

Comments:

The purpose of this schedule is to calculate just, reasonable, and adequate rates to generate sufficient revenues to fully fund the fixed expenses and reserve requirements to promote the Company's safe, healthy, economical, efficient, and reliable operation. Just, reasonable, and adequate rates will protect the long-range interests of consumers in obtaining continued quality and proper levels of service at the lowest cost to customers.

Lines 18 and 19, Fixed Monthly Rates

This section shows the percentage of fixed expenses paid for between the connected and standby customers. Standby customers are not typically connected to the water system or using its services and therefore pay less than connected customers. Standby charges are essentially an assessment charged to unimproved properties to ensure that adequate water service will be available for that parcel when needed.

These monthly rates are calculated after taxes.