

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HENDERSON )  
COUNTY WATER DISTRICT FOR APPROVAL ) CASE NO.  
OF A PROPOSED INCREASE IN RATES FOR ) 2005-00072  
WATER SERVICE )

ORDER

On March 9, 2005, Henderson County Water District ("Henderson") filed its application for Commission approval of proposed water rates. Commission Staff, having performed a limited financial review of Henderson's operations, has prepared the attached Staff Report containing Staff's findings and recommendations regarding the proposed rates. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 15<sup>th</sup> day of April, 2005.

By the Commission

ATTEST:



Executive Director

STAFF REPORT  
ON  
HENDERSON COUNTY WATER DISTRICT  
CASE NO. 2005-00072

On March 9, 2005 Henderson County Water District (“Henderson”) filed an application to adjust its general rates for water service. In its application Henderson presented evidence showing that its total revenue requirement is \$2,458,011 and that its current rates produce a revenue requirement deficiency of \$558,273.

To lessen the immediate impact of the rate adjustment on its customers, Henderson requests permission to gradually increase its rates over a four year period through a three phase “step increase.” Pursuant to Henderson’s phase-in plan it would implement rates immediately following the Commission’s Final Order in this case that generate additional annual revenues of \$357,765. Those rates would be charged for a two year period. After two years Henderson would again increase its rates for service to generate an additional \$120,306 in operating revenue. These rates would also be in effect for two years after which time the third and final phase of the rate adjustment would become effective producing additional annual revenues of \$80,204. At the end of the four year phase-in period, Henderson will have adjusted its rates to eliminate the entire \$558,273 annual revenue requirement deficiency as determined by Henderson.

Henderson’s phase-in rate plan would increase a residential customer’s bill using 5,000 gallons per month as follows:

	Cost of 5,000 Gallons	Dollar Increase	Percentage Increase
Current Rates	\$ 22.85		
Phase 1	27.28	\$ 4.43	19.39%
Phase 2	28.77	1.49	5.46%
Phase 3	29.78	1.01	3.51%

To establish the basis for its application, Henderson selected the calendar year ended December 31, 2003, as its test year. Henderson proposed pro forma adjustments to its test year operations. Henderson's adjusted operating statement detailing test year operations and its adjustments thereto are shown in this report at Attachment A.

To review Henderson's application, Staff conducted a field review to gather information concerning Henderson's test year operating results and pro forma adjustments. The scope of Staff's review was limited to obtaining information as to whether test period operating revenues and expenses were representative of normal operations. All pro forma adjustments to test year operations are required to be known and measurable pursuant to 807 KAR 5:001 Section 10 (7). Insignificant or immaterial discrepancies were not pursued and are not addressed herein.

This report summarizes Staff's review and recommendations. Scott Lawless is responsible for the revenue requirement determination while Jason Green and Jessamyn Thompson determined pro forma revenues and developed the rates recommended by Staff.

Attachment B of this report details Henderson's test year adjusted operating statement as determined by Staff. Attachment B also includes explanations of Staff's

pro forma adjustments to test year operations as well as comments concerning the adjustments proposed by Henderson as shown in Attachment A.

Attachment C of this report details a comparison of Henderson's annual revenue requirements as requested by Henderson and recommended by Staff. Attachment C also includes explanations of the differences in Henderson's and Staff's calculations.

As shown at Attachment C, Staff determined Henderson's maximum and minimum revenue requirement from rates to be \$2,312,490 and \$1,908,897, respectively. As determined by Staff, Henderson's revenue deficiency to meet its maximum revenue requirement is \$482,477. Staff recommends that the Commission approve rates for Henderson increasing its revenues from rates by \$482,477.

Staff further recommends that the Commission grant Henderson's request to phase-in rates to reduce customer rate shock. Staff proposes a two phase rate increase for Henderson to be implemented over a two year period. In the first phase, Henderson's rates would be adjusted to produce additional annual revenues of \$357,765. Phase one rates would be effective for two years after which time phase two rates would become effective producing additional annual revenues of \$124,712. Staff's proposed plan will eliminate Henderson's revenue deficiency after two years and follows Henderson's original phase-in plan.

Henderson submitted a cost of service study as a part of its application. Staff has reviewed that study and has determined it to be in accordance with guidelines set out in the American Water Works Association Manual M-1. Staff utilized Henderson's study to allocate its recommended pro forma revenue requirements in developing Staff's recommended rates. Staff's recommended rates are shown in Attachment D.

The monthly bill for a residential customer using 5,000 gallons will increase as follows:

	Cost of 5,000 Gallons	Dollar Increase	Percentage Increase
Current Rates	\$ 22.85		
Phase 1	27.21	\$ 4.36	19.08%
Phase 2	28.83	1.62	5.95%

Staff recommends that Henderson be required to file with the Commission a revised tariff within thirty days prior to the effective date of phase two rates which shall be two years from the date of the Commission's Final Order in this case. Henderson should also be required to provide its customers with a one-time notice with the implementation of phase two rates.

Signatures

---

Prepared by: Jack Scott Lawless, CPA  
Public Utility Financial Analyst  
Water and Sewer Revenue  
Requirements Branch  
Division of Financial Analysis

---

Prepared by: Jason Green  
Public Utility Rate Analyst  
Communications, Water and Sewer  
Rate Design Branch  
Division of Financial Analysis

---

Prepared by: Jessamyn Thompson  
Public Utility Rate Analyst  
Communications, Water and Sewer  
Rate Design Branch  
Division of Financial Analysis

ATTACHMENT A  
 STAFF REPORT CASE NO. 2005-00072  
 HENDERSON'S PROPOSED ADJUSTED OPERATING STATEMENT

	Test Year	Adjustments	Pro Forma
Operating Revenues			
Water Sales	\$ 1,834,563	\$ (4,550)	\$ 1,830,013
Other Operating Revenue	69,725		69,725
Total Operating Revenues	<u>1,904,288</u>	<u>(4,550)</u>	<u>1,899,738</u>
Operating Expenses			
Operation and Maintenance			
Salaries and Wages - Employees	230,687		230,687
Salaries and Wages - Commissioners	8,960		8,960
Employee Pensions and Benefits	108,724		108,724
Purchased Water	680,825	213,576	894,401
Purchased Power:			
Field	24,145		24,145
Office	10,369		10,369
Materials and Supplies	113,381		113,381
Contractual Service	24,510		24,510
Rent	526		526
Transportation Expense	23,470		23,470
Insurance	29,605		29,605
Advertising	810		810
Amortization of Rate Case Expense	7,539	-	7,539
Bad Debt	7,391		7,391
Miscellaneous Expenses	6,732		6,732
Total Operation and Maintenance	1,277,674	213,576	1,491,250
Taxes Other Than Income	25,214		25,214
Depreciation	384,866	16,154	401,020
Total Operating Expenses	<u>1,687,754</u>	<u>229,730</u>	<u>1,917,484</u>
Net Operating Income	<u>216,534</u>	<u>(234,280)</u>	<u>(17,746)</u>
Interest Income	41,095	(41,095)	-
Income Available to Service Debt	<u>\$ 257,629</u>	<u>\$ (275,375)</u>	<u>\$ (17,746)</u>

ATTACHMENT B  
 STAFF REPORT CASE NO. 2005-00072  
 STAFF'S RECOMMENDED ADJUSTED OPERATING STATEMENT

	Test Year	Adjustments	Ref.	Pro Forma
Operating Revenues				
Water Sales	\$ 1,834,563	\$ (4,550)	(A)	\$ 1,830,013
Other Operating Revenue	69,725			69,725
<b>Total Operating Revenues</b>	<b>1,904,288</b>	<b>(4,550)</b>		<b>1,899,738</b>
Operating Expenses				
Operation and Maintenance				
Salaries and Wages - Employees	230,687	75,157	(B)	305,844
Salaries and Wages - Commissioners	8,960			8,960
Employee Pensions and Benefits	108,724	28,929	(C)	137,653
Purchased Water	680,825	109,546	(D)	790,371
Purchased Power:				
Field	24,145	(1,879)	(E)	22,266
Office	10,369			10,369
Materials and Supplies	113,381	(38,840)	(B)	74,541
Contractual Service	24,510			24,510
Rent	526			526
Transportation Expense	23,470			23,470
Insurance	29,605			29,605
Advertising	810			810
Amortization of Rate Case Expense	7,539	(6,028)	(F)	1,511
Bad Debt	7,391	(2,373)	(G)	5,018
Miscellaneous Expenses	6,732	(2,058)	(H)	4,674
<b>Total Operation and Maintenance</b>	<b>1,277,674</b>	<b>162,453</b>		<b>1,440,127</b>
Taxes Other Than Income	25,214	3,284	(I)	28,498
Depreciation	384,866	1,686	(B)	
		758	(C)	
		129	(I)	
		16,154	(J)	403,593
<b>Total Operating Expenses</b>	<b>1,687,754</b>	<b>184,464</b>		<b>1,872,218</b>
<b>Net Operating Income</b>	<b>216,534</b>	<b>(189,014)</b>		<b>27,520</b>
Interest Income	41,095			41,095
<b>Income Available to Service Debt</b>	<b>\$ 257,629</b>	<b>\$ (189,014)</b>		<b>\$ 68,615</b>

(A) Water Sales. Henderson reported test year water sales at \$1,834,563. Henderson proposed to decrease the test year amount by \$4,550 to state pro forma water sales at \$1,830,013 as determined by Henderson's billing analysis as shown in the Application at Exhibit 5. Staff agrees with Henderson's adjustment and recommends that it be accepted by the Commission.

(B) Salaries and Wages. Henderson's test year salaries and wages of \$284,385 were reported as follows:

101 Utility Plant in Service – Mains and Services	\$14,857
601 Salaries and Wages	230,687
620 Materials and Supplies	<u>38,841</u>
Gross Pay	<u>\$284,385</u>

Henderson did not propose pro forma adjustments to the test year amounts.

Staff determined pro forma gross pay to be \$322,702 by applying current employee pay rates to test year regular and overtime hours worked by all current employees and adding to that amount the annual pay of an employee hired on July 15, 2004. The new hire's pro forma pay was determined by annualizing his current hourly pay rate applied to a 40 hour work week schedule. Employees included in the test year's gross pay that are no longer employed by Henderson were excluded from the pro forma calculation. Staff determined that \$16,859<sup>1</sup> of the pro forma gross pay should be capitalized based on the test year salary and wage capitalization rate of 5.2243<sup>2</sup> percent.

---

<sup>1</sup>	Pro forma gross payroll	\$322,702
	Times: Capitalization rate	5.2243%
	Amount to capitalize	<u>\$16,859</u>
<sup>2</sup>	Test year salaries and wages charged to account 101	\$14,857
	Divide by: Gross test year salaries and wages	<u>284,385</u>
	Capitalization percentage	<u>5.2243%</u>



Staff disagrees with Henderson’s inclusion of Salaries and Wages in account 620 and has charged all pro forma salaries and wages expense to account 601. Staff’s recommended adjustment to account 601 appears as follows:

Pro forma Gross Payroll	\$322,702
Less: Capitalized Labor	<u>(16,859)</u>
Pro forma expense	305,843
Less: Test year amount charged to account 601	<u>230,687</u>
Increase	<u>\$75,154</u>

Since all pro forma salaries and wages expense has been included in account 601, it is necessary and appropriate to eliminate the test year amount included in account 620 of \$38,840.

Staff has increased test year depreciation expense by \$1,686<sup>3</sup> to include depreciation on pro forma capitalized salaries and wages.

(C) Employee Pensions and Benefits. This account includes Henderson’s contributions to the County Employees Retirement System on behalf of its employees and Henderson’s portion of employee health insurance premiums. The test year expense for retirement and health insurance was \$19,385 and \$89,339, respectively. Henderson did not propose adjustments to this account.

Staff recommends that the test year expense be increased by \$28,929. Staff determined its adjustment by first annualizing Henderson’s portion of the monthly health insurance premiums paid at the time of Staff’s field work. To that amount Staff added a provision for pro forma retirement contributions to be made by Henderson. Staff determined the pro forma retirement contributions by applying the current employer

---

<sup>3</sup> Pro forma salaries and wages capitalized \$16,859  
 Divide by: Depreciable life of meters and services 10 years  
 Increase to test year depreciation \$1,686

contribution rate of 7.34 percent to total pro forma payroll. Staff then applied the salary and wage capitalization rate to the total pro forma retirement and health insurance payments to determine the pro forma pensions and benefits expense. Staff's recommended adjustment is calculated below.

Health Insurance:	
Current monthly health insurance premium	\$10,600
Less: Monthly employee contribution	(471)
Monthly charge to Henderson	10,129
Times: 12 months	<u>12</u>
Pro forma health insurance paid by Henderson	<u>\$121,548</u>
Retirement:	
Pro forma gross pay	\$322,702
Times: Current contribution rate	<u>7.34%</u>
Pro forma retirement contributions	<u>\$23,686</u>
Pro forma health insurance	\$121,548
Plus: Pro forma retirement	<u>23,686</u>
Total pro forma pensions and benefits	145,234
Times: Salary and wage capitalization rate	<u>5.22%</u>
Pro forma pensions and benefits capitalized	<u>\$7,581</u>
Pro forma pensions and benefits expensed	\$137,653 <sup>4</sup>
Less: Test year	(108,724)
Increase	<u>\$28,929</u>

To allow for recovery of the capitalized employee pensions and benefits, Staff recommends that test year depreciation be increased \$758.<sup>5</sup>

(D) Purchased Water. Henderson reported test year purchased water expense of \$680,825. Due to a rate increase by Henderson Water Utility, Henderson's sole water

---

<sup>4</sup>	Total pro forma health insurance and retirement	\$145,234
	Less: Pro forma health insurance and retirement capitalized	(7,581)
	Pro forma health insurance and retirement expense	<u>\$137,653</u>

<sup>5</sup>	Pro forma capitalized pensions and benefits	\$7,581
	Divided by: Depreciable life	10 yrs
	Increase	<u>\$758</u>

provider, made effective for its first billing after March 31, 2005, Henderson proposed to increase the test year amount by \$213,576 stating pro forma purchased water expense at \$894,401. It is Staff's position that Henderson's proposed adjustment overstates pro forma purchased water.

Henderson determined pro forma purchase water expense to be \$850,530<sup>6</sup> by pricing the annual gallons purchased during 2004 at the rates to be charged by Henderson Water Utility for service subsequent to March 31, 2005. To determine its adjustment of \$213,576, Henderson deducted from the pro forma amount \$636,953, the 2004 gallons purchased priced at the rates of Henderson Water Utility in effect during 2004. By adding the \$213,576 adjustment to the reported \$680,825 test year expense, Henderson includes \$894,401<sup>7</sup> in its pro forma operating expenses rather than its calculated pro forma amount of \$850,530.

Staff calculated an increase to test year purchased water expense of \$176,253 to account for the wholesale rate increase of Henderson Water Utility. To determine its adjustment, Staff calculated pro forma water purchases to be \$857,078 by pricing Henderson's test year gallons purchased, 544,900,000 gallons, at the new rates of Henderson Water Utility. From the pro forma Staff deducted the reported test year purchased water expense resulting in an increase to test year operations of \$176,253.

Staff recommends that Henderson's proposed \$213,576 increase to test year purchased water expense be denied and that the Commission approve the increase of \$176,253 as determined by Staff.

---

<sup>6</sup> See Henderson's Application, Exhibit 4, Page 3.

<sup>7</sup> See Attachment A of this Report.

Staff further recommends that Henderson’s purchased water costs be decreased by \$66,707<sup>8</sup> to account for excess water loss. Henderson reported test year water loss at 22.7831 percent. Pursuant to Kentucky regulation a utility is allowed to recover only up to 15 percent of lost water through a general rate proceeding unless the utility can demonstrate that an alternative level is more appropriate.<sup>9</sup> Henderson presented no evidence in its application indicating that an alternative water loss percentage is appropriate in this case.

Staff therefore recommends a net increase to test year purchased water expense of \$109,546 (\$176,253 supplier rate increase - \$66,707 water loss limitation).

(E) Purchased Power. Test year purchased power was reported at \$34,515. Of that amount, \$24,145 represented purchased power for pumping. Staff recommends that purchased power for pumping be reduced by \$1,879<sup>10</sup> to eliminate the cost of pumping the excess water loss during the test year as noted in item D above.

(F) Amortization of Rate Case Expenses. Included in test year operating expenses is \$7,539 for the amortization of rate case expenses incurred by Henderson during case number 99-388, Henderson’s last general rate application filed with this Commission. Henderson did not propose any adjustments to this test year expense.

---

8	Pro forma purchased water Times: Excessive percentage (22.7831 – 15) Decrease	\$857,078 <u>7.7831%</u> <u>\$66,707</u>
9	See 807 KAR 5:066, Section 6 (3).	
10	Test year purchased power for pumping Times: Excess water loss percentage Decrease	\$24,145 <u>7.7831%</u> <u>(\$1,879)</u>

As of the end of the test year the deferred rate case expenses had been fully amortized making their elimination appropriate when determining pro forma expenses. Staff recommends that test year expenses be decreased by \$7,539.

Henderson estimates the total cost of its current rate proceeding to be \$7,555. Staff proposes to increase test year operating expenses by \$1,511 (\$7,555 total cost/5 years) to include the five year amortization of these rate case expenses.

To account for the elimination of test year rate case expenses and the recovery of pro forma rate case costs, Staff recommends a net decrease to test year operating expenses of \$6,028 (\$1,511 pro forma - \$7,539 test year).

(G) Bad Debt Expense. Henderson reported test year bad debt expense at \$7,391. The test year amount includes not only the test year monthly accruals but also the accruals for the last four months of the calendar year ended December 31, 2002, resulting in 16 months of accruals. Staff recommends that test year expenses be reduced by \$2,373 to eliminate the accruals for the months outside the test year.

(H) Miscellaneous Expense. Included in test year miscellaneous expense were the following expenditures that should have been charge to account 426 – Miscellaneous Nonutility Expenses. Staff recommends that they be eliminated from test year operations.

<u>Check #</u>	<u>Vendor</u>	<u>Amount</u>
17890	Wolf's Banquet and Convention Center	\$390
18099	Chamber of Commerce	570
18182	O'Daniel Flower Shop	35
5322	Habitat for Humanity	450
18490	O'Daniel Flower Shop	100
19076	Wolf's Banquet and Convention Center	<u>513</u>
Total		<u>\$2,058</u>

(I) Taxes Other Than Income. Henderson reported test year taxes other than income taxes at \$25,214. Of that amount \$20,798 was for Henderson's portion of employee and commissioner FICA and Medicare contributions. Henderson did not propose an adjustment to the test year amount. Staff recommends that the test year amount be increased by \$3,284 to reflect the payroll adjustments recommended by Staff in this report. The following details Staff's adjustment to taxes other than income.

Gross pro forma payroll – Employees	\$322,702
Times: FICA and Medicare Rate	<u>7.65%</u>
Gross pro forma FICA and Medicare – Employees	24,686
Less: FICA and Medicare capitalized	<u>(1,289)</u> <sup>11</sup>
FICA and Medicare expense – Employees	23,397
Plus: Test year FICA and Medicare – Commissioners	<u>685</u>
Pro forma FICA and Medicare expense	24,082
Less: Test year	<u>(20,798)</u>
Increase	<u>\$3,284</u>

FICA and Medicare contributions are directly related to payroll and should be capitalized at the salary and wage capitalization rate. Staff has increased test year depreciation expense by \$129<sup>12</sup> to allow for the recovery of capitalized pro forma FICA and Medicare contributions.

(J) Depreciation. Henderson reported test year depreciation expense of \$384,866. Henderson proposed to increase the test year amount by \$16,154 to include depreciation taken on plant that was placed into service from the end of the test period, December 31, 2003, to the end of its most recent audit period, August 31, 2004.

---

<sup>11</sup>	Pro forma gross FICA and Medicare – Employees	\$24,686
	Times: Payroll capitalization rate	<u>5.22%</u>
	Pro forma FICA and Medicare capitalized – Employees	<u>\$1,289</u>
<sup>12</sup>	Capitalized FICA and Medicare	\$1,289
	Divide by: 10 years	<u>10</u>
	Increase	<u>\$129</u>

The test year used by Henderson is somewhat dated and there have been major asset purchases since the test year. The inclusion of depreciation expense on these items is appropriate when determining pro forma operations. Staff recommends that Henderson's adjustment be accepted by the Commission.

ATTACHMENT C  
 STAFF REPORT CASE NO. 2005-00072  
 COMPARISON OF HENDERSON'S REQUESTED AND STAFF'S  
 RECOMMENDED REVENUE REQUIREMENTS

	Henderson Requested	Staff Recommended	Difference
Pro forma Operating Expenses	\$ 1,917,484	\$ 1,872,218	\$ (45,266)
Principal and Interest on Debt Secured by Revenues	422,366	422,366	-
Debt Service Coverage	84,473	126,710	42,237
Other Debt, No coverage required	33,688	2,016	(31,672)
	<hr/>		
Total Revenue Requirement	2,458,011	2,423,310	(34,701)
Less: Other Operating Revenue	(69,725)	(69,725)	-
Interest Income		(41,095)	(41,095)
	<hr/>		
Revenue Required from Rates	2,388,286	2,312,490	(75,796)
Less: Revenue from Present Rates	(1,830,013)	(1,830,013)	-
	<hr/>		
Required Revenue Increase	\$ 558,273	\$ 482,477	\$ (75,796)
	<hr/> <hr/>		

Staff's Determination of Maximum and Minimum Revenue Requirement from Rates

Maximum Revenue Requirement from Rates, from table above	\$ 2,312,490
Less: Pro forma Depreciation, from Attachment B	<u>(403,593)</u>
Minimum Revenue Requirement from Rates	<u>\$ 1,908,897</u>

Pro forma Operating Expenses. The difference in Henderson's and Staff's pro forma operating expenses is discussed in detail at Attachment B of this report.

Principal and Interest on Debt Secured by Revenues. The revenue requirement requested by Henderson includes annual principal and interest payments on all debts secured by system revenues. Staff proposes no adjustments to the requested amounts.



Debt Service Coverage. The debt resolution of a water district determines the level of revenue necessary for the district to issue parity bonds. It is upon those resolutions that this Commission determines the appropriate level of revenue for a district. In the case of Henderson, the most recent resolution is from the Kentucky Rural Water Finance Corporation Refunding Bonds dated August 28, 2003. This resolution states that the annual net revenues, defined as gross revenues less operating expenses, shall be equal to at least 130 percent of all debt and interest payments for an annual period on all bonds secured by the revenues of the system.

In its revenue requirement calculation, Henderson determined its debt coverage requirement using a 120 percent coverage requirement instead of the 130 percent required by Henderson's debt resolution as referred to above. Staff calculated Henderson's debt coverage requirement using the required 130 percent coverage requirement and recommends that it be accepted.

Other Debt. The amount proposed by Henderson includes \$31,672 for payments on a 2-year note held by Edgar Bank and Trust that was used to finance the purchase of a backhoe. The amount proposed by Henderson is overstated. Henderson's monthly payments are \$1,319.66 resulting in an annual payment of \$15,836 or half of the amount requested by Henderson.

Staff recommends that the entire request of \$31,672 be denied. The final monthly payment is due on June 30, 2005. As of the date of this report, Henderson has only three monthly payments outstanding on this loan making its inclusion in annual revenue requirements unnecessary and inappropriate. Staff recommends that the amount proposed by Henderson be denied.

Interest Income. Henderson did not include interest income in its calculation of revenue requirements. As previously stated by Staff, for the purpose of determining debt coverage requirements, Henderson's bond resolution requires that net revenues be determined by removing operating expenses from gross revenues. It is Staff's position that gross revenues should include interest income. In fact, Henderson's resolution for its water revenue bonds of 2000 explicitly states that gross revenues shall include investment income. Staff recommends that test year interest income be used in the determination of Henderson's revenue requirements.

ATTACHMENT D  
 STAFF REPORT 2005-00072  
 STAFF'S RECOMMENDED RATES

	Phase 1	Phase 2
<u>5/8 X 3/4 Inch Connection</u>		
First 2,000 gallons, Minimum Bill	\$13.41	\$14.37
Next 8,000 gallons, per 1,000 gallons	4.60	4.82
Next 20,000 gallons, per 1,000 gallons	4.17	4.35
Over 30,000 gallons, per 1,000 gallons	3.74	3.89
 <u>1 Inch Connection</u>		
First 5,000 gallons, Minimum Bill	\$27.21	\$28.83
Next 5,000 gallons, per 1,000 gallons	4.60	4.82
Next 20,000 gallons, per 1,000 gallons	4.17	4.35
Over 30,000 gallons, per 1,000 gallons	3.74	3.89
 <u>2 Inch Connection</u>		
First 16,000 gallons, Minimum Bill	\$75.23	\$79.03
Next 14,000 gallons, per 1,000 gallons	4.17	4.35
Over 30,000 gallons, per 1,000 gallons	3.74	3.89
 <u>4 Inch Connection</u>		
First 50,000 gallons, Minimum Bill	\$208.41	\$217.73
Over 50,000 gallons, per 1,000 gallons	3.74	3.89
 <u>6 Inch Connection</u>		
First 100,000 gallons, Minimum Bill	\$395.41	\$412.23
Next 100,000 gallons, per 1,000 gallons	3.74	3.89
 Volunteer Fire Department, Maximum Bill	 \$13.41	 \$14.37