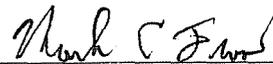


Appendix B of Staff's Report, shows that River Bluffs' pro forma operations support a revenue requirement from water rates of \$125,597, an increase of \$36,497 or 40.962 percent above the normalized revenue from water rates of \$89,100. The rates proposed by River Bluffs will increase the average residential bill from \$41.25 to \$58.16, an increase of \$16.91 or 40.994 percent.

Upon its review of the application and the documents upon which it is based, Staff finds that the proposed revenue requirement of \$125,597 will allow River Bluffs to pay its adjusted operating expenses, meet its debt service obligations, and provide for future equity growth. Staff further finds that River Bluffs' proposed rate, as calculated in Appendix B, will generate the annual revenue requirement of \$125,597 and is reasonable. Staff recommends that River Bluffs' proposed rate be approved.

Signatures



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Prepared by: Mark C. Frost  
Financial Analyst, Water and Sewer  
Revenue Requirements Branch  
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Prepared by: Jason Green  
Rate Analyst, Communications, Water  
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