

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE	)	CASE NO.
SOUTH SHORE WATER WORKS CO.	)	2002-00108

ORDER

On March 29, 2002, South Shore Water Works Co. ( South Shore ) filed its application for Commission approval of proposed water rates. Commission Staff, having performed a limited financial review of South Shore s operations, prepared a Staff Report that was issued by Commission Order dated August 2, 2002. The Order allowed 10 days to respond to the Staff Report. On August 12, 2002, South Shore submitted its response along with a request for informal conference.

A conference was held on August 21, 2002 to discuss the application and Staff Report. During the conference South Shore provided information regarding its operations that warrant amendments to the original Staff Report. Accordingly, Staff has prepared an Amended Staff Report, which is attached to this Order. 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 16<sup>th</sup> day of September, 2002.

By the Commission

ATTEST:

  
Executive Director

AMENDED STAFF REPORT  
ON  
SOUTH SHORE WATER WORKS CO.  
CASE NO. 2002-00108

On March 29, 2002, South Shore Water Works Co. ( South Shore ) filed its application seeking to increase rates pursuant to 807 KAR 5:001, Section 10. The proposed rates would generate approximately \$121,631 annually in additional revenues. Staff issued a report on August 2, 2002 that recommended South Shore be allowed to increase annual revenues by \$30,996.

On August 12, 2002, South Shore responded to the report disagreeing with Staff's treatment of salary, well amortization expense, reservoir amortization expense, contracted services engineering, and contracted services legal. Its response also requested that Staff consider further adjustment of test year metered water sales, forfeited discounts, non-recurring income, purchased power, chemicals, and depreciation. South Shore's response also requested that a conference be held to discuss these issues.

A conference was held on August 21, 2002. During and subsequent to the conference South Shore presented additional information concerning test year and pro forma operations. South Shore requested to withdraw its comments concerning the adjustments to test year operations on pages 6 and 7 of its written response to the Staff Report. After reviewing the information and considering the discussion at the conference, Staff amends its original report and recommends that South Shore be allowed to increase annual revenues by \$44,496.

Attachment A of this report includes an amended pro forma operating statement as well as discussion of South Shore's responses to the original report. Attachment B is the amended revenue requirement and income tax calculation. Attachment C is the amended cost of service study that includes the amended rates recommended by Staff.

Signatures

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

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Prepared by: Eddie Beavers  
Rate Analyst, Communications, Water,  
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Division of Financial Analysis

ATTACHMENT A  
 AMENDED STAFF REPORT CASE NO. 2002-108  
 STAFF S RECOMMENDED OPERATIONS

	Pro forma Operations Original Staff Report	Adjustments	Pro forma Operations Amended Staff Report
Operating Revenue			
Water Sales	474,679	A	474,679
Other Operating Revenue	15,475		15,475
Total Operating Revenue	<u>490,154</u>	-	<u>490,154</u>
Operating Expenses			
Operation and Maintenance			
Wages	128,936		128,936
Salary	49,028	B	49,028
Employee Insurance	48,381		48,381
Pensions	2,810		2,810
Power Plant	34,235		34,235
Chemicals	9,599		9,599
Materials and Supplies Office	17,513		17,513
Materials and Supplies Plant	15,824		15,824
Well Amortization Expense	3,890	4,048 C	7,938
Materials and Supplies Distribution	7,470		7,470
Hydrant Amortization			-
Reservoir Amortization	1,880	3,701 D	5,581
Engineering	616		616
Accounting	2,600		2,600
Legal	5,675	1,435 E	7,110
Property Rentals Building	9,900		9,900
Property Leases Tanks	850		850
Property Rentals Easements	300		300
Equipment Rentals	11,842		11,842
Transportation Expense	6,030		6,030
Insurance Vehicles	3,022		3,022
Insurance Property and Liability	5,803		5,803
Workers Compensation	4,635		4,635
Insurance Other	2,898		2,898
Total Operation and Maintenance Expenses	373,737	9,184	382,921
PSC Assessment	1,083		1,083
Property Taxes	10,880		10,880
Payroll Taxes	14,439		14,439
Depreciation	41,166	892 D	
		1,237 D	43,295
Total Operating Expenses	<u>441,305</u>	11,312	<u>452,617</u>
Net Operating Income	<u>48,849</u>	(11,312)	<u>37,537</u>

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Non-Operating Income/(Expense)			
Jobbing Revenue	5,132		5,132
Collections from P&M Sanitation	423		423
Payments to P&M Sanitation	(414)		(414)
Interest Income	881		881
Investment Interest Income	688		688
Other Revenue	2,162		2,162
Interest Expense	(12,956)		(12,956)
Extraordinary Income			-
Total Non-Operating Income/(Expense)	<u>(4,084)</u>	-	<u>(4,084)</u>
Net Income Before Income Taxes	<u>44,765</u>	<u>(11,312)</u>	<u>33,453</u>

A) Water Sales. South Shore asserts in their response to the Staff Report that there is a known and measurable adjustment to the test year metered water sales. After reviewing information concerning certain customer's usage for the first seven months of 2002, there is no pattern to these decreases and in some instances there were actual increases in metered water sales. For this reason Staff has concluded that an adjustment to the metered water sales cannot be taken into account for the test year usage.

B) Salary. South Shore requested that it be entitled to recover \$79,500 for Mr. Hannah s salary. Staff originally recommended that the amount be limited to \$49,028 based on Commission salary limitations in previous South Shore rate cases as adjusted for the same cost of living raises afforded all other South Shore employees since those cases.

South Shore disagrees with Staff s recommendation stating that South Shore never agreed to the Commission s previous limitations. South Shore s position is that the limitations were a part of settlement agreements conditioned on the fact that the

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limitation did not establish any principle or precedent with regard to the reasonableness of the expense.

South Shore further argues that Mr. Hannah should be entitled to at least the same 5 percent pay increase mandated by KRS 18A.355 for state employees. South Shore states that by applying this factor the Commission should at least award Mr. Hannah \$66,100 if not the \$79,500 originally requested.

Staff is not persuaded to change its original recommendation of \$49,028. The amount was determined using the same pay increases as awarded to all other South Shore employees over the same time period. South Shore has gone to great lengths to show the amount of time Mr. Hannah spends overseeing the operations of South Shore as general manager and majority stockholder. However, it has not shown how his duties as general manager have changed over the years to warrant the requested salary. Staff also notes that as majority stockholder Mr. Hannah received \$40,012 in dividends to supplement his salary.

Furthermore, Staff has reviewed additional information to test the reasonableness of Mr. Hannah's salary. Staff researched general manager salaries for utilities similar in size to South Shore that have recently undergone Staff review.

Utility	# of Customers	Plant Value	Manager Salary
South Shore	2,264	\$1,678,615	\$49,038
Pendleton Co. Water District	1,548	5,476,379	41,999
Bracken Co. Water District	1,685	3,802,120	29,640

All evidence indicates that the amount recommended in the original Staff Report is adequate compensation for South Shore's general manager. Staff recommends that

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STAFF S RECOMMENDED OPERATIONS

the Commission limit Mr. Hannah s salary to \$49,038 as presented in the original Staff Report.

C) Well Cleaning Amortization Expense. South Shore requested that it be allow to recovery an amount for well cleaning equal to the average well cleaning costs per well during years 2000 and 2001 as applied to the total number of wells in service. The requested amount was \$4,335.

Staff felt that this methodology did not meet the known and measurable requirement for making test year adjustments. Staff recommended that the Commission set the amortization expense equal to the actual amount. Staff had historical information for the years 2000 and 2001 only. Those costs amortized over five years resulted in an annual recovery of \$3,112.

In response to the Staff Report and subsequent to the informal conference South Shore presented additional evidence for well cleaning expenses incurred during the years 1998 through 2002. Staff amends its original report to include those historical costs. The amended adjustment is calculated as follows:



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Service, Year	Cost
Well 5, 1998	5,313
Well 2, 1999	4,941
Well 9, 2000	3,650
Wells 11 and 12, 2000	4,930
Muriatic Acid, 2000	400
Well 2, 2000	1,350
Well 1, 2000	1,350
Well 8, 2000	1,350
Muriatic Acid, 2000	270
Muriatic Acid, 2000	169
Muriatic Acid, 2000	169
Muriatic Acid, 2000	169
Muriatic Acid, 2001	778
Well 9, 2001	1,450
Muriatic Acid, 2001	300
Muriatic Acid, 2002	617
Well 4, 2002	2,639
Well 5, 2002	2,668
Well 6, 2002	2,668
Muriatic Acid	<u>617</u>
Total Cost	35,798
Divide by: 5 years	<u>5</u>
Annual recovery	7,160
Less: Amount in original Staff Report	<u>(3,112)</u>
Increase	<u><u>4,048</u></u>

D) Reservoir Amortization. South Shore currently has 5 storage reservoirs. Early in 2002 work began on repairing and painting the Fullerton Tank at a cost of \$33,260. South Shore proposed that the full amount be amortized over the 10 year life of the tank painting resulting in an annual expense of \$3,326. South Shore requested that pro forma expenses be set at 5 times this amount to cover similar repairs for all 5 tanks anticipated to be incurred by the year 2009.

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STAFF S RECOMMENDED OPERATIONS

Staff recommended that South Shore's adjustment be denied as it was not known and measurable. Staff did recommend that South Shore recover an amount for the actual tank painting cost to be incurred for the Fullerton Tank. Staff amortized the cost of tank painting over a ten year period but capitalized the other improvement costs as capital upgrades and depreciated them over the estimated remaining service life of the tank or 50 years as determined by South Shore.

In response to the Staff Report South Shore disagreed with Staff capitalizing the improvement costs and further disagreed with the 50 year remaining life of the tank. South Shore also presented evidence supporting the cost of repairing and painting a second tank, the Morton Tank, where the work is to begin in 2002.

At the conference discussion was made regarding capitalizing versus expensing a cost. Staff is of the opinion that the costs in question are capital in nature as they provide future service potential to the asset. Staff recommends that the Commission Order South Shore to capitalize these expenditures and depreciate them over the remaining service life of the asset.

The 50 year remaining life of the tank was determined by South Shore during Staff's field review process. At the conference all parties agreed that a 15 year remaining life for the tank would be more appropriate. Staff amends its original report to reflect a 15 year remaining life for the tank with the following adjustment.

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Cost of Improvements to Fullerton Tank Capitalized in Original Report	14,460
Related Engineering Fees to Depreciate	<u>4,650</u>
 Total Depreciable Cost	 19,110
Divide by: 15 year remaining useful life	<u>15</u>
 Pro forma	 1,274
Less: Amount included in original Staff Report using 50 year life	(382)
 Increase	 <u><u>892</u></u>

Subsequent to the conference South Shore presented signed contracts with Diamond Engineering to perform painting and capital upgrades to the Morton Tank. Staff amends its original report to include the amortization and depreciation of these costs. Tank painting for the Morton Tank will cost \$29,610 while the upgrades will cost \$14,840. Total engineering fees to plan and oversee the work will be \$11,112. Staff recommends that the engineering fees be allocated to tank painting and upgrade costs on a pro rata basis. Staff recommends that the painting costs be amortized over a 10 year period while the upgrades be depreciated over 15 years, the estimated remaining life of the tank. The following adjustments reflect Staff s amendments to its original report regarding the work for the Morton Tank

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	Improvement Costs	Percent	Engineering Fees
Amortizable Tank Painting Costs	29,610	66.61%	7,402
Capital Upgrade Costs	14,840	33.39%	3,710
Total Contract Amount	44,450	100.00%	11,112
Tank Painting			
Improvement Contract Amount			29,610
Engineering Allocation			7,402
Total Tank Painting Cost			37,012
Divide by: 10 years amortization period			10
Increase			3,701
Capital Upgrades			
Improvement Contract Amount			14,840
Engineering Allocation			3,710
Total Capital Upgrades			18,550
Divide by: 15 year remaining useful life			15
Increase			1,237

E) Legal. The original Staff Report included a provision for the 3 year amortization of legal fees incurred as a result of case number 2002-003, South Shore vs. City of Greenup. In response to the Staff Report South Shore presented an additional legal invoice related to case 2002-003 totaling \$4,305. Staff amends its original report to include the amortization of this additional invoice by increasing pro forma expenses by \$1,435 ( $\$4,305 / 3$  years).

ATTACHMENT B  
 AMENDED STAFF REPORT CASE NO. 2002-108  
 CALCULATION OF REVENUE REQUIREMENT AND INCOME TAXES

South Shore had originally requested its revenue requirements be determined using a return on rate base calculation. In its original report Staff recommended that the Commission instead use the 88 percent operating ratio method. In its response to the Staff Report Shadow Wood requested that the Commission utilize an operating ratio of 87 percent. The Commission has long recognized the 88 percent operating ratio methodology appropriate for determining rates of small investor owned utilities including South Shore. South Shore did not present evidence showing that a change from an 88 percent ratio to 87 percent is warranted. Staff recommends that South Shore's request be denied. Staff has amended the original revenue requirement calculation to include the adjustments discussed in this amended report.

Calculation of Operating Ratio

Operating Expenses Net of Income Tax	452,617
Divided by: Operating Ratio	<u>88%</u>
Operating Expenses Net of Income Taxes and Margin Allowed	514,338
Less: Operating Expenses Before Income Taxes	<u>(452,617)</u>
Margin to Include in Revenue Requirement	<u><u>61,721</u></u>

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 CALCULATION OF REVENUE REQUIREMENT AND INCOME TAXES

## Calculation of Revenue Required from Rates

Operating Expenses Excluding Income Taxes	452,617
Income Taxes	16,228
Operating Margin Allowed	61,721
Other Expenses (Net)	<u>4,084</u>
Total Revenue Requirments	534,650
Less: Other Operating Revenues	<u>(15,475)</u>
Revenue Required from Rates	519,175
Less: Normalized Revenues from Rates	<u>(474,679)</u>
Revenue Increase	<u><u>44,496</u></u>

## Calculation of State and Federal Income Taxes

Income Before Taxes	<u>73,865</u>
State Taxes	
First \$25,000 at 4 percent	1,000
Second \$25,000 at 5 percent	1,250
Over \$50,000 at 6 percent	<u>1,432</u>
Total State Tax	<u><u>3,682</u></u>
Income After State Tax	<u>70,183</u>
Federal Taxes	
First \$50,000 at 15 percent	7,500
Next \$25,000 at 25 percent	5,046
Over \$75,000 at 34 percent	<u>-</u>
Total Federal Tax	<u><u>12,546</u></u>
Total Taxes	<u><u>16,228</u></u>
Net Income After Taxes	<u><u>57,637</u></u>
Net Operating Income After Taxes	61,721
Less: Other Expenses Net of Other Revenues	(4,084)
Net Income After Taxes	<u><u>57,637</u></u>

## **South Shore Water Works Company**

### **Amended Cost of Service Study**

Allocation of Plant Value	Sheet 1
Allocation of Depreciation	Sheet 2
Allocation of O/M Expenses	Sheet 3
Allocation of Cost of Service	Sheet 4
Calculation of Water Rates	Sheet 5
Verification of Rates	Sheet 6
Proposed Rates	Sheet 7
Comparison of Rates	Sheet 8

Allocation of Plant Value <b>AMENDED</b>				
South Shore Water Works Company				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Land & Land Rights	\$4,529		\$4,529	
Structures and Improvements	49,752		49,752	
Wells and Springs	269,308		269,308	
Pumping Equipment	94,187		94,187	
Water Treatment Equipment	97,688		97,688	
Distribution Reservoirs & Standpipes	213,622		213,622	
Trasmission & Distribution Mains	682,696		682,696	
Services	66,641			\$66,641
Meters & Meter Installations	139,647			139,647
Hydrants	12,907			12,907
<b>Subtotal</b>	<b>\$1,630,977</b>		<b>\$1,411,782</b>	<b>\$219,195</b>
Allocation Percentages	100%		86.6%	13.4%
Office Furniture & Equipment	\$25,914		\$22,442	\$3,472
Tools, Shop & Garage Equipment	21,724		18,813	2,911
<b>Subtotal</b>	<b>\$47,638</b>		<b>\$41,255</b>	<b>\$6,383</b>
<b>Total</b>	<b>\$1,678,615</b>		<b>\$1,453,037</b>	<b>\$225,578</b>
Percentages	100%		86.6%	13.4%
<b>Allocation Percentages</b>	<b>100%</b>		<b>86.6%</b>	<b>13.4%</b>

Source: PSC Annual Report 2001



Allocation of Depreciation <b>AMENDED</b>				
South Shore Water Works Company				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Wells	\$11,296		\$11,296	
Pumping Equipment	3,863		3,863	
Treatment Equipment	4,143		4,143	
Dist. Reservoirs & Standpipes	8,464		8,464	
Trasmission & Distribution Mains	7,096		7,096	
Meters	2,680			\$2,680
Hydrants	1,483			1,483
<b>Subtotal</b>	\$39,025		\$34,862	\$4,163
Allocation Percentages	100%		89.3%	10.7%
Office Furniture & Equipment	\$1,950		\$1,741	\$209
Building	1,067		953	114
Tools, Shop & Garage Equip	1,253		1,119	134
Subtotal	\$4,270		\$3,813	\$457
<b>Total</b>	<b>\$43,295</b>		<b>\$38,675</b>	<b>\$4,620</b>
Percentages	100%		89.3%	10.7%

Source: South Shore Application for Rate Adjustment 2002-00108

Allocation of Operation & Maintenance Expense - <b>AMENDED</b>				
South Shore Water Works Company				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Salary Field	\$29,475		\$29,475	
Salary Office	36,169		18,085	\$18,084
Salary -Meter Reading	847			847
Salary Operator	29,157		29,157	
Employee Insurance	26,233		21,172	5,061
Pension	1,512		1,224	288
Insurance-Workers Comp	2,495		1,544	951
Power Plant	34,235	34,235		
Chemicals	9,599	9,599		
Materials & Supplies-Plant	15,824		15,824	
Materials & Supplies-Distribution	7,470		7,470	
Materials & Supplies-Office	17,513			17,513
Property Rentals Tanks	850		850	
Well Amortization	7,938		7,938	
Reservoir Amortization	5,581		5,581	
Subtotal	\$224,898	\$43,834	\$138,320	\$42,744
Less Commodity	(\$43,834)			
<b>Total</b>	<b>\$181,064</b>	<b>\$43,834</b>	<b>\$138,320</b>	<b>\$42,744</b>
<b>Allocation Percentages</b>	<b>100%</b>		<b>76%</b>	<b>24%</b>
Salaries & Wages-Admin	\$33,288		\$25,299	\$7,989
Salaries & Wages-Officers	49,028		37,261	11,767
Employee Insurance	22,147		16,832	5,315
Pension	1,298		986	312
Engineering	616		468	148
Accounting	2,600		1,976	624
Legal	7,110		5,404	1,706
Property Rentals Building	9,900		7,524	2,376
Property Rentals Easements	300		228	72
Equipment Rentals	11,842		9,000	2,842
Transportation Expense	6,030		4,583	1,447
Insurance-Vehicles	3,022		2,297	725
Insurance-Property & Liability	5,803		4,410	1,393
Insurance-Workers Comp	2,140		1,626	514
Insurance-Other	2,898		2,202	696
Other Expenses	4,084		3,104	980
Income Taxes	16,228		12,333	3,895
Subtotal	\$178,334		\$135,533	\$42,801
<b>Operating Expenses</b>	<b>\$403,232</b>	<b>\$43,834</b>	<b>\$273,853</b>	<b>\$85,545</b>
PSC Assessment	\$1,083		\$823	\$260
Property Taxes	10,880		8,269	2,611
Payroll Taxes	14,439		10,974	3,465
<b>Subtotal</b>	<b>\$26,402</b>		<b>\$20,066</b>	<b>\$6,336</b>
<b>Total Operating Expenses</b>	<b>\$429,634</b>	<b>\$43,834</b>	<b>\$293,919</b>	<b>\$91,881</b>

Source: Field Review 2002

Allocation of Cost of Service <b>AMENDED</b>				
South Shore Water Works Company				
	<b>Total</b>	<b>Commodity</b>	<b>Demand</b>	<b>Customer</b>
Operation & Maintenance	\$429,634	\$43,834	\$293,919	\$91,881
Operating Ratio	61,721		53,450	8,271
Depreciation	43,295		38,662	4,633
General Water Service Cost	\$534,650	\$43,834	\$386,031	\$104,785
<b>Less:</b>				
Other Operating Revenue	(15,475)		(13,401)	(2,074)
Fire Protection Revenue	(2,408)		(2,408)	
<b>Revenue Required from Rates</b>	<b>\$516,767</b>	<b>\$43,834</b>	<b>\$370,222</b>	<b>\$102,711</b>
NOTES:				
Operating Ratio has been allocated on a percentage of Plant Value from Sheet 1.				
Depreciation has been allocated on a percentage of Depreciation from Sheet 2.				

Calculation of Water Rates <b>AMENDED</b>				
South Shore Water Works Company				
	<b>Total</b>	<b>First 1,000 gallons</b>	<b>Next 9,000 gallons</b>	<b>Over 10,000 gallons</b>
<b>Actual Water Sales:</b>				
Thousand Gallons	139,821,000	26,892,000	81,427,000	31,502,000
Percent	100%	19.2%	58.2%	22.5%
<b>Weighted Sales for Demand:</b>				
		2	1.5	1
Thousand Gallons	207,426,500	53,784,000	122,140,500	31,502,000
Percent	100%	25.9%	58.9%	15.2%
<b>Allocation of Volumetric Costs:</b>				
Commodity	\$43,834	\$8,416	\$25,511	\$9,863
Demand	370,222	95,887	218,061	56,274
Customer	102,711	102,711		
<b>Total</b>	<b>\$516,767</b>	<b>\$207,014</b>	<b>\$243,572</b>	<b>\$66,137</b>
<b>Number of Bills</b>				
	26,892			
<b>Proposed Rates</b>				
		<b>\$7.71</b>	<b>\$2.99</b>	<b>\$2.10</b>

Verification of Rates <b>AMENDED</b>				
South Shore Water Works Company				
	<b>Bills</b>	<b>Gallons</b>	<b>Rate</b>	<b>Revenue</b>
First 1,000 Gallons	26,892	26,892,000	\$7.71	\$207,337
Next 9,000 Gallons		81,427,000	2.99	243,467
Over 10,000 Gallons		31,502,000	2.10	66,154
Total Revenue from Rates				\$516,958
Other Income:				
Other Operating Income				15,475
Fire Protection				2,408
<b>Total Operating Revenue</b>	<b>26,892</b>	<b>139,821,000</b>		<b>\$534,841</b>

<b>Proposed Monthly Water Rates AMENDED</b>		
South Shore Water Works Company		
First 1,000 gallons	\$7.71	Minimum bill
Next 9,000 gallons	2.99	per 1,000 gallons
Over 10,000 gallons	2.10	per 1,000 gallons
Fire Protection Rates		
Hydrant Charge	\$9.12	
Fire Line Charge	\$9.12	

Comparison of Rates <b>AMENDED</b>				
South Shore Water Works Company				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
1,000	\$5.90	\$7.71	\$1.81	30.7%
2,000	8.83	10.70	1.87	21.2%
3,000	11.76	13.69	1.93	16.4%
4,000	14.69	16.68	1.99	13.5%
5,000	17.62	19.67	2.05	11.6%
6,000	20.55	22.66	2.11	10.3%
7,000	23.48	25.65	2.17	9.2%
8,000	26.41	28.64	2.23	8.4%
9,000	29.34	31.63	2.29	7.8%
10,000	32.27	34.62	2.35	7.3%
15,000	44.52	45.12	0.60	1.3%
20,000	56.77	55.62	(1.15)	-2.0%
25,000	69.02	66.12	(2.90)	-4.2%
30,000	81.27	76.62	(4.65)	-5.7%
35,000	92.97	87.12	(5.85)	-6.3%
40,000	104.67	97.62	(7.05)	-6.7%
50,000	128.07	118.62	(9.45)	-7.4%
75,000	186.57	171.12	(15.45)	-8.3%
100,000	245.07	223.62	(21.45)	-8.8%
150,000	362.07	328.62	(33.45)	-9.2%
200,000	479.07	433.62	(45.45)	-9.5%
250,000	596.07	538.62	(57.45)	-9.6%
300,000	713.07	643.62	(69.45)	-9.7%
350,000	830.07	748.62	(81.45)	-9.8%
Comparison of Rates				
Block Usage	Current Rates	Block Usage	Proposed rates	
First 1,000 gallons	\$5.90	First 1,000 gallons	\$7.71	
Next 9,000 gallons	2.93	Next 9,000 gallons	2.99	
Next 20,000 gallons	2.45	Over 10,000 gallons	2.10	
Over 30,000 gallons	2.34			
Fire Protection Rates				
Hydrant Charge	\$10.45		\$9.12	
Fire Line Charge	\$10.45		\$9.12	
Effect on Customer Average Bill - 5,000 Gallons Usage				
Current Rates	Proposed Rates	Amount Increase	% Increase	
\$17.62	\$19.67	\$2.05	11.60%	