

Executive Report

South Haven Area Water and Sewer Authority

Water Cost of Service and Rate Design Report

October 8, 2020



**Specializing in Cost of Service,
Rate Design, and Financial Analysis**

Rate Design and Financial Analysis



October 8, 2020

William Hunter
Director of Public Works
City of South Haven
1199 8th Avenue
South Haven, MI 49090

Dear Mr. Hunter,

We are pleased to present this executive summary report for a cost of service, financial projection and rate design study completed for South Haven Area Water and Sewer Authority (SHAWSA) water utility. This report was prepared to provide the utility with a comprehensive examination of its existing financials by an outside party.

The specific purposes of this study are:

- 1) Determine the water utility's revenue requirements for 2021,
- 2) Project rate adjustments needed to meet targeted revenue requirements,
- 3) Determine the cost to serve retail customers,
- 4) Develop one-year of retail rates.

This report includes results of the cost of service, financial projections, and identified future rate adjustments for the water operation. Specific findings included in this report are:

- 1) Rate adjustments that are based on the utility's ability to work toward three factors listed below:
 - a. Debt Coverage Ratio
 - b. Minimum Cash Reserves
 - c. Optimal Operating Income
- 2) Rate adjustments are designed to work toward cost of service results.

This report is intended for information and use by management and the Board of Directors for purposes stated above and is not intended to be used by anyone except the specified parties.

Sincerely,

Dawn Lund

Utility Financial Solutions, LLC
Dawn Lund, Vice-President

Executive Summary	Page
Introduction	
Water Operation	1
Utility Revenue Requirements	2
Key Targets	3
Summary of Financial Position	8
Proposed Rate Track	9
Cost of Service Components	10
Findings	13
Appendix 1 – Combined Financial Summary	i
Appendix 2 – Proposed Rate Design and Impacts	ii



Utility Revenue Requirements

To determine revenue requirements, the revenues and expenses for Fiscal Year 2019, YTD 2020 and Budget 2021 were analyzed, with adjustments made to reflect projected operating characteristics. ***The projected financial statements are for cost of service purposes only.***

Table 1 is the projected financial summary for the water operation from 2021-2025; with 2021 being the test year. This table reflects the current financial projection without rate increases but includes projected bond issuances of \$3.2 million in 2021 and \$6.7 million in 2024. Without these projected bond issues current cash would be negative starting in 2021. The SHAWSA cash balance is currently combined between water and sewer. The balance was split 70% to water and 30% to sewer to help balance the rate track and bonding requirements by individual enterprise funds. The operating income is projected at \$1.0 million for 2021, while the target is \$1.2 million. The operating income continues to decline throughout the period to \$507,350 in 2025 without rate adjustments.

Table 1 – Financial Summary (without Rate Adjustments - with Bond Issues)

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Operating Cash Balance	Capital Improvements	Bond Issues	Debt Coverage Ratio
2021	0.0%	4,571,063	3,570,337	1,000,726	2,358,112	825,000	3,215,266	0.95
2022	0.0%	4,571,133	3,655,138	915,995	1,342,387	696,625	-	0.88
2023	0.0%	4,571,204	3,754,737	816,468	(775,926)	1,693,641		0.84
2024	0.0%	4,571,278	3,896,067	675,211	2,069,813	3,340,057	6,675,940	0.81
2025	0.0%	4,571,354	4,064,004	507,350	(1,797,340)	3,335,883		0.79
Target 2021				\$ 1,221,229	\$ 3,017,756			1.25/1.45
Target 2025				\$ 1,283,846	\$ 3,173,697			1.25/1.45

Projected Operating Income is below the target minimum throughout the projection period.

Projected Cash Flow

Table 2 is the projected cash flow for 2021-2025, including projections of capital improvements as provided by the Utility. Changes in the capital improvement plan can greatly affect the cash balance and minimum cash reserve target.

Table 2 - Projected Cash Flows (without Rate Adjustments – with Bond Issues)

Projected Cash Flows	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Add Net Income	\$ 114,137	\$ 14,630	\$ (40,817)	\$ (136,050)	\$ (235,391)
Add Back Depreciation Expense	1,024,608	1,047,663	1,083,879	1,160,148	1,261,298
Subtract Debt Principal	1,239,212	1,320,644	1,406,985	1,453,492	1,496,427
SHAWSA Loan Principal	60,750	60,750	60,750	60,750	60,750
Add Bond Sale Proceeds	3,215,266	-	-	6,675,940	-
Cash Available from Operations	\$ 3,054,050	\$ (319,100)	\$ (424,672)	\$ 6,185,796	\$ (531,270)
Estimated Annual Capital Additions	825,000	696,625	1,693,641	3,340,057	3,335,883
Net Cash From Operations	\$ 2,229,050	\$ (1,015,725)	\$ (2,118,313)	\$ 2,845,739	\$ (3,867,153)
Beginning Cash Balance	129,062	2,358,112	1,342,387	(775,926)	2,069,813
Ending Cash Balance	\$ 2,358,112	\$ 1,342,387	\$ (775,926)	\$ 2,069,813	\$ (1,797,340)
Total Cash Available	2,358,112	1,342,387	(775,926)	2,069,813	(1,797,340)
Targeted Minimum	3,017,756	3,069,499	3,088,003	3,114,171	3,173,697

Projected Cash Balances are below the targets throughout the projection period.

Minimum Cash Reserve

Table 3 is the minimum level of cash reserves required to help ensure timely replacement of assets and to provide financial stability of the water utility. The methodology used to establish this minimum is based on certain assumptions related to a percentage of operating expense, historical investment, capital improvements, and debt service to be kept in cash reserves. Minimum cash reserve attempts to quantify the minimum amount of cash the utility should keep in reserve and is considered at critical levels if cash approaches this minimum. Actual cash reserves may vary substantially above the minimum and is dependent on the life cycle of assets that are currently in service. If a minimum cash reserve policy is established, and the utility’s cash balance falls below the established amount, it will require the Board to take action to rebuild cash. The typical action includes a rate increase or the consideration of a bond issuance. Based on these assumptions, SHAWSA should maintain a minimum of \$3.1 million in cash reserves.

Table 3 – Minimum Cash Reserves for 2021-2025

	Percent Allocated	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Operation & Maintenance Less Depreciation Expense	12.3%	\$ 313,125	\$ 320,719	\$ 328,515	\$ 336,518	\$ 344,733
Historical Rate Base	1%	468,036	475,002	491,938	525,339	558,698
Current Portion of Debt Service Reserve	100%	2,236,595	2,273,778	2,267,549	2,252,314	2,270,267
Five Year Capital Improvements - Net of bond proceeds	20%	-	-	-	-	-
Minimum Cash Reserve		\$ 3,017,756	\$ 3,069,499	\$ 3,088,003	\$ 3,114,171	\$ 3,173,697
Projected Cash Reserves		\$ 2,358,112	\$ 1,342,387	\$ (775,926)	\$ 2,069,813	\$ (1,797,340)

Debt Coverage Ratio

Table 4 is the projected debt coverage ratios with capital additions as provided by SHAWSA. The current revenue bond requirement is a 1.25 ratio; however, we targeted a 1.45 ratio to help achieve the following:

- Helps to ensure adequate funds are available to meet debt service payments in years when sales are low due to cold or wet summers or loss of a major customer(s).
- Obtain higher bond rating, if revenue bonds are sold in the future, to lower interest cost.

Table 4 – Projected Debt Coverage Ratios:

Debt Coverage Ratio	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Add Net Income	\$ 114,137	\$ 14,630	\$ (40,817)	\$ (136,050)	\$ (235,391)
Add Depreciation Expense	1,024,608	1,047,663	1,083,879	1,160,148	1,261,298
Add Interest Expense	890,031	915,952	866,793	814,057	755,886
Cash Available for Debt Service	\$ 2,028,776	\$ 1,978,245	\$ 1,909,856	\$ 1,838,155	\$ 1,781,793
Debt Principal and Interest	\$ 2,129,242	\$ 2,236,595	\$ 2,273,778	\$ 2,267,549	\$ 2,252,314
Projected Debt Coverage Ratio (Covenants)	0.95	0.88	0.84	0.81	0.79
Minimum Debt Coverage Ratio	1.45	1.45	1.45	1.45	1.45

The Debt Coverage Ratio does not meet targets throughout the projection period.

Rate of Return

The optimal target for setting rates is the establishment of a target operating income to help ensure the following:

- A. Funding of Interest Expense on the outstanding principal on debt. Interest expense is below the operating income line and needs to be recouped through the operating income balance.
- B. Funding of the inflationary increase on the assets invested in the system. The inflation on the replacement of assets invested in the utility should be recouped through the Operating Income
- C. Adequate rate of return on investment to help ensure current customers are paying their fair share of the use of the infrastructure and not deferring the charge to future generations.

As improvements are made to the system, the optimal operating income target will increase unless annual depreciation expense is greater than yearly capital improvements. The target established for 2021 is approximately \$1.2 million.

Table 5 - Rate of Return Calculation

	Percent Allocated	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Effective Interest Expense	3.9%	\$ 890,031	\$ 915,952	\$ 866,793	\$ 814,057	\$ 755,886
Contributed Capital Estimated	2.5%	-	-	-	-	-
Inflationary Increase on Assets	5.1%	331,199	390,889	503,483	340,327	527,959
Target Operating Income		\$ 1,221,229	\$ 1,306,841	\$ 1,370,276	\$ 1,154,384	\$ 1,283,846
Projected Adjusted Operating Income		\$ 1,000,726	\$ 915,995	\$ 816,468	\$ 675,211	\$ 507,350
Rate of Return in %		4.2%	4.5%	4.6%	3.6%	3.8%

Rate of Return falls below targeted minimums throughout the projection period.

REVENUE FORECAST

Sales were projected based on number of meters and CCFs billed.

Table 6 – Number of Meters and CCFs Billed

	Customer Class	Projected 2021
<u>Inside City</u>	5/8	2,026
	3/4	694
	1	238
	1.5	51
	2	113
	3	6
	4	6
	6	2
	8	-
<u>Outside City</u>	5/8	1,132
	3/4	718
	1	358
	1.5	51
	2	65
	3	4
	4	5
	6	2
	8	1
Total		5,472

Customer Class	Units Projected 2021	
City of South Haven	333,073	
Twp of Casco	43,824	
Twp of South Haven	113,180	
Twp of Covert	69,685	
Total CCFs		559,762

SUMMARY OF FINANCIAL POSITION:

Revenue Requirement and COS Rate Adjustment

To maintain the financial health and work toward operating income targets, a series of rate adjustments from 2021-2025 should be considered.

The operating income of \$1.0 million is projected for 2021 and cash reserves drop throughout the projection period. Debt coverage ratios are not sufficient throughout the projection period. Table 7 is a financial projection without rate adjustments; and with projected bond issues of \$3.2 million in 2021 and \$6.7 million in 2025.

Table 7 – Financial Summary (Without Rate Adjustments – With Bond Issues)

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Operating Cash Balance	Capital Improvements	Bond Issues	Debt Coverage Ratio
2021	0.0%	4,571,063	3,570,337	1,000,726	2,358,112	825,000	3,215,266	0.95
2022	0.0%	4,571,133	3,655,138	915,995	1,342,387	696,625	-	0.88
2023	0.0%	4,571,204	3,754,737	816,468	(775,926)	1,693,641		0.84
2024	0.0%	4,571,278	3,896,067	675,211	2,069,813	3,340,057	6,675,940	0.81
2025	0.0%	4,571,354	4,064,004	507,350	(1,797,340)	3,335,883		0.79
Target 2021				\$ 1,221,229	\$ 3,017,756			1.25/1.45
Target 2025				\$ 1,283,846	\$ 3,173,697			1.25/1.45

Proposed Rate Track

Increasing rates requires balancing the financial health of the utility with the financial impact on customers and cost of service results. Table 8 below is the five-year financial projection with proposed rate increases of 6.5% in 2021-2023 and 2.9% 2024-2025. This financial projection also includes two bond issuances of \$3.2 million in 2021 and \$6.7 million in 2024.

The rate track was developed to move toward the operating income targets. The rate track should be reviewed annually as changes in revenues, expenses and capital can impact the rate track and bonding requirements.

Table 8 – Financial Summary with Proposed Rates (with Bond Issues)

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Operating Cash Balance	Capital Improvements	Bond Issues	Debt Coverage Ratio
2021	6.5%	4,825,957	3,570,337	1,255,620	2,613,006	825,000	3,215,266	1.07
2022	6.5%	5,097,489	3,684,088	1,413,401	2,095,962	696,625	-	1.11
2023	6.5%	5,386,668	3,799,587	1,587,081	752,030	1,693,641		1.18
2024	2.9%	5,524,112	3,948,473	1,575,639	4,501,958	3,340,057	6,675,940	1.21
2025	2.9%	5,665,542	4,124,184	1,541,357	1,680,973	3,335,883		1.26
Target 2021				\$ 1,221,229	\$ 3,017,756			1.25/1.45
Target 2025				\$ 1,283,846	\$ 3,181,099			1.25/1.45

Operating Income improves and stabilizes over the projection period.

COST OF SERVICE COMPONENTS WATER OPERATION

The purpose of a cost of service study is to allocate costs between flow (Commodity Costs) and customer service costs (Customer Costs). The cost of service study was based on recognized procedures from the American Water Works Association.

Commodity Costs are costs that tend to vary with the quantity of water used, as well as costs associated with purchasing, pumping and distributing water to customers. Commodity costs include water purchase/treatment costs plus pumping stations and transmission lines.

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the operation and maintenance expenses related to meters and services, meter reading costs, billing and collection costs. The customer costs were allocated on the basis of the relative cost of meters and services and the number of customers.

Table 9 compares SHAWSA’s current customer charge with the results of the cost of service analysis. Table 9B compares the current commodity rates with the COS rates.

Table 9 – Comparison of Current Customer Service Charge with Cost of Service

	Meter Size	Current Total Monthly Charges	Cost of Service Monthly Meter Charges
Inside City	5/8"	\$ 37.69	\$ 23.46
	3/4"	37.69	23.46
	1"	50.36	39.09
	1.25"	71.95	-
	1.5"	93.67	78.19
	2"	133.86	125.10
	3"	234.44	234.57
	4"	351.43	390.95
	6"	552.12	781.90
	8"	867.82	1,251.04
Outside City	5/8"	32.91	23.46
	3/4"	32.91	23.46
	1"	43.97	39.09
	1.25"	62.80	-
	1.5"	81.77	78.19
	2"	116.83	125.10
	3"	204.68	234.57
	4"	306.78	390.95
	6"	481.97	781.90
	8"	757.47	1,251.04

The cost of service results reflects a typical industry standard and indicates a progressive charge by meter size; without usage included. This more closely aligns variable and fixed costs.

Table 9B shows the results of the cost of service study commodity rates.

Table 9B – Comparison of Current Commodity Rates with Cost of Service

Meter Size	Rate - 1st 25 CCF	Rate - 26 to 249 CCF	Rate - Over 250 CCF	Cost of Service Average CCF
ALL	\$ 2.592	\$ 2.333	\$ 2.268	\$ 3.717

SIGNIFICANT ASSUMPTIONS

This section outlines the procedures used to develop the cost of service study for SHAWSA and the related significant assumptions.

Forecasted Operating Expenses

Forecasted expenses were based on 2019 actual, YTD 2020 and Budget 2021 and adjusted for inflation.

Inflation

Inflation was assumed at 2.65% annually following SHAWSA's historical trends.

Growth

Growth on sales was projected at 0.0%

Depreciation Expense

Depreciation expense was projected based on historical capital additions and discussions with management on future capital additions.

Interest Income

Interest income was forecasted based on projected cash balances and an interest rate of 0.50%.

Capital Improvements

The capital improvement projections were provided by SHAWSA. Projections for 2021-2025 are listed below:

Fiscal Year	Projected Capital Improvement
2021	825,000
2022	696,625
2023	1,693,641
2024	3,340,057
2025	3,335,883

Water Operation Findings

1. For SHAWSA to maintain long-term financial targets of the water utility, rate increases should be considered. Below is a summary of the five-year financial projection with proposed rate increases of 6.5% in 2021-2023 and 2.9% in 2024-2025. This financial projection also includes bond issues of \$3.2 million in 2021 and \$6.7 million in 2024. The rate track should be reviewed annually as changes in revenues, expenses and capital can affect the rate track and bonding requirements.

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Operating Cash Balance	Capital Improvements	Bond Issues	Debt Coverage Ratio
2021	6.5%	4,825,957	3,570,337	1,255,620	2,613,006	825,000	3,215,266	1.07
2022	6.5%	5,097,489	3,684,088	1,413,401	2,095,962	696,625	-	1.11
2023	6.5%	5,386,668	3,799,587	1,587,081	752,030	1,693,641		1.18
2024	2.9%	5,524,112	3,948,473	1,575,639	4,501,958	3,340,057	6,675,940	1.21
2025	2.9%	5,665,542	4,124,184	1,541,357	1,680,973	3,335,883		1.26
Target 2021				\$ 1,221,229	\$ 3,017,756			1.25/1.45
Target 2025				\$ 1,283,846	\$ 3,181,099			1.25/1.45

2. The financial projection revenue, expenses and cash flow should be updated annually with the budget process to determine if rate track is on target. Any changes in revenues, expenses and capital improvements can greatly affect the rate track and bonding requirements.

Appendix 1 – Combined Financial Summary

Combined Financial Summary

The table below represents the combined projected financial summary for the water and sewer departments for the Utility. The rate track should be reviewed annually as changes in revenues, expenses and capital can affect the rate track and bonding requirements.

Fiscal Year	Projected Rate Adjustments (Water)	Projected Rate Adjustments (Sewer)	Projected Revenues	Projected Expenses	Adjusted Operating Income	Operating Cash Balance	Capital Improvements	Bond Issues	Debt Coverage Ratio
2021	6.5%	9.3%	9,207,582	7,667,192	1,540,390	5,259,288	1,943,000	5,707,128	1.13
2022	6.5%	9.9%	9,874,508	7,902,528	1,971,980	4,775,476	1,120,418	-	1.19
2023	6.5%	9.9%	10,598,226	8,124,721	2,473,505	3,298,145	2,643,710	-	1.33
2024	2.9%	9.9%	11,213,228	8,447,414	2,765,814	6,570,730	7,946,032	9,675,940	1.43
2025	2.9%	2.9%	11,508,397	8,775,409	2,732,989	4,785,475	3,746,317	-	1.43
Target 2021					\$ 2,358,321	\$ 5,293,021			1.25/1.45
Target 2025					\$ 2,712,272	\$ 5,605,087			1.25/1.45

Appendix 2 – Proposed Rate Design and Impacts

Year One – Rate Design 6.5% Overall

The rate was designed to blend Inside City and Outside City rates to reflect “one system” that the Authority is currently operating under. This blending will take place over several years of rate designs in order to work the inside city and outside city rates together overtime to lessen impacts to customers.

SHAWSA, MI				
Water Department				
Forecasted 2021 with 6.5% Proposed Rate Increase				
			Current Rates	Proposed 2021
Commodity Rate Inside		Rate - 1st 25 CCF	\$2.592	\$2.630
		Rate - 26 to 249 CCF	\$2.333	\$2.550
		Rate - Over 250 CCF	\$2.268	\$2.550
Commodity Rate Outside				
		Rate - 1st 25 CCF	\$2.592	\$2.630
		Rate - 26 to 249 CCF	\$2.333	\$2.550
		Rate - Over 250 CCF	\$2.268	\$2.550
Inside City				
	5/8"		\$ 37.69	\$ 40.00
	3/4"		37.69	40.00
	1"		50.36	55.00
	1.25"		71.95	80.00
	1.5"		93.67	100.00
	2"		133.86	145.00
	3"		234.44	245.00
	4"		351.43	365.00
	6"		552.12	570.00
	8"		867.82	870.00
Outside City				
	5/8"		\$ 32.91	\$ 35.50
	3/4"		32.91	35.50
	1"		43.97	48.50
	1.25"		62.80	71.00
	1.5"		81.77	88.50
	2"		116.83	128.00
	3"		204.68	216.00
	4"		306.78	324.00
	6"		481.97	505.00
	8"		757.47	770.00
Overall Increase			6.5%	

Appendix 2 – Proposed Rate Design and Impacts

Year One – Rate Design 6.5% Overall (Continued)

INSIDE CITY						OUTSIDE CITY					
5/8"			Current Rates	COS Charge	Proposed Rates	5/8"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 37.69	\$ 23.46	\$ 40.00			Customer Service Charge	\$ 32.91	\$ 23.46	\$ 35.50		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
6	\$ 53.24	\$ 45.76	\$ 55.78	\$ 2.54	4.77%	6	\$ 48.46	\$ 45.76	\$ 51.28	\$ 2.82	5.81%
7	\$ 55.83	\$ 49.48	\$ 58.41	2.58	4.61%	7	\$ 51.05	\$ 49.48	\$ 53.91	2.86	5.59%
9	\$ 61.02	\$ 56.91	\$ 63.67	2.65	4.35%	9	\$ 56.24	\$ 56.91	\$ 59.17	2.93	5.21%
12	\$ 68.79	\$ 68.06	\$ 71.56	2.77	4.02%	12	\$ 64.01	\$ 68.06	\$ 67.06	3.05	4.76%
15	\$ 76.57	\$ 79.21	\$ 79.45	2.88	3.76%	15	\$ 71.79	\$ 79.21	\$ 74.95	3.16	4.40%
3/4"			Current Rates	COS Charge	Proposed Rates	3/4"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 37.69	\$ 23.46	\$ 40.00			Customer Service Charge	\$ 32.91	\$ 23.46	\$ 35.50		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
6	\$ 53.24	\$ 45.76	\$ 55.78	\$ 2.54	4.77%	6	\$ 48.46	\$ 45.76	\$ 51.28	\$ 2.82	5.81%
7	\$ 55.83	\$ 49.48	\$ 58.41	2.58	4.61%	7	\$ 51.05	\$ 49.48	\$ 53.91	2.86	5.59%
9	\$ 61.02	\$ 56.91	\$ 63.67	2.65	4.35%	9	\$ 56.24	\$ 56.91	\$ 59.17	2.93	5.21%
12	\$ 68.79	\$ 68.06	\$ 71.56	2.77	4.02%	12	\$ 64.01	\$ 68.06	\$ 67.06	3.05	4.76%
15	\$ 76.57	\$ 79.21	\$ 79.45	2.88	3.76%	15	\$ 71.79	\$ 79.21	\$ 74.95	3.16	4.40%
1"			Current Rates	COS Charge	Proposed Rates	1"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 50.36	\$ 39.09	\$ 55.00			Customer Service Charge	\$ 43.97	\$ 39.09	\$ 48.50		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
10	\$ 76.28	\$ 76.27	\$ 81.30	\$ 5.02	6.58%	10	\$ 69.89	\$ 76.27	\$ 74.80	\$ 4.91	7.03%
15	\$ 89.24	\$ 94.85	\$ 94.45	5.21	5.84%	15	\$ 82.85	\$ 94.85	\$ 87.95	5.10	6.16%
20	\$ 102.20	\$ 113.44	\$ 107.60	5.40	5.28%	20	\$ 95.81	\$ 113.44	\$ 101.10	5.29	5.52%
25	\$ 115.16	\$ 132.02	\$ 120.75	5.59	4.85%	25	\$ 108.77	\$ 132.02	\$ 114.25	5.48	5.04%
30	\$ 126.83	\$ 150.61	\$ 133.50	6.68	5.26%	30	\$ 120.44	\$ 150.61	\$ 127.00	6.57	5.45%
1.5"			Current Rates	COS Charge	Proposed Rates	1.5"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 93.67	\$ 78.19	\$ 100.00			Customer Service Charge	\$ 81.77	\$ 78.19	\$ 88.50		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
30	\$ 170.14	\$ 189.71	\$ 178.50	\$ 8.36	4.92%	30	\$ 158.24	\$ 189.71	\$ 167.00	\$ 8.77	5.54%
35	\$ 181.80	\$ 208.29	\$ 191.25	9.45	5.20%	35	\$ 169.90	\$ 208.29	\$ 179.75	9.85	5.80%
40	\$ 193.47	\$ 226.88	\$ 204.00	10.54	5.45%	40	\$ 181.57	\$ 226.88	\$ 192.50	10.94	6.02%
45	\$ 205.13	\$ 245.46	\$ 216.75	11.62	5.66%	45	\$ 193.23	\$ 245.46	\$ 205.25	12.02	6.22%
50	\$ 216.80	\$ 264.05	\$ 229.50	12.71	5.86%	50	\$ 204.90	\$ 264.05	\$ 218.00	13.11	6.40%

Appendix 2 – Proposed Rate Design and Impacts

Year One – Rate Design 6.5% Overall (Continued)

2"						2"					
	Current Rates	COS Charge	Proposed Rates				Current Rates	COS Charge	Proposed Rates		
Customer Service Ch	\$ 133.86	\$ 125.10	\$ 145.00			Customer Service Ch	\$ 116.83	\$ 125.10	\$ 128.00		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
50	\$ 256.99	\$ 310.96	\$ 274.50	\$ 17.52	6.82%	50	\$ 239.96	\$ 310.96	\$ 257.50	\$ 17.55	7.31%
60	\$ 280.32	\$ 348.13	\$ 300.00	19.69	7.02%	60	\$ 263.29	\$ 348.13	\$ 283.00	19.72	7.49%
70	\$ 303.65	\$ 385.31	\$ 325.50	21.86	7.20%	70	\$ 286.62	\$ 385.31	\$ 308.50	21.89	7.64%
80	\$ 326.98	\$ 422.48	\$ 351.00	24.03	7.35%	80	\$ 309.95	\$ 422.48	\$ 334.00	24.06	7.76%
90	\$ 350.31	\$ 459.65	\$ 376.50	26.20	7.48%	90	\$ 333.28	\$ 459.65	\$ 359.50	26.23	7.87%
3"						3"					
	Current Rates	COS Charge	Proposed Rates				Current Rates	COS Charge	Proposed Rates		
Customer Service Ch	\$ 234.44	\$ 234.57	\$ 245.00			Customer Service Ch	\$ 204.68	\$ 234.57	\$ 216.00		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
90	\$ 450.89	\$ 569.12	\$ 476.50	\$ 25.62	5.68%	90	\$ 421.13	\$ 569.12	\$ 447.50	\$ 26.38	6.26%
120	\$ 520.88	\$ 680.63	\$ 553.00	32.13	6.17%	120	\$ 491.12	\$ 680.63	\$ 524.00	32.89	6.70%
140	\$ 567.54	\$ 754.98	\$ 604.00	36.46	6.43%	140	\$ 537.78	\$ 754.98	\$ 575.00	37.22	6.92%
160	\$ 614.20	\$ 829.32	\$ 655.00	40.80	6.64%	160	\$ 584.44	\$ 829.32	\$ 626.00	41.56	7.11%
180	\$ 660.86	\$ 903.66	\$ 706.00	45.15	6.83%	180	\$ 631.10	\$ 903.66	\$ 677.00	45.91	7.27%
4"						4"					
	Current Rates	COS Charge	Proposed Rates				Current Rates	COS Charge	Proposed Rates		
Customer Service Ch	\$ 351.43	\$ 390.95	\$ 365.00			Customer Service Ch	\$ 306.78	\$ 390.95	\$ 324.00		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
180	\$ 777.85	\$ 1,060.04	\$ 826.00	\$ 48.16	6.19%	180	\$ 733.20	\$ 1,060.04	\$ 785.00	\$ 51.81	7.07%
200	\$ 824.51	\$ 1,134.39	\$ 877.00	52.49	6.37%	200	\$ 779.86	\$ 1,134.39	\$ 836.00	56.15	7.20%
220	\$ 871.17	\$ 1,208.73	\$ 928.00	56.83	6.52%	220	\$ 826.52	\$ 1,208.73	\$ 887.00	60.48	7.32%
240	\$ 917.83	\$ 1,283.07	\$ 979.00	61.18	6.67%	240	\$ 873.18	\$ 1,283.07	\$ 938.00	64.83	7.42%
260	\$ 964.49	\$ 1,357.42	\$ 1,030.00	65.52	6.79%	260	\$ 919.84	\$ 1,357.42	\$ 989.00	69.17	7.52%
6"						6"					
	Current Rates	COS Charge	Proposed Rates				Current Rates	COS Charge	Proposed Rates		
Customer Service Ch	\$ 552.12	\$ 781.90	\$ 570.00			Customer Service Ch	\$ 481.97	\$ 781.90	\$ 505.00		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
200	\$ 1,025.20	\$ 1,525.34	\$ 1,082.00	\$ 56.81	5.54%	200	\$ 955.05	\$ 1,525.34	\$ 1,017.00	\$ 61.95	6.49%
220	\$ 1,071.86	\$ 1,599.68	\$ 1,133.00	61.15	5.70%	220	\$ 1,001.71	\$ 1,599.68	\$ 1,068.00	66.30	6.62%
240	\$ 1,118.52	\$ 1,674.02	\$ 1,184.00	65.49	5.85%	240	\$ 1,048.37	\$ 1,674.02	\$ 1,119.00	70.64	6.74%
260	\$ 1,165.18	\$ 1,748.37	\$ 1,235.00	69.83	5.99%	260	\$ 1,095.03	\$ 1,748.37	\$ 1,170.00	74.97	6.85%
280	\$ 1,211.84	\$ 1,822.71	\$ 1,286.00	74.17	6.12%	280	\$ 1,141.69	\$ 1,822.71	\$ 1,221.00	79.32	6.95%
8"						8"					
	Current Rates	COS Charge	Proposed Rates				Current Rates	COS Charge	Proposed Rates		
Customer Service Ch	\$ 867.82	\$ 1,251.04	\$ 870.00			Customer Service Ch	\$ 757.47	\$ 1,251.04	\$ 770.00		
Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630			Rate - 1st 25 CCF	\$ 2.592	\$ 3.717	\$ 2.630		
Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550			Rate - 26 to 249 CCF	\$ 2.333	\$ 3.717	\$ 2.550		
Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550			Rate - Over 250 CCF	\$ 2.268	\$ 3.717	\$ 2.550		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
300	\$ 1,574.20	\$ 2,366.19	\$ 1,637.00	\$ 62.80	3.99%	300	\$ 1,463.85	\$ 2,366.19	\$ 1,537.00	\$ 73.16	5.00%
400	\$ 1,807.50	\$ 2,737.91	\$ 1,892.00	84.50	4.68%	400	\$ 1,697.15	\$ 2,737.91	\$ 1,792.00	94.86	5.59%
500	\$ 2,040.80	\$ 3,109.63	\$ 2,147.00	106.21	5.20%	500	\$ 1,930.45	\$ 3,109.63	\$ 2,047.00	116.56	6.04%
1000	\$ 3,207.30	\$ 4,968.22	\$ 3,422.00	214.71	6.69%	1000	\$ 3,096.95	\$ 4,968.22	\$ 3,322.00	225.06	7.27%
2100	\$ 5,773.60	\$ 9,057.12	\$ 6,227.00	453.41	7.85%	2100	\$ 5,663.25	\$ 9,057.12	\$ 6,127.00	463.75	8.19%

Appendix 2 – Proposed Rate Design and Impacts

Year Two – Rate Design 6.5% Overall

The rate was designed to blend Inside City and Outside City rates to reflect “one system” that the Authority is currently operating under. This blending will take place over several years of rate designs in order to work the inside city and outside city rates together overtime to lessen impacts to customers.

SHAWSA, MI					
Water Department					
Forecasted 2022 with 6.5% Proposed Rate Increase					
			Current Rates	COS Rates	Proposed 2022
Commodity Rate Inside	Rate - 1st 25 CCF		\$2.630	\$3.717	\$2.730
	Rate - 26 to 249 CCF		\$2.550	\$3.717	\$2.730
	Rate - Over 250 CCF		\$2.550	\$3.717	\$2.730
Commodity Rate Outside					
	Rate - 1st 25 CCF		\$2.630	\$3.717	\$2.730
	Rate - 26 to 249 CCF		\$2.550	\$3.717	\$2.730
	Rate - Over 250 CCF		\$2.550	\$3.717	\$2.730
Inside City					
	5/8"		\$ 40.00	\$ 23.46	\$ 42.25
	3/4"		40.00	23.46	\$ 42.25
	1"		55.00	39.09	\$ 60.00
	1.25"		80.00	-	\$ 88.00
	1.5"		100.00	78.19	\$ 109.00
	2"		145.00	125.10	\$ 156.50
	3"		245.00	234.57	\$ 260.00
	4"		365.00	390.95	\$ 390.00
	6"		570.00	781.90	\$ 600.00
	8"		870.00	1,251.04	\$ 900.00
Outside City					
	5/8"		\$ 35.50	\$ 23.46	\$ 38.00
	3/4"		35.50	23.46	38.00
	1"		48.50	39.09	54.00
	1.25"		71.00	-	79.00
	1.5"		88.50	78.19	98.00
	2"		128.00	125.10	141.00
	3"		216.00	234.57	234.00
	4"		324.00	390.95	350.00
	6"		505.00	781.90	540.00
	8"		770.00	1,251.04	810.00
Overall Increase					6.5%

Appendix 2 – Proposed Rate Design and Impacts

Year Two – Rate Design 6.5% Overall (Continued)

INSIDE CITY						OUTSIDE CITY					
5/8"			Current Rates	COS Charge	Proposed Rates	5/8"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 40.00	\$ 23.46	\$ 42.25			Customer Service Charge	\$ 35.50	\$ 23.46	\$ 38.00		
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730			Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730		
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
5	\$ 53.15	\$ 42.04	\$ 55.90	\$ 2.75	5.17%	5	\$ 48.65	\$ 42.04	\$ 51.65	\$ 3.00	6.17%
7	\$ 58.41	\$ 49.48	\$ 61.36	2.95	5.05%	7	\$ 53.91	\$ 49.48	\$ 57.11	3.20	5.94%
9	\$ 63.67	\$ 56.91	\$ 66.82	3.15	4.95%	9	\$ 59.17	\$ 56.91	\$ 62.57	3.40	5.75%
12	\$ 71.56	\$ 68.06	\$ 75.01	3.45	4.82%	12	\$ 67.06	\$ 68.06	\$ 70.76	3.70	5.52%
15	\$ 79.45	\$ 79.21	\$ 83.20	3.75	4.72%	15	\$ 74.95	\$ 79.21	\$ 78.95	4.00	5.34%
3/4"			Current Rates	COS Charge	Proposed Rates	3/4"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 40.00	\$ 23.46	\$ 42.25			Customer Service Charge	\$ 35.50	\$ 23.46	\$ 38.00		
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730			Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730		
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
5	\$ 53.15	\$ 42.04	\$ 55.90	\$ 2.75	5.17%	5	\$ 48.65	\$ 42.04	\$ 51.65	\$ 3.00	6.17%
7	\$ 58.41	\$ 49.48	\$ 61.36	2.95	5.05%	7	\$ 53.91	\$ 49.48	\$ 57.11	3.20	5.94%
9	\$ 63.67	\$ 56.91	\$ 66.82	3.15	4.95%	9	\$ 59.17	\$ 56.91	\$ 62.57	3.40	5.75%
12	\$ 71.56	\$ 68.06	\$ 75.01	3.45	4.82%	12	\$ 67.06	\$ 68.06	\$ 70.76	3.70	5.52%
15	\$ 79.45	\$ 79.21	\$ 83.20	3.75	4.72%	15	\$ 74.95	\$ 79.21	\$ 78.95	4.00	5.34%
1"			Current Rates	COS Charge	Proposed Rates	1"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 55.00	\$ 39.09	\$ 60.00			Customer Service Charge	\$ 48.50	\$ 39.09	\$ 54.00		
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730			Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730		
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
10	\$ 81.30	\$ 76.27	\$ 87.30	\$ 6.00	7.38%	10	\$ 74.80	\$ 76.27	\$ 81.30	\$ 6.50	8.69%
15	\$ 94.45	\$ 94.85	\$ 100.95	6.50	6.88%	15	\$ 87.95	\$ 94.85	\$ 94.95	7.00	7.96%
20	\$ 107.60	\$ 113.44	\$ 114.60	7.00	6.51%	20	\$ 101.10	\$ 113.44	\$ 108.60	7.50	7.42%
25	\$ 120.75	\$ 132.02	\$ 128.25	7.50	6.21%	25	\$ 114.25	\$ 132.02	\$ 122.25	8.00	7.00%
30	\$ 133.50	\$ 150.61	\$ 141.90	8.40	6.29%	30	\$ 127.00	\$ 150.61	\$ 135.90	8.90	7.01%
1.5"			Current Rates	COS Charge	Proposed Rates	1.5"			Current Rates	COS Charge	Proposed Rates
Customer Service Charge	\$ 100.00	\$ 78.19	\$ 109.00			Customer Service Charge	\$ 88.50	\$ 78.19	\$ 98.00		
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730			Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730		
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730			Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730		
Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Monthly Usage Level in CCF	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change
30	\$ 178.50	\$ 189.71	\$ 190.90	\$ 12.40	6.95%	30	\$ 167.00	\$ 189.71	\$ 179.90	\$ 12.90	7.72%
35	\$ 191.25	\$ 208.29	\$ 204.55	13.30	6.95%	35	\$ 179.75	\$ 208.29	\$ 193.55	13.80	7.68%
40	\$ 204.00	\$ 226.88	\$ 218.20	14.20	6.96%	40	\$ 192.50	\$ 226.88	\$ 207.20	14.70	7.64%
45	\$ 216.75	\$ 245.46	\$ 231.85	15.10	6.97%	45	\$ 205.25	\$ 245.46	\$ 220.85	15.60	7.60%
50	\$ 229.50	\$ 264.05	\$ 245.50	16.00	6.97%	50	\$ 218.00	\$ 264.05	\$ 234.50	16.50	7.57%

Appendix 2 – Proposed Rate Design and Impacts

Year Two – Rate Design 6.5% Overall (Continued)

2"				2"							
	Current Rates	COS Charge	Proposed Rates		Current Rates	COS Charge	Proposed Rates				
Customer Service Ch	\$ 145.00	\$ 125.10	\$ 156.50	Customer Service Ch	\$ 128.00	\$ 125.10	\$ 141.00				
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730	Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730				
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Monthly Usage Level in CCF				Monthly Usage Level in CCF							
	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	
50	\$ 274.50	\$ 310.96	\$ 293.00	\$ 18.50	6.74%	50	\$ 257.50	\$ 310.96	\$ 277.50	\$ 20.00	7.77%
60	\$ 300.00	\$ 348.13	\$ 320.30	\$ 20.30	6.77%	60	\$ 283.00	\$ 348.13	\$ 304.80	\$ 21.80	7.70%
70	\$ 325.50	\$ 385.31	\$ 347.60	\$ 22.10	6.79%	70	\$ 308.50	\$ 385.31	\$ 332.10	\$ 23.60	7.65%
80	\$ 351.00	\$ 422.48	\$ 374.90	\$ 23.90	6.81%	80	\$ 334.00	\$ 422.48	\$ 359.40	\$ 25.40	7.60%
90	\$ 376.50	\$ 459.65	\$ 402.20	\$ 25.70	6.83%	90	\$ 359.50	\$ 459.65	\$ 386.70	\$ 27.20	7.57%
3"				3"							
	Current Rates	COS Charge	Proposed Rates		Current Rates	COS Charge	Proposed Rates				
Customer Service Ch	\$ 245.00	\$ 234.57	\$ 260.00	Customer Service Ch	\$ 216.00	\$ 234.57	\$ 234.00				
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730	Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730				
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Monthly Usage Level in CCF				Monthly Usage Level in CCF							
	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	
90	\$ 476.50	\$ 569.12	\$ 505.70	\$ 29.20	6.13%	90	\$ 447.50	\$ 569.12	\$ 479.70	\$ 32.20	7.20%
120	\$ 553.00	\$ 680.63	\$ 587.60	\$ 34.60	6.26%	120	\$ 524.00	\$ 680.63	\$ 561.60	\$ 37.60	7.18%
140	\$ 604.00	\$ 754.98	\$ 642.20	\$ 38.20	6.32%	140	\$ 575.00	\$ 754.98	\$ 616.20	\$ 41.20	7.17%
160	\$ 655.00	\$ 829.32	\$ 696.80	\$ 41.80	6.38%	160	\$ 626.00	\$ 829.32	\$ 670.80	\$ 44.80	7.16%
180	\$ 706.00	\$ 903.66	\$ 751.40	\$ 45.40	6.43%	180	\$ 677.00	\$ 903.66	\$ 725.40	\$ 48.40	7.15%
4"				4"							
	Current Rates	COS Charge	Proposed Rates		Current Rates	COS Charge	Proposed Rates				
Customer Service Ch	\$ 365.00	\$ 390.95	\$ 390.00	Customer Service Ch	\$ 324.00	\$ 390.95	\$ 350.00				
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730	Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730				
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Monthly Usage Level in CCF				Monthly Usage Level in CCF							
	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	
180	\$ 826.00	\$ 1,060.04	\$ 881.40	\$ 55.40	6.71%	180	\$ 785.00	\$ 1,060.04	\$ 841.40	\$ 56.40	7.18%
200	\$ 877.00	\$ 1,134.39	\$ 936.00	\$ 59.00	6.73%	200	\$ 836.00	\$ 1,134.39	\$ 896.00	\$ 60.00	7.18%
220	\$ 928.00	\$ 1,208.73	\$ 990.60	\$ 62.60	6.75%	220	\$ 887.00	\$ 1,208.73	\$ 950.60	\$ 63.60	7.17%
240	\$ 979.00	\$ 1,283.07	\$ 1,045.20	\$ 66.20	6.76%	240	\$ 938.00	\$ 1,283.07	\$ 1,005.20	\$ 67.20	7.16%
260	\$ 1,030.00	\$ 1,357.42	\$ 1,099.80	\$ 69.80	6.78%	260	\$ 989.00	\$ 1,357.42	\$ 1,059.80	\$ 70.80	7.16%
6"				6"							
	Current Rates	COS Charge	Proposed Rates		Current Rates	COS Charge	Proposed Rates				
Customer Service Ch	\$ 570.00	\$ 781.90	\$ 600.00	Customer Service Ch	\$ 505.00	\$ 781.90	\$ 540.00				
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730	Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730				
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Monthly Usage Level in CCF				Monthly Usage Level in CCF							
	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	
200	\$ 1,082.00	\$ 1,525.34	\$ 1,146.00	\$ 64.00	5.91%	200	\$ 1,017.00	\$ 1,525.34	\$ 1,086.00	\$ 69.00	6.78%
220	\$ 1,133.00	\$ 1,599.68	\$ 1,200.60	\$ 67.60	5.97%	220	\$ 1,068.00	\$ 1,599.68	\$ 1,140.60	\$ 72.60	6.80%
240	\$ 1,184.00	\$ 1,674.02	\$ 1,255.20	\$ 71.20	6.01%	240	\$ 1,119.00	\$ 1,674.02	\$ 1,195.20	\$ 76.20	6.81%
260	\$ 1,235.00	\$ 1,748.37	\$ 1,309.80	\$ 74.80	6.06%	260	\$ 1,170.00	\$ 1,748.37	\$ 1,249.80	\$ 79.80	6.82%
280	\$ 1,286.00	\$ 1,822.71	\$ 1,364.40	\$ 78.40	6.10%	280	\$ 1,221.00	\$ 1,822.71	\$ 1,304.40	\$ 83.40	6.83%
8"				8"							
	Current Rates	COS Charge	Proposed Rates		Current Rates	COS Charge	Proposed Rates				
Customer Service Ch	\$ 870.00	\$ 1,251.04	\$ 900.00	Customer Service Ch	\$ 770.00	\$ 1,251.04	\$ 810.00				
Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730	Rate - 1st 25 CCF	\$ 2.630	\$ 3.717	\$ 2.730				
Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - 26 to 249 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730	Rate - Over 250 CCF	\$ 2.550	\$ 3.717	\$ 2.730				
Monthly Usage Level in CCF				Monthly Usage Level in CCF							
	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	Current Rates	COS Charge	Proposed Rates	Dollar Impact	Percent Change	
300	\$ 1,637.00	\$ 2,366.19	\$ 1,719.00	\$ 82.00	5.01%	300	\$ 1,537.00	\$ 2,366.19	\$ 1,629.00	\$ 92.00	5.99%
400	\$ 1,892.00	\$ 2,737.91	\$ 1,992.00	\$ 100.00	5.29%	400	\$ 1,792.00	\$ 2,737.91	\$ 1,902.00	\$ 110.00	6.14%
500	\$ 2,147.00	\$ 3,109.63	\$ 2,265.00	\$ 118.00	5.50%	500	\$ 2,047.00	\$ 3,109.63	\$ 2,175.00	\$ 128.00	6.25%
1000	\$ 3,422.00	\$ 4,968.22	\$ 3,630.00	\$ 208.00	6.08%	1000	\$ 3,322.00	\$ 4,968.22	\$ 3,540.00	\$ 218.00	6.56%
2100	\$ 6,227.00	\$ 9,057.12	\$ 6,633.00	\$ 406.00	6.52%	2100	\$ 6,127.00	\$ 9,057.12	\$ 6,543.00	\$ 416.00	6.79%