

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.

Variable Rates

Lines 1 to 6, Variable Production Expenses

This is the break-even variable rate per 1,000 gallons charged to connected customers. This amount is the minimum variable cost for delivering water.

Lines 8 to 16, Recommended Tiers Schedule

All water consumed within the first tier is sold to the customer at the Company's cost. Each subsequent tier increases by the number of gallons listed on line 11, Monthly Water Usage Amounts. In addition, each successive tier's rate per 1,000 gallons increases by the "Increase Factor." Increasing tiered rates is used as a conservation measure and has been approved by the Commission in other dockets.

For any excess collections, especially in tiers with higher rates, the Company must deposit the extra collections into its restricted capital reserve account.

Fixed Monthly Rates

Lines 20 to 38, Fixed Expenses

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.

Billing

Lines 46 to 53, Billing Range

This shows the billing range for each tier. Each tier is cumulative with the previous tier(s).