.87	\$ 47.79

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The customers of Ferson Creek and Harbor Ridge may experience rate shock under the Companies' proposal; however, the rates that I propose for this rate case are based on Staff's proposed revenue requirement and are lower. Thus, although an average increase of 75.15% (or \$13.11) for Ferson Creek and 83.29% (or \$19.44) for Harbor Ridge (both for 5/8" meter)²⁵ and 76.56% (or \$35.82) for Ferson Creek and 78.72% (or \$24.41) for Harbor Ridge (both for 5/8" meter)²⁶ might be considered steep in some circumstances, it is lower than what is being proposed by the Companies, and the increase is necessary in order for the Companies to recover its revenue requirement. It should also be recognized that the individual Companies have not had a rate increase for 27 years (Ferson Creek) and 16 years (Harbor Ridge).

Q. Besides the mitigation measures you undertook with regard to the Harbor Ridge Commercial Sewer Class, can rate shock be effectively mitigated for the other water customer classes?

A. No. Rate shock to the other Companies' residential and commercial water customers cannot be effectively mitigated or avoided since there are no other

²⁵ ICC Exhibit No. 5.0, Schedule 5.5.

²⁶ ICC Exhibit No. 5.0, Schedule 5.8.

630 classes over which to spread those costs (i.e., no other classes to subsidize
631 another class' cost) as the tables below illustrate:

632

Ferson Creek Utilities Company		
Meter Size	Units	% of Total Customer Base
5/8" Residential	3,818	84.32%
3/4" Residential	626	13.83%
1" Residential	72	1.59%
1.5" Commercial	12	0.27%
Total	4,528	

633

Harbor Ridge Utilities, Inc.		
Meter Size	Units	% of Total Customer Base
5/8" Residential.	3,352	91.79%
3/4" Meter	-	
1" Residential	252	6.90%
1.5" Residential	-	
2" Residential	-	
3" Meter	-	
4" Meter	-	
5/8" Commercial	12	0.33%
2" Commercial	36	0.99%
Total	3,652	

634

635 Given the relatively small number of customers over which to spread costs that
636 Staff has determined to be necessary to properly run the Companies, the
637 unfortunate result is much higher rates. Thus, with the need to recover all of the
638 Companies' costs, I determined the fair allocation of those costs to the very small
639 pool of customer classes. In other words, the Companies do not have the

640 requisite size to achieve economies of scale that would substantially reduce
641 costs. Faced with no other feasible alternatives, rates were designed to fully
642 recover costs.

643

644 **Q. Do you have any concluding remarks?**

645 A. Yes. The Companies should provide in their rebuttal testimonies updated tariff
646 sheets that reflect their positions in the current phase of this proceeding.

647

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

649 A. Yes, it does.

Ferson Creek Utilities Company
 Class Cost of Service Study
 Bill Factor Computation
 Test Year Ended September 30, 2010

	(A)	(B)	(C)	(D)
Water Residential				
Line No.	Meter Size	# of bills	AWWA Meter Factor	Factored Bills
1	5/8"	3818	1	3,818.00
2	3/4"	626	1.5	939.00
3	1"	72	2.5	180.00
4	1 1/2"	12	5	60.00
5	2"	0	8	-
6	3"	0	15	-
7	4"	0	25	-
8	6"	0	50	-
9	Total Factored Bills			4,997.00

Notes:

Column (A) - Company Exhibit 1.0 Schedule E
 Column (B) - Company Exhibit 1.0 Schedule E
 Column (C) - American Water Works Association, AWWA Manual M1, 2000, p. 202.
 Column (D) - (C)*(B)

Harbor Ridge Utilities, Inc.
 Class Cost of Service Study
 Bill Factor Computation
 Test Year Ended September 30, 2010

	(A)	(B)	(C)	(D)
Water Residential				
Line No.	Meter Size	# of bills	AWWA Meter Factor	Factored Bills
1	5/8"	3364	1	3,364.00
2	3/4"		1.5	-
3	1"	252	2.5	630.00
4	1 1/2"		5	-
5	2"	36	8	288.00
6	3"		15	-
7	4"		25	-
8	6"		50	-
9	Total Factored Bills			4,282.00

Notes:

Column (A) - Company Exhibit 1.0 Schedule E
 Column (B) - Company Exhibit 1.0 Schedule E
 Column (C) - American Water Works Association, AWWA Manual M1, 2000, p. 202.
 Column (D) - (C)*(B)

Ferson Creek Utilities Company
 Class Cost of Service Study
 Revenue Requirement & Calculation of Rates
 Test Year Ended September 30, 2010

Water Revenue Requirements & Calculation of Water Rates

(A)	(B)	(C)	(D)	(E)	(F)	
Line No.	Account Name	Projected	Allocation Basis BFC	Gallage	Allocation Amount BFC [(C)*(B)]	Gallage [(D)*(B)]
1	Total Operating Revenue Requirements	\$ 180,361	30%	70%	\$ 54,126	\$ 126,235
2						
3	Less Miscellaneous Income	(888)	100.00%		(888)	
4						
5	Revenue Requirement From Rates	\$ 179,473			\$ 53,238	\$ 126,235
6						
7	Factored Bills				4,997	
8	Gallons Sold (000)					28,089
9						
10	Monthly BFC				\$ 10.65	
11	Gallage Charge (per 1,000)					\$ 4.49

Notes:

- (B)(1) ICC Staff Exhibit 1.0 Schedule 1.1 FC-W (i)(1)
- (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, page 1, (D)(9)
- (F)(8) Company Exhibit 1.0 Schedule E
- (E)(10) (E)(5) / (E)(7)
- (F)(11) (F)(5) / (F)(8)

Harbor Ridge Utilities, Inc.
 Class Cost of Service Study
 Revenue Requirement & Calculation of Rates
 Test Year Ended September 30, 2010

Water Revenue Requirements & Calculation of Water Rates

(A)	(B)	(C)	(D)	(E)	(F)	
Line No.	Account Name	Projected	Allocation Basis BFC	Gallonage	Allocation Amount BFC [(C)*(B)]	Gallonage [(D)*(B)]
1	Total Operating Revenue Requirements	\$ 141,430	30%	70%	\$ 42,429	\$ 99,001
2						
3	Less Miscellaneous Income	(7,267)	100.00%		(7,267)	
4						
5	Revenue Requirement From Rates	<u>\$ 134,163</u>			<u>\$ 35,162</u>	<u>\$ 99,001</u>
6						
7	Factored Bills				4,282	
8	Gallons Sold (000)					12,935
9						
10	Monthly BFC				<u>\$ 8.21</u>	
11	Gallonage Charge (per 1,000)					<u>\$ 7.65</u>

Notes:

- (B)(1) ICC Staff Exhibit 1.0 Schedule 1.1 HR-W (i)(1)
- (B)(3) ICC Staff Exhibit 1.0 Schedule 1.1 HR-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, page 2, (D)(9)
- (F)(8) Company Exhibit 1.0 Schedule E
- (E)(10) (E)(5) / (E)(7)
- (F)(11) (F)(5) / (F)(8)

Ferson Creek Utilities Company
 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 [(B)*(C)]	Company Proposed Rates	Company Proposed Revenue [(B)*(E)]	AWWA Meter Factor (from Schedule 5.1)	Resulting Base Facilities Charge (from Schedule 5.2)	Staff Proposed Rates [(G)*(H)]	Staff Proposed Revenue [(B)*(I)]	Dollar Difference [(F)-(J)]	Total % Difference [(K)/(F)]	% increase from present rates [(J)-(D)/(D)]	
1	Base Facilities Charge												
2	5/8 inch	3,818	\$ 6.50	\$ 24,817	\$ 13.01	\$ 49,672	1.00	\$ 10.65	\$ 40,677	\$ (8,995)	-18.11%	64%	
3	3/4 inch	626	\$ 6.50	\$ 4,069	\$ 13.01	\$ 8,144	1.50	\$ 10.65	\$ 10,004	\$ 1,860	22.84%	146%	
4	1 inch	72	\$ 6.50	\$ 468	\$ 13.01	\$ 937	2.50	\$ 10.65	\$ 1,918	\$ 981	104.67%	310%	
5	1.5 inch	12	\$ 6.50	\$ 78	\$ 13.01	\$ 156	5.00	\$ 10.65	\$ 639	\$ 483	309.77%	720%	
6	2 inch	0	-	-	-	-	8.00	\$ 10.65	\$ -	\$ -	-	-	
7	3 inch	0	-	-	-	-	15.00	\$ 10.65	\$ -	\$ -	-	-	
8	4 inch	0	-	-	-	-	25.00	\$ 10.65	\$ -	\$ -	-	-	
9	6 inch	0	-	-	-	-	50.00	\$ 10.65	\$ -	\$ -	-	-	
10	Total	4,528		\$ 29,432.00		\$ 58,909.00	30%		\$ 53,238.54				
11	Usage Charge												
12	All meter sizes	28,089,317	\$ 2.45	\$ 68,819	\$ 4.90	\$ 137,638	70%		\$ 126,233	\$ (11,404)	-8.29%	83%	
13	Miscellaneous Revenues			464.00		888			888	\$ -	0.00%	91%	
14	Residential Revenues from Rates					* \$ 196,547			\$ 179,472				
15	Residential Total Revenues			\$ 98,715		* \$ 197,435			\$ 180,360				

* Rounding
 Billing Units from Schedule E
 Present Rates from Ferson Creek Utilities Company Current Tariffs.
 Company Proposed Rates from Company Proposed Tariff Pages.

Harbor Ridge, 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 [(B)*(C)]	Company Proposed Rates	Company Proposed Revenue [(B)*(E)]	AWWA Meter Factor (from Schedule 5.1)	Resulting Base Facilities Charge (from Schedule 5.2)	Staff Proposed Rates [(G)*(H)]	Staff Proposed Revenue [(B)*(I)]	Dollar Difference [(F)-(J)]	Total % Difference [(K)/(F)]	% increase from present rates [(J)-(D)/(D)]	
1	Base Facilities Charge												
2	5/8 inch	3,364	\$ 6.00	\$ 20,184	\$ 12.62	\$ 42,454	1.00	\$ 8.21	\$ 27,618	\$ (14,836)	-34.95%	37%	
3	3/4 inch	0	\$ 6.00	\$ -	\$ 14.73	\$ -	1.50	\$ 8.21	\$ -	\$ -	-	-	
4	1 inch	252	\$ 6.00	\$ 1,512	\$ 18.20	\$ 4,586	2.50	\$ 8.21	\$ 5,172	\$ 586	12.78%	242%	
5	1.5 inch	0	\$ 6.00	\$ -	\$ 26.09	\$ -	5.00	\$ 8.21	\$ -	\$ -	-	-	
6	2 inch	36	\$ 6.00	\$ 216	\$ 36.08	\$ 1,299	8.00	\$ 8.21	\$ 2,364	\$ 1,065	82.02%	995%	
7	3 inch	0	\$ 6.00	\$ -	\$ 57.34	\$ -	15.00	\$ 8.21	\$ -	\$ -	-	-	
8	4 inch	0	\$ 6.00	\$ -	\$ 87.95	\$ -	25.00	\$ 8.21	\$ -	\$ -	-	-	
9	6 inch	0	\$ 6.00	\$ -	\$ -	\$ -	50.00	\$ 8.21	\$ -	\$ -	-	-	
10	Total			\$ 21,912		\$ 48,339	32%		\$ 35,155				
11	Usage Charge												
12	All meter sizes	12,935,220	\$ 3.73	\$ 48,248	\$ 7.85	\$ 101,541	68%		\$ 99,001	\$ (2,540)	-2.50%	105%	
13	Miscellaneous Revenues			6,474.00		\$ 7,267			\$ 7,267	\$ -	0.00%	12%	
14	Residential Revenues from Rates					* \$ 149,880			* \$ 134,156				
15	Residential Total Revenues			\$ 98,546		* \$ 157,147			* \$ 141,423				

* Rounding
 Billing Units from Schedule E
 Present Rates from Harbor Ridge, Inc. Current Tariffs.
 Company Proposed Rates from Company Proposed Tariff Pages.

Ferson Creek Utilities Company
 Comparison of Company Present and Proposed Sewer and Staff Proposed Sewer Rates

Line No.	(A)	Billing Units (B)	Present Rates (C)	Company Present Revenue [(C)*(B)] (D)	Company Proposed Rates (E)	Company Proposed Revenue [(E)*(B)] (F)	Staff Proposed Rates [(G)*(H)] (I)	Staff Proposed Revenue [(I)*(B)] (J)	Dollar Difference [(J)-(F)] (K)	Total % Difference [(I)/(E)] (L)	% increase from present rates [(J)-(D)/(D)] (M)
1	Base Facilities Charge										
2	5/8 inch	3,682	\$ 29.50	\$ 108,619	\$ 56.43	\$ 207,775	\$ 52.21	\$ 192,254.45	\$ (15,520.55)	-7.47%	77%
3	5/8 inch (Low Use)	100	\$ 29.50	\$ 2,950	\$ 52.39	\$ 5,239 *	\$ 48.37	\$ 4,836.65	\$ (402.35)	-7.68%	64%
4	3/4 inch	626	\$ 29.50	\$ 18,467	\$ 56.43	\$ 35,325	\$ 52.21	\$ 32,686.39	\$ (2,638.61)	-7.47%	77%
5	1 inch	72	\$ 29.50	\$ 2,124	\$ 56.43	\$ 4,063	\$ 52.21	\$ 3,759.46	\$ (303.54)	-7.47%	77%
6	Usage Charge										
7	All meter sizes										
8	Miscellaneous Revenues			<u>\$ 619</u>		<u>\$ 619</u>		<u>\$ 619</u>	\$ -	0.00%	0%
9	Residential Revenues from Rates			* \$ 132,160		* \$ 252,402		* \$ 233,537			
10	Residential Total Revenues			<u>* \$ 132,779</u>		<u>* \$ 253,021</u>		<u>* \$ 234,156</u>			

* Rounding
 Billing Units from Schedule D
 Present Rates from Ferson Creek Utilities Company Current Tariffs.
 Company Proposed Rates from Company Proposed Tariff Pages.

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

Line No.	(A)	(B) Company	(C) Staff
1	Proposed Sewer Revenues	<u>\$ 252,400.00</u>	<u>\$ 233,537.00</u>
2	Total (Line 2 + Line 3)	<u><u>\$ 252,400.00</u></u>	<u><u>\$ 233,537.00</u></u>
3	Ratio (C4/B4)	92.53%	

Source: Company Schedule E
 ICC Staff Exhibit 1.0 , Schedule 1.01 FC-S

Harbor Ridge 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 [(M)-(D)/(D)]
1	Base Facilities Charge										
2	Sewer Collection Residential	3,439	\$ 7.82	\$ 26,893	\$ 17.73	\$ 60,973	\$ 16.68	\$ 57,374.24	\$ (3,598.76)	-5.90%	113%
3	Sewer Collection Residential (Low	129	\$ 7.82	\$ 1,009	\$ 13.69	\$ 1,766	\$ 12.79	\$ 1,650.11	\$ (115.89)	-6.56%	64%
4	Sewer Collection Commercial	48	\$ 35.00	\$ 1,680	\$ 205.35	\$ 9,857	\$ 68.09	\$ 3,268.30	\$ (6,588.70)	-66.84%	95%
5	Usage Charge										
6	All meter sizes										
7	Miscellaneous Revenues			\$ 2,207		\$ 2,207		\$ 2,207	\$ -	0.00%	0%
8	Residential Revenues from Rates			* \$ 29,582		* \$ 72,596		* \$ 62,293			
9	Residential Total Revenues			* \$ 31,789		* \$ 74,803		* \$ 64,500			

* Rounding
 Billing Units from Schedule D
 Present Rates from Harbor Ridge, Inc. Current Tariffs.
 Company Proposed Rates from Company Proposed Tariff Pages.
 Cells (I2) (I3) (I4) - Refer to ICC Staff Exhibit 5.0, p.25 for Staff Proposed Rates explanation.

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

Line No.	(A)	(B)	(C)
		Company	Staff
1	Proposed Sewer Revenues	\$ 72,585.00	\$ 62,294.00
2	Total (Line 2 + Line 3)	\$ 72,585.00	\$ 62,294.00
3	Ratio (C4/B4)	85.82%	

Source: Company Schedule E
 ICC Staff Exhibit 1.0 , Schedule 1.01 HR-S

Ferson Creek Utilities Company
 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	\$ 2.45	\$ 4.49	83.43%
Fixed Charge per month	\$ 6.50	\$ 10.65	63.91%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 6.50	\$ 10.65	\$ 4.15	63.91%
1.000	\$ 8.95	\$ 15.15	\$ 6.20	69.25%
1.200	\$ 9.44	\$ 16.05	\$ 6.61	69.99%
1.400	\$ 9.93	\$ 16.95	\$ 7.02	70.65%
1.600	\$ 10.42	\$ 17.84	\$ 7.42	71.25%
1.800	\$ 10.91	\$ 18.74	\$ 7.83	71.80%
2.000	\$ 11.40	\$ 19.64	\$ 8.24	72.30%
2.163	\$ 11.80	\$ 20.37	\$ 8.58	72.68%
2.400	\$ 12.38	\$ 21.44	\$ 9.06	73.18%
2.600	\$ 12.87	\$ 22.34	\$ 9.47	73.57%
2.800	\$ 13.36	\$ 23.24	\$ 9.88	73.93%
3.000	\$ 13.85	\$ 24.14	\$ 10.29	74.27%
3.200	\$ 14.34	\$ 25.03	\$ 10.69	74.58%
3.400	\$ 14.83	\$ 25.93	\$ 11.10	74.87%
3.600	\$ 15.32	\$ 26.83	\$ 11.51	75.15%
3.800	\$ 15.81	\$ 27.73	\$ 11.92	75.40%
4.000	\$ 16.30	\$ 28.63	\$ 12.33	75.64%
4.200	\$ 16.79	\$ 29.53	\$ 12.74	75.87%
4.400	\$ 17.28	\$ 30.43	\$ 13.15	76.09%
4.600	\$ 17.77	\$ 31.33	\$ 13.56	76.29%
4.800	\$ 18.26	\$ 32.23	\$ 13.97	76.48%
5.000	\$ 18.75	\$ 33.12	\$ 14.37	76.66%
5.200	\$ 19.24	\$ 34.02	\$ 14.78	76.83%
5.400	\$ 19.73	\$ 34.92	\$ 15.19	77.00%
5.600	\$ 20.22	\$ 35.82	\$ 15.60	77.15%
5.800	\$ 20.71	\$ 36.72	\$ 16.01	77.30%
* 6.097	\$ 21.44	\$ 38.05	\$ 16.62	77.51%
6.200	\$ 21.69	\$ 38.52	\$ 16.83	77.58%
6.400	\$ 22.18	\$ 39.42	\$ 17.24	77.71%
6.600	\$ 22.67	\$ 40.31	\$ 17.64	77.83%
6.800	\$ 23.16	\$ 41.21	\$ 18.05	77.95%
7.000	\$ 23.65	\$ 42.11	\$ 18.46	78.06%
7.200	\$ 24.14	\$ 43.01	\$ 18.87	78.17%
7.400	\$ 24.63	\$ 43.91	\$ 19.28	78.28%
7.600	\$ 25.12	\$ 44.81	\$ 19.69	78.38%
7.800	\$ 25.61	\$ 45.71	\$ 20.10	78.47%
8.000	\$ 26.10	\$ 46.61	\$ 20.51	78.57%
Average			\$ 13.11	75.15%

* Average Consumption

Harbor Ridge 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	\$ 3.73	\$ 7.65	105.19%
Fixed Charge per month	\$ 6.00	\$ 8.21	36.83%

Bill Comparison					
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference	
0.000	\$ 6.00	\$ 8.21	\$ 2.21	36.83%	
1.000	\$ 9.73	\$ 15.86	\$ 6.13	63.04%	
1.200	\$ 10.48	\$ 17.39	\$ 6.92	66.04%	
1.400	\$ 11.22	\$ 18.93	\$ 7.70	68.64%	
1.600	\$ 11.97	\$ 20.46	\$ 8.49	70.92%	
1.800	\$ 12.71	\$ 21.99	\$ 9.27	72.93%	
2.000	\$ 13.46	\$ 23.52	\$ 10.06	74.72%	
2.163	\$ 14.07	\$ 24.76	\$ 10.70	76.04%	
2.400	\$ 14.95	\$ 26.58	\$ 11.63	77.76%	
2.600	\$ 15.70	\$ 28.11	\$ 12.41	79.06%	
2.800	\$ 16.44	\$ 29.64	\$ 13.20	80.25%	
*	3.500	\$ 19.06	\$ 35.00	\$ 15.94	83.67%
3.200	\$ 17.94	\$ 32.70	\$ 14.77	82.32%	
3.400	\$ 18.68	\$ 34.23	\$ 15.55	83.24%	
3.600	\$ 19.43	\$ 35.76	\$ 16.33	84.08%	
3.800	\$ 20.17	\$ 37.29	\$ 17.12	84.86%	
4.000	\$ 20.92	\$ 38.82	\$ 17.90	85.59%	
4.200	\$ 21.67	\$ 40.36	\$ 18.69	86.26%	
4.400	\$ 22.41	\$ 41.89	\$ 19.47	86.89%	
4.600	\$ 23.16	\$ 43.42	\$ 20.26	87.48%	
4.800	\$ 23.90	\$ 44.95	\$ 21.04	88.03%	
5.000	\$ 24.65	\$ 46.48	\$ 21.83	88.55%	
5.210	\$ 25.43	\$ 48.09	\$ 22.65	89.06%	
5.400	\$ 26.14	\$ 49.54	\$ 23.40	89.50%	
5.600	\$ 26.89	\$ 51.07	\$ 24.18	89.94%	
5.800	\$ 27.63	\$ 52.60	\$ 24.97	90.35%	
6.000	\$ 28.38	\$ 54.13	\$ 25.75	90.74%	
6.200	\$ 29.13	\$ 55.66	\$ 26.54	91.11%	
6.400	\$ 29.87	\$ 57.19	\$ 27.32	91.46%	
6.600	\$ 30.62	\$ 58.72	\$ 28.11	91.79%	
6.800	\$ 31.36	\$ 60.25	\$ 28.89	92.11%	
7.000	\$ 32.11	\$ 61.79	\$ 29.68	92.42%	
7.200	\$ 32.86	\$ 63.32	\$ 30.46	92.71%	
7.400	\$ 33.60	\$ 64.85	\$ 31.24	92.98%	
7.600	\$ 34.35	\$ 66.38	\$ 32.03	93.25%	
7.800	\$ 35.09	\$ 67.91	\$ 32.81	93.50%	
8.000	\$ 35.84	\$ 69.44	\$ 33.60	93.75%	
Average			\$ 19.44	83.29%	

* Average Consumption

Ferson Creek Utilities Company
 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
Usage Charge		
Per 1000 gallons	\$ 2.45	\$ 4.90
Fixed Charge per month	\$ 6.50	\$ 13.01
		100.15%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 6.50	\$ 13.01	\$ 6.51	100.15%
1.000	\$ 8.95	\$ 17.91	\$ 8.96	100.11%
1.200	\$ 9.44	\$ 18.89	\$ 9.45	100.11%
1.400	\$ 9.93	\$ 19.87	\$ 9.94	100.10%
1.600	\$ 10.42	\$ 20.85	\$ 10.43	100.10%
1.800	\$ 10.91	\$ 21.83	\$ 10.92	100.09%
2.000	\$ 11.40	\$ 22.81	\$ 11.41	100.09%
2.163	\$ 11.80	\$ 23.61	\$ 11.81	100.08%
2.400	\$ 12.38	\$ 24.77	\$ 12.39	100.08%
2.600	\$ 12.87	\$ 25.75	\$ 12.88	100.08%
2.800	\$ 13.36	\$ 26.73	\$ 13.37	100.07%
3.000	\$ 13.85	\$ 27.71	\$ 13.86	100.07%
3.200	\$ 14.34	\$ 28.69	\$ 14.35	100.07%
3.400	\$ 14.83	\$ 29.67	\$ 14.84	100.07%
3.600	\$ 15.32	\$ 30.65	\$ 15.33	100.07%
3.800	\$ 15.81	\$ 31.63	\$ 15.82	100.06%
4.000	\$ 16.30	\$ 32.61	\$ 16.31	100.06%
4.200	\$ 16.79	\$ 33.59	\$ 16.80	100.06%
4.400	\$ 17.28	\$ 34.57	\$ 17.29	100.06%
4.600	\$ 17.77	\$ 35.55	\$ 17.78	100.06%
4.800	\$ 18.26	\$ 36.53	\$ 18.27	100.05%
5.000	\$ 18.75	\$ 37.51	\$ 18.76	100.05%
5.200	\$ 19.24	\$ 38.49	\$ 19.25	100.05%
5.400	\$ 19.73	\$ 39.47	\$ 19.74	100.05%
5.600	\$ 20.22	\$ 40.45	\$ 20.23	100.05%
5.800	\$ 20.71	\$ 41.43	\$ 20.72	100.05%
* 6.097	\$ 21.44	\$ 42.89	\$ 21.45	100.05%
6.200	\$ 21.69	\$ 43.39	\$ 21.70	100.05%
6.400	\$ 22.18	\$ 44.37	\$ 22.19	100.05%
6.600	\$ 22.67	\$ 45.35	\$ 22.68	100.04%
6.800	\$ 23.16	\$ 46.33	\$ 23.17	100.04%
7.000	\$ 23.65	\$ 47.31	\$ 23.66	100.04%
7.200	\$ 24.14	\$ 48.29	\$ 24.15	100.04%
7.400	\$ 24.63	\$ 49.27	\$ 24.64	100.04%
7.600	\$ 25.12	\$ 50.25	\$ 25.13	100.04%
7.800	\$ 25.61	\$ 51.23	\$ 25.62	100.04%
8.000	\$ 26.10	\$ 52.21	\$ 26.11	100.04%
Average			\$ 17.24	100.07%

* Average Consumption

Harbor Ridge Utilities, Inc.
 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	
Usage Charge		
Per 1000 gallons	\$ 3.73	\$ 7.85
Fixed Charge per month	\$ 6.00	\$ 12.62
		110.33%

Bill Comparison					
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference	
0.000	\$ 6.00	\$ 12.62	\$ 6.62	110.33%	
1.000	\$ 9.73	\$ 20.47	\$ 10.74	110.38%	
1.200	\$ 10.48	\$ 22.04	\$ 11.56	110.39%	
1.400	\$ 11.22	\$ 23.61	\$ 12.39	110.39%	
1.600	\$ 11.97	\$ 25.18	\$ 13.21	110.39%	
1.800	\$ 12.71	\$ 26.75	\$ 14.04	110.40%	
2.000	\$ 13.46	\$ 28.32	\$ 14.86	110.40%	
2.163	\$ 14.07	\$ 29.60	\$ 15.53	110.40%	
2.400	\$ 14.95	\$ 31.46	\$ 16.51	110.41%	
2.600	\$ 15.70	\$ 33.03	\$ 17.33	110.41%	
2.800	\$ 16.44	\$ 34.60	\$ 18.16	110.41%	
*	3.500	\$ 19.06	\$ 40.10	\$ 21.04	110.42%
3.200	\$ 17.94	\$ 37.74	\$ 19.80	110.41%	
3.400	\$ 18.68	\$ 39.31	\$ 20.63	110.42%	
3.600	\$ 19.43	\$ 40.88	\$ 21.45	110.42%	
3.800	\$ 20.17	\$ 42.45	\$ 22.28	110.42%	
4.000	\$ 20.92	\$ 44.02	\$ 23.10	110.42%	
4.200	\$ 21.67	\$ 45.59	\$ 23.92	110.42%	
4.400	\$ 22.41	\$ 47.16	\$ 24.75	110.42%	
4.600	\$ 23.16	\$ 48.73	\$ 25.57	110.42%	
4.800	\$ 23.90	\$ 50.30	\$ 26.40	110.43%	
5.000	\$ 24.65	\$ 51.87	\$ 27.22	110.43%	
5.210	\$ 25.43	\$ 53.52	\$ 28.09	110.43%	
5.400	\$ 26.14	\$ 55.01	\$ 28.87	110.43%	
5.600	\$ 26.89	\$ 56.58	\$ 29.69	110.43%	
5.800	\$ 27.63	\$ 58.15	\$ 30.52	110.43%	
6.000	\$ 28.38	\$ 59.72	\$ 31.34	110.43%	
6.200	\$ 29.13	\$ 61.29	\$ 32.16	110.43%	
6.400	\$ 29.87	\$ 62.86	\$ 32.99	110.43%	
6.600	\$ 30.62	\$ 64.43	\$ 33.81	110.43%	
6.800	\$ 31.36	\$ 66.00	\$ 34.64	110.43%	
7.000	\$ 32.11	\$ 67.57	\$ 35.46	110.43%	
7.200	\$ 32.86	\$ 69.14	\$ 36.28	110.43%	
7.400	\$ 33.60	\$ 70.71	\$ 37.11	110.43%	
7.600	\$ 34.35	\$ 72.28	\$ 37.93	110.43%	
7.800	\$ 35.09	\$ 73.85	\$ 38.76	110.43%	
8.000	\$ 35.84	\$ 75.42	\$ 39.58	110.44%	
		Average	\$ 24.71	110.42%	

* Average Consumption

Ferson Creek 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
Usage Charge			
Per 1000 gallons	\$ 4.49	\$ 4.90	9.03%
Fixed Charge per month	\$ 10.65	\$ 13.01	22.11%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 10.65	\$ 13.01	\$ 2.36	22.11%
1.000	\$ 15.15	\$ 17.91	\$ 2.76	18.23%
1.200	\$ 16.05	\$ 18.89	\$ 2.84	17.72%
1.400	\$ 16.95	\$ 19.87	\$ 2.92	17.26%
1.600	\$ 17.84	\$ 20.85	\$ 3.01	16.84%
1.800	\$ 18.74	\$ 21.83	\$ 3.09	16.47%
2.000	\$ 19.64	\$ 22.81	\$ 3.17	16.13%
2.163	\$ 20.37	\$ 23.61	\$ 3.23	15.87%
2.400	\$ 21.44	\$ 24.77	\$ 3.33	15.53%
2.600	\$ 22.34	\$ 25.75	\$ 3.41	15.27%
2.800	\$ 23.24	\$ 26.73	\$ 3.49	15.03%
3.000	\$ 24.14	\$ 27.71	\$ 3.57	14.81%
3.200	\$ 25.03	\$ 28.69	\$ 3.66	14.60%
3.400	\$ 25.93	\$ 29.67	\$ 3.74	14.41%
3.600	\$ 26.83	\$ 30.65	\$ 3.82	14.23%
3.800	\$ 27.73	\$ 31.63	\$ 3.90	14.06%
4.000	\$ 28.63	\$ 32.61	\$ 3.98	13.90%
4.200	\$ 29.53	\$ 33.59	\$ 4.06	13.75%
4.400	\$ 30.43	\$ 34.57	\$ 4.14	13.61%
4.600	\$ 31.33	\$ 35.55	\$ 4.22	13.48%
4.800	\$ 32.23	\$ 36.53	\$ 4.30	13.36%
5.000	\$ 33.12	\$ 37.51	\$ 4.39	13.24%
5.200	\$ 34.02	\$ 38.49	\$ 4.47	13.13%
5.400	\$ 34.92	\$ 39.47	\$ 4.55	13.02%
5.600	\$ 35.82	\$ 40.45	\$ 4.63	12.92%
5.800	\$ 36.72	\$ 41.43	\$ 4.71	12.83%
* 6.097	\$ 38.05	\$ 42.89	\$ 4.83	12.70%
6.200	\$ 38.52	\$ 43.39	\$ 4.87	12.65%
6.400	\$ 39.42	\$ 44.37	\$ 4.95	12.57%
6.600	\$ 40.31	\$ 45.35	\$ 5.04	12.49%
6.800	\$ 41.21	\$ 46.33	\$ 5.12	12.42%
7.000	\$ 42.11	\$ 47.31	\$ 5.20	12.34%
7.200	\$ 43.01	\$ 48.29	\$ 5.28	12.27%
7.400	\$ 43.91	\$ 49.27	\$ 5.36	12.21%
7.600	\$ 44.81	\$ 50.25	\$ 5.44	12.14%
7.800	\$ 45.71	\$ 51.23	\$ 5.52	12.08%
8.000	\$ 46.61	\$ 52.21	\$ 5.60	12.02%
Average			\$ 4.13	14.26%

* Average Consumption

Harbor Ridge 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	\$ 7.65	\$ 7.85	2.57%
Fixed Charge per month	\$ 8.21	\$ 12.62	53.71%

Bill Comparison					
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference	
0.000	\$ 8.21	\$ 12.62	\$ 4.41	53.71%	
1.000	\$ 15.86	\$ 20.47	\$ 4.61	29.04%	
1.200	\$ 17.39	\$ 22.04	\$ 4.65	26.71%	
1.400	\$ 18.93	\$ 23.61	\$ 4.68	24.76%	
1.600	\$ 20.46	\$ 25.18	\$ 4.72	23.09%	
1.800	\$ 21.99	\$ 26.75	\$ 4.76	21.67%	
2.000	\$ 23.52	\$ 28.32	\$ 4.80	20.42%	
2.163	\$ 24.76	\$ 29.60	\$ 4.83	19.52%	
2.400	\$ 26.58	\$ 31.46	\$ 4.88	18.37%	
2.600	\$ 28.11	\$ 33.03	\$ 4.92	17.51%	
2.800	\$ 29.64	\$ 34.60	\$ 4.96	16.73%	
*	3.500	\$ 35.00	\$ 40.10	\$ 5.10	14.56%
3.200	\$ 32.70	\$ 37.74	\$ 5.04	15.41%	
3.400	\$ 34.23	\$ 39.31	\$ 5.08	14.83%	
3.600	\$ 35.76	\$ 40.88	\$ 5.12	14.31%	
3.800	\$ 37.29	\$ 42.45	\$ 5.16	13.83%	
4.000	\$ 38.82	\$ 44.02	\$ 5.20	13.38%	
4.200	\$ 40.36	\$ 45.59	\$ 5.23	12.97%	
4.400	\$ 41.89	\$ 47.16	\$ 5.27	12.59%	
4.600	\$ 43.42	\$ 48.73	\$ 5.31	12.24%	
4.800	\$ 44.95	\$ 50.30	\$ 5.35	11.91%	
5.000	\$ 46.48	\$ 51.87	\$ 5.39	11.60%	
5.210	\$ 48.09	\$ 53.52	\$ 5.43	11.30%	
5.400	\$ 49.54	\$ 55.01	\$ 5.47	11.04%	
5.600	\$ 51.07	\$ 56.58	\$ 5.51	10.79%	
5.800	\$ 52.60	\$ 58.15	\$ 5.55	10.55%	
6.000	\$ 54.13	\$ 59.72	\$ 5.59	10.32%	
6.200	\$ 55.66	\$ 61.29	\$ 5.63	10.11%	
6.400	\$ 57.19	\$ 62.86	\$ 5.67	9.91%	
6.600	\$ 58.72	\$ 64.43	\$ 5.71	9.72%	
6.800	\$ 60.25	\$ 66.00	\$ 5.75	9.54%	
7.000	\$ 61.79	\$ 67.57	\$ 5.78	9.36%	
7.200	\$ 63.32	\$ 69.14	\$ 5.82	9.20%	
7.400	\$ 64.85	\$ 70.71	\$ 5.86	9.04%	
7.600	\$ 66.38	\$ 72.28	\$ 5.90	8.89%	
7.800	\$ 67.91	\$ 73.85	\$ 5.94	8.75%	
8.000	\$ 69.44	\$ 75.42	\$ 5.98	8.61%	
Average			\$ 5.27	15.31%	

* Average Consumption

Ferson Creek 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
Usage Charge (per 1000 gals.)	\$ 2.45	\$ 4.49	83.43%
Fixed Charge per month			
Water	\$ 6.50	\$ 10.65	63.91%
Sewer	\$ 29.50	\$ 52.21	77.00%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 36.00	\$ 62.87	\$ 26.87	74.64%
1.000	\$ 38.45	\$ 67.36	\$ 28.91	75.20%
1.200	\$ 38.94	\$ 68.26	\$ 29.32	75.30%
1.400	\$ 39.43	\$ 69.16	\$ 29.73	75.40%
1.600	\$ 39.92	\$ 70.06	\$ 30.14	75.50%
1.800	\$ 40.41	\$ 70.96	\$ 30.55	75.60%
2.000	\$ 40.90	\$ 71.86	\$ 30.96	75.69%
2.163	\$ 41.30	\$ 72.59	\$ 31.29	75.76%
2.400	\$ 41.88	\$ 73.65	\$ 31.77	75.87%
2.600	\$ 42.37	\$ 74.55	\$ 32.18	75.96%
2.800	\$ 42.86	\$ 75.45	\$ 32.59	76.04%
3.000	\$ 43.35	\$ 76.35	\$ 33.00	76.13%
3.200	\$ 43.84	\$ 77.25	\$ 33.41	76.21%
3.400	\$ 44.33	\$ 78.15	\$ 33.82	76.29%
3.600	\$ 44.82	\$ 79.05	\$ 34.23	76.37%
3.800	\$ 45.31	\$ 79.95	\$ 34.64	76.44%
4.000	\$ 45.80	\$ 80.84	\$ 35.04	76.52%
4.200	\$ 46.29	\$ 81.74	\$ 35.45	76.59%
4.400	\$ 46.78	\$ 82.64	\$ 35.86	76.66%
4.600	\$ 47.27	\$ 83.54	\$ 36.27	76.73%
4.800	\$ 47.76	\$ 84.44	\$ 36.68	76.80%
5.000	\$ 48.25	\$ 85.34	\$ 37.09	76.87%
5.200	\$ 48.74	\$ 86.24	\$ 37.50	76.93%
5.400	\$ 49.23	\$ 87.14	\$ 37.91	77.00%
5.600	\$ 49.72	\$ 88.04	\$ 38.32	77.06%
5.800	\$ 50.21	\$ 88.93	\$ 38.72	77.12%
* 6.097	\$ 50.94	\$ 90.27	\$ 39.33	77.21%
6.200	\$ 51.19	\$ 90.73	\$ 39.54	77.24%
6.400	\$ 51.68	\$ 91.63	\$ 39.95	77.30%
6.600	\$ 52.17	\$ 92.53	\$ 40.36	77.36%
6.800	\$ 52.66	\$ 93.43	\$ 40.77	77.42%
7.000	\$ 53.15	\$ 94.33	\$ 41.18	77.47%
7.200	\$ 53.64	\$ 95.23	\$ 41.59	77.53%
7.400	\$ 54.13	\$ 96.12	\$ 41.99	77.58%
7.600	\$ 54.62	\$ 97.02	\$ 42.40	77.63%
7.800	\$ 55.11	\$ 97.92	\$ 42.81	77.68%
8.000	\$ 55.60	\$ 98.82	\$ 43.22	77.74%
Average			\$ 35.82	76.56%

* Average Consumption

Harbor Ridge 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.)	\$ 3.73	\$ 7.65	105.19%
Fixed Charge per month			
Water	\$ 6.00	\$ 8.21	36.83%
Sewer	\$ 7.82	\$ 12.79	63.58%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Staff Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 13.82	\$ 21.00	\$ 7.18	51.97%
1.000	\$ 17.55	\$ 28.66	\$ 11.11	63.28%
1.200	\$ 18.30	\$ 30.19	\$ 11.89	64.99%
1.400	\$ 19.04	\$ 31.72	\$ 12.67	66.56%
1.600	\$ 19.79	\$ 33.25	\$ 13.46	68.02%
1.800	\$ 20.53	\$ 34.78	\$ 14.24	69.37%
2.000	\$ 21.28	\$ 36.31	\$ 15.03	70.62%
2.163	\$ 21.89	\$ 37.56	\$ 15.67	71.58%
2.400	\$ 22.77	\$ 39.37	\$ 16.60	72.89%
2.600	\$ 23.52	\$ 40.90	\$ 17.38	73.91%
2.800	\$ 24.26	\$ 42.43	\$ 18.17	74.87%
* 3.500	\$ 26.88	\$ 47.79	\$ 20.91	77.82%
3.200	\$ 25.76	\$ 45.49	\$ 19.74	76.63%
3.400	\$ 26.50	\$ 47.02	\$ 20.52	77.43%
3.600	\$ 27.25	\$ 48.55	\$ 21.31	78.19%
3.800	\$ 27.99	\$ 50.09	\$ 22.09	78.91%
4.000	\$ 28.74	\$ 51.62	\$ 22.88	79.60%
4.200	\$ 29.49	\$ 53.15	\$ 23.66	80.24%
4.400	\$ 30.23	\$ 54.68	\$ 24.45	80.86%
4.600	\$ 30.98	\$ 56.21	\$ 25.23	81.45%
4.800	\$ 31.72	\$ 57.74	\$ 26.01	82.00%
5.000	\$ 32.47	\$ 59.27	\$ 26.80	82.54%
5.210	\$ 33.25	\$ 60.88	\$ 27.62	83.07%
5.400	\$ 33.96	\$ 62.33	\$ 28.37	83.53%
5.600	\$ 34.71	\$ 63.86	\$ 29.15	84.00%
5.800	\$ 35.45	\$ 65.39	\$ 29.94	84.44%
6.000	\$ 36.20	\$ 66.92	\$ 30.72	84.87%
6.200	\$ 36.95	\$ 68.45	\$ 31.51	85.28%
6.400	\$ 37.69	\$ 69.98	\$ 32.29	85.68%
6.600	\$ 38.44	\$ 71.52	\$ 33.08	86.05%
6.800	\$ 39.18	\$ 73.05	\$ 33.86	86.42%
7.000	\$ 39.93	\$ 74.58	\$ 34.65	86.77%
7.200	\$ 40.68	\$ 76.11	\$ 35.43	87.11%
7.400	\$ 41.42	\$ 77.64	\$ 36.22	87.43%
7.600	\$ 42.17	\$ 79.17	\$ 37.00	87.75%
7.800	\$ 42.91	\$ 80.70	\$ 37.79	88.05%
8.000	\$ 43.66	\$ 82.23	\$ 38.57	88.34%
Average			\$ 24.41	78.72%

* Average Consumption

Ferson Creek 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			
Present Rates		Company Proposed Rates	Percent Difference
Usage Charge (per 1000 gals.)	\$ 2.45	\$ 4.90	100.00%
Fixed Charge per month			
Water	\$ 6.50	\$ 13.01	100.15%
Sewer	\$ 29.50	\$ 56.43	91.29%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 36.00	\$ 69.44	\$ 33.44	92.89%
1.000	\$ 38.45	\$ 74.34	\$ 35.89	93.34%
1.200	\$ 38.94	\$ 75.32	\$ 36.38	93.43%
1.400	\$ 39.43	\$ 76.30	\$ 36.87	93.51%
1.600	\$ 39.92	\$ 77.28	\$ 37.36	93.59%
1.800	\$ 40.41	\$ 78.26	\$ 37.85	93.66%
2.000	\$ 40.90	\$ 79.24	\$ 38.34	93.74%
2.163	\$ 41.30	\$ 80.04	\$ 38.74	93.80%
2.400	\$ 41.88	\$ 81.20	\$ 39.32	93.89%
2.600	\$ 42.37	\$ 82.18	\$ 39.81	93.96%
2.800	\$ 42.86	\$ 83.16	\$ 40.30	94.03%
3.000	\$ 43.35	\$ 84.14	\$ 40.79	94.09%
3.200	\$ 43.84	\$ 85.12	\$ 41.28	94.16%
3.400	\$ 44.33	\$ 86.10	\$ 41.77	94.23%
3.600	\$ 44.82	\$ 87.08	\$ 42.26	94.29%
3.800	\$ 45.31	\$ 88.06	\$ 42.75	94.35%
4.000	\$ 45.80	\$ 89.04	\$ 43.24	94.41%
4.200	\$ 46.29	\$ 90.02	\$ 43.73	94.47%
4.400	\$ 46.78	\$ 91.00	\$ 44.22	94.53%
4.600	\$ 47.27	\$ 91.98	\$ 44.71	94.58%
4.800	\$ 47.76	\$ 92.96	\$ 45.20	94.64%
5.000	\$ 48.25	\$ 93.94	\$ 45.69	94.69%
5.200	\$ 48.74	\$ 94.92	\$ 46.18	94.75%
5.400	\$ 49.23	\$ 95.90	\$ 46.67	94.80%
5.600	\$ 49.72	\$ 96.88	\$ 47.16	94.85%
5.800	\$ 50.21	\$ 97.86	\$ 47.65	94.90%
* 6.097	\$ 50.94	\$ 99.32	\$ 48.38	94.97%
6.200	\$ 51.19	\$ 99.82	\$ 48.63	95.00%
6.400	\$ 51.68	\$ 100.80	\$ 49.12	95.05%
6.600	\$ 52.17	\$ 101.78	\$ 49.61	95.09%
6.800	\$ 52.66	\$ 102.76	\$ 50.10	95.14%
7.000	\$ 53.15	\$ 103.74	\$ 50.59	95.18%
7.200	\$ 53.64	\$ 104.72	\$ 51.08	95.23%
7.400	\$ 54.13	\$ 105.70	\$ 51.57	95.27%
7.600	\$ 54.62	\$ 106.68	\$ 52.06	95.31%
7.800	\$ 55.11	\$ 107.66	\$ 52.55	95.35%
8.000	\$ 55.60	\$ 108.64	\$ 53.04	95.40%
		Average	\$ 44.17	94.45%

* Average Consumption

Harbor Ridge 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.)	\$ 3.73	\$ 7.85	110.46%
Fixed Charge per month			
Water	\$ 6.00	\$ 12.62	110.33%
Sewer	\$ 7.82	\$ 13.69	75.06%

Bill Comparison				
Level of Usage (1,000 Gal)	Current Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 13.82	\$ 26.31	\$ 12.49	90.38%
1.000	\$ 17.55	\$ 34.16	\$ 16.61	94.64%
1.200	\$ 18.30	\$ 35.73	\$ 17.43	95.29%
1.400	\$ 19.04	\$ 37.30	\$ 18.26	95.88%
1.600	\$ 19.79	\$ 38.87	\$ 19.08	96.43%
1.800	\$ 20.53	\$ 40.44	\$ 19.91	96.94%
2.000	\$ 21.28	\$ 42.01	\$ 20.73	97.42%
2.163	\$ 21.89	\$ 43.29	\$ 21.40	97.78%
2.400	\$ 22.77	\$ 45.15	\$ 22.38	98.27%
2.600	\$ 23.52	\$ 46.72	\$ 23.20	98.66%
2.800	\$ 24.26	\$ 48.29	\$ 24.03	99.02%
* 3.500	\$ 26.88	\$ 53.79	\$ 26.91	100.13%
3.200	\$ 25.76	\$ 51.43	\$ 25.67	99.68%
3.400	\$ 26.50	\$ 53.00	\$ 26.50	99.98%
3.600	\$ 27.25	\$ 54.57	\$ 27.32	100.27%
3.800	\$ 27.99	\$ 56.14	\$ 28.15	100.54%
4.000	\$ 28.74	\$ 57.71	\$ 28.97	100.80%
4.200	\$ 29.49	\$ 59.28	\$ 29.79	101.04%
4.400	\$ 30.23	\$ 60.85	\$ 30.62	101.28%
4.600	\$ 30.98	\$ 62.42	\$ 31.44	101.50%
4.800	\$ 31.72	\$ 63.99	\$ 32.27	101.71%
5.000	\$ 32.47	\$ 65.56	\$ 33.09	101.91%
5.210	\$ 33.25	\$ 67.21	\$ 33.96	102.11%
5.400	\$ 33.96	\$ 68.70	\$ 34.74	102.28%
5.600	\$ 34.71	\$ 70.27	\$ 35.56	102.46%
5.800	\$ 35.45	\$ 71.84	\$ 36.39	102.63%
6.000	\$ 36.20	\$ 73.41	\$ 37.21	102.79%
6.200	\$ 36.95	\$ 74.98	\$ 38.03	102.94%
6.400	\$ 37.69	\$ 76.55	\$ 38.86	103.09%
6.600	\$ 38.44	\$ 78.12	\$ 39.68	103.24%
6.800	\$ 39.18	\$ 79.69	\$ 40.51	103.37%
7.000	\$ 39.93	\$ 81.26	\$ 41.33	103.51%
7.200	\$ 40.68	\$ 82.83	\$ 42.15	103.63%
7.400	\$ 41.42	\$ 84.40	\$ 42.98	103.76%
7.600	\$ 42.17	\$ 85.97	\$ 43.80	103.87%
7.800	\$ 42.91	\$ 87.54	\$ 44.63	103.99%
8.000	\$ 43.66	\$ 89.11	\$ 45.45	104.10%
Average			\$ 30.58	100.47%

* Average Consumption

Ferson Creek 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
Usage Charge (per 1000 gals.)	\$ 4.49	\$ 4.90	9.03%
Fixed Charge per month			
Water	\$ 10.65	\$ 13.01	22.11%
Sewer	\$ 52.21	\$ 56.43	8.07%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 62.87	\$ 69.44	\$ 6.57	10.45%
1.000	\$ 67.36	\$ 74.34	\$ 6.98	10.36%
1.200	\$ 68.26	\$ 75.32	\$ 7.06	10.34%
1.400	\$ 69.16	\$ 76.30	\$ 7.14	10.32%
1.600	\$ 70.06	\$ 77.28	\$ 7.22	10.31%
1.800	\$ 70.96	\$ 78.26	\$ 7.30	10.29%
2.000	\$ 71.86	\$ 79.24	\$ 7.38	10.27%
2.163	\$ 72.59	\$ 80.04	\$ 7.45	10.26%
2.400	\$ 73.65	\$ 81.20	\$ 7.55	10.24%
2.600	\$ 74.55	\$ 82.18	\$ 7.63	10.23%
2.800	\$ 75.45	\$ 83.16	\$ 7.71	10.22%
3.000	\$ 76.35	\$ 84.14	\$ 7.79	10.20%
3.200	\$ 77.25	\$ 85.12	\$ 7.87	10.19%
3.400	\$ 78.15	\$ 86.10	\$ 7.95	10.18%
3.600	\$ 79.05	\$ 87.08	\$ 8.03	10.16%
3.800	\$ 79.95	\$ 88.06	\$ 8.11	10.15%
4.000	\$ 80.84	\$ 89.04	\$ 8.20	10.14%
4.200	\$ 81.74	\$ 90.02	\$ 8.28	10.12%
4.400	\$ 82.64	\$ 91.00	\$ 8.36	10.11%
4.600	\$ 83.54	\$ 91.98	\$ 8.44	10.10%
4.800	\$ 84.44	\$ 92.96	\$ 8.52	10.09%
5.000	\$ 85.34	\$ 93.94	\$ 8.60	10.08%
5.200	\$ 86.24	\$ 94.92	\$ 8.68	10.07%
5.400	\$ 87.14	\$ 95.90	\$ 8.76	10.06%
5.600	\$ 88.04	\$ 96.88	\$ 8.84	10.05%
5.800	\$ 88.93	\$ 97.86	\$ 8.93	10.04%
* 6.097	\$ 90.27	\$ 99.32	\$ 9.05	10.02%
6.200	\$ 90.73	\$ 99.82	\$ 9.09	10.02%
6.400	\$ 91.63	\$ 100.80	\$ 9.17	10.01%
6.600	\$ 92.53	\$ 101.78	\$ 9.25	10.00%
6.800	\$ 93.43	\$ 102.76	\$ 9.33	9.99%
7.000	\$ 94.33	\$ 103.74	\$ 9.41	9.98%
7.200	\$ 95.23	\$ 104.72	\$ 9.49	9.97%
7.400	\$ 96.12	\$ 105.70	\$ 9.58	9.96%
7.600	\$ 97.02	\$ 106.68	\$ 9.66	9.95%
7.800	\$ 97.92	\$ 107.66	\$ 9.74	9.94%
8.000	\$ 98.82	\$ 108.64	\$ 9.82	9.94%
		Average	\$ 8.35	10.13%

* Average Consumption

Harbor Ridge 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.)	\$ 7.65	\$ 7.85	2.57%
Fixed Charge per month			
Water	\$ 8.21	\$ 12.62	53.71%
Sewer	\$ 12.79	\$ 13.69	7.02%

Bill Comparison				
Level of Usage (1,000 Gal)	Staff Proposed Monthly Bill	Company Proposed Monthly Bill	Dollar Change	Percent Difference
0.000	\$ 21.00	\$ 26.31	\$ 5.31	25.28%
1.000	\$ 28.66	\$ 34.16	\$ 5.50	19.21%
1.200	\$ 30.19	\$ 35.73	\$ 5.54	18.37%
1.400	\$ 31.72	\$ 37.30	\$ 5.58	17.60%
1.600	\$ 33.25	\$ 38.87	\$ 5.62	16.91%
1.800	\$ 34.78	\$ 40.44	\$ 5.66	16.28%
2.000	\$ 36.31	\$ 42.01	\$ 5.70	15.70%
2.163	\$ 37.56	\$ 43.29	\$ 5.73	15.27%
2.400	\$ 39.37	\$ 45.15	\$ 5.78	14.68%
2.600	\$ 40.90	\$ 46.72	\$ 5.82	14.23%
2.800	\$ 42.43	\$ 48.29	\$ 5.86	13.81%
* 3.500	\$ 47.79	\$ 53.79	\$ 6.00	12.55%
3.200	\$ 45.49	\$ 51.43	\$ 5.94	13.05%
3.400	\$ 47.02	\$ 53.00	\$ 5.98	12.71%
3.600	\$ 48.55	\$ 54.57	\$ 6.02	12.39%
3.800	\$ 50.09	\$ 56.14	\$ 6.05	12.09%
4.000	\$ 51.62	\$ 57.71	\$ 6.09	11.81%
4.200	\$ 53.15	\$ 59.28	\$ 6.13	11.54%
4.400	\$ 54.68	\$ 60.85	\$ 6.17	11.29%
4.600	\$ 56.21	\$ 62.42	\$ 6.21	11.05%
4.800	\$ 57.74	\$ 63.99	\$ 6.25	10.83%
5.000	\$ 59.27	\$ 65.56	\$ 6.29	10.61%
5.210	\$ 60.88	\$ 67.21	\$ 6.33	10.40%
5.400	\$ 62.33	\$ 68.70	\$ 6.37	10.22%
5.600	\$ 63.86	\$ 70.27	\$ 6.41	10.03%
5.800	\$ 65.39	\$ 71.84	\$ 6.45	9.86%
6.000	\$ 66.92	\$ 73.41	\$ 6.49	9.69%
6.200	\$ 68.45	\$ 74.98	\$ 6.53	9.53%
6.400	\$ 69.98	\$ 76.55	\$ 6.57	9.38%
6.600	\$ 71.52	\$ 78.12	\$ 6.60	9.24%
6.800	\$ 73.05	\$ 79.69	\$ 6.64	9.10%
7.000	\$ 74.58	\$ 81.26	\$ 6.68	8.96%
7.200	\$ 76.11	\$ 82.83	\$ 6.72	8.83%
7.400	\$ 77.64	\$ 84.40	\$ 6.76	8.71%
7.600	\$ 79.17	\$ 85.97	\$ 6.80	8.59%
7.800	\$ 80.70	\$ 87.54	\$ 6.84	8.48%
8.000	\$ 82.23	\$ 89.11	\$ 6.88	8.37%
Average			\$ 6.17	12.34%

* Average Consumption