

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OHIO COUNTY WATER)
DISTRICT FOR (1) ISSUANCE OF A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY FOR)
CONSTRUCTION OF THE SERIES III WATER)
SYSTEM IMPROVEMENTS; (2) AUTHORIZATION)
TO ISSUE SERIES III REVENUE BONDS IN THE)
AMOUNT OF \$1,890,000; AND (3) AUTHORIZATION)
TO ADJUST RATES TO PAY FOR THE)
ADDITIONAL INDEBTEDNESS)

CASE NO.
2003-00034

ORDER

On May 2, 2003, Ohio County Water District ("Ohio District") filed its application for Commission approval of proposed water rates. Commission Staff, having performed a limited financial review of Ohio District'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 15 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 15 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for a 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 19th day of September, 2003.

By the Commission

ATTEST:


Deputy Executive Director

STAFF REPORT
ON
OHIO COUNTY WATER DISTRICT
CASE NO. 2003-00034

On April 14, 2003 Ohio County Water District ("Ohio") submitted an application seeking to increase its rates for water service pursuant to 807 KAR 5:001, Section 10. The Case was considered filed on May 2, 2003 when all filing deficiencies were cured.

To establish the basis for its application Ohio selected the twelve months ended December 31, 2002 as its test year. Ohio determined its revenue requirement from rates to be \$3,090,879 but requested rates that generate only \$2,909,910 in annual revenues, an increase of \$418,558 or 16.8 percent over normalized test year revenues from rates of \$2,491,352.

Staff conducted a field review to gather information concerning Ohio's test year operating results and the pro forma information presented in its application. 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 5001 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 Eddie Beavers determined pro forma revenues and developed the cost of service study.

Attachment A of this report is Ohio's pro forma adjusted operating income statement as determined by Ohio and included in its application. Staff compiled the adjusted income statement as shown at Attachment B. Attachment B also includes explanation of Staff's proposed adjustments as well as discussion of the adjustments made by Ohio in Attachment A.

Attachment C of this report compares Ohio's revenue requirement as determined by Ohio and Staff. As previously stated Ohio calculated its revenue required from rates to be \$3,090,879 while asking for recovery of only \$2,909,910. Based on the 120 percent debt service coverage required by Ohio's outstanding bond resolutions, Staff calculated that Ohio could justify revenue from rates of \$2,998,966. While Ohio could justify revenues in excess of those requested, it has considered the matter and decided that the requested level of revenues best suits its needs at this time. Staff recommends that the Commission approve the requested amount.

The rates proposed by Staff do however differ from those requested by Ohio. The determination of Staff's proposed rates is shown in Attachment D, Staff's Cost of Service Study. Staff's proposed rates will increase the monthly bill of a residential customer using 5,000 gallons from \$39.88 to \$46.16, an increase of 15.75 percent.

Signatures

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

Prepare by: Eddie Beavers
Public Utility Rate Analyst
Communications, Water and
Sewer Rate Design Branch
Division of Financial Analysis

ATTACHMENT A
STAFF REPORT CASE NO. 2003-00034
OHIO'S REQUESTED OPERATIONS

	Test Year	Adjustments	Pro forma
Operating Revenues			
Sales of Water	\$ 2,456,876	\$ 31,005	\$ 2,487,881
Other Operating Revenue	86,747		86,747
	<hr/>		
Total Operating Revenues	2,543,623	31,005	2,574,628
Operating Expenses			
Operation and Maintenance			
Salaries and Wages - Employees	660,113	69,389	729,502
Salaries and Wages - Officers	13,050	3,950	17,000
Employee Pensions and Benefits	131,549	28,162	159,711
Purchased Power	136,885	1,137	138,022
Chemicals	38,249	331	38,580
Materials and Supplies	74,814	646	75,460
Contractual Services - Engineering	8,724		8,724
Contractual Services - Accounting	46,575		46,575
Contractual Services - Legal	1,869		1,869
Contractual Services - Water Testing	24,060		24,060
Contractual Services - Other	135,070		135,070
Rental of Building	13,541		13,541
Rental of Equipment	2,412		2,412
Transportation Expenses	47,537		47,537
Insurance - Vehicles	4,756		4,756
Insurance - General Liability	2,693		2,693
Insurance - Worker's Compensation	6,498		6,498
Insurance - Other	7,713		7,713
Advertising Expense	630		630
Bad Debt Expense	11,817		11,817
Miscellaneous Expense	26,565		26,565
	<hr/>		
Total Operation and Maintenance Expenses	1,395,120	103,615	1,498,735
Depreciation	449,040	91,269	540,309
Taxes Other Than Income	53,284	5,610	58,894
	<hr/>		
Total Operating Expenses	1,897,444	200,494	2,097,938
Net Operating Income	646,179	(169,489)	476,690
Plus: Interest Income	129,899	(62,225)	67,674
	<hr/>		
Income Available to Service Debt	\$ 776,078	\$ (231,714)	\$ 544,364

ATTACHMENT B
STAFF REORT CASE NO. 2003-00034
STAFF'S RECOMMENDED OPERATIONS

	Test Year	Adjustments	Ref.	Pro forma
Operating Revenues				
Sales of Water	\$ 2,456,876	\$ 3,469	A	
		31,007	B	\$ 2,491,352
Other Operating Revenue	86,747			86,747
Total Operating Revenues	2,543,623	34,476		2,578,099
Operating Expenses				
Operation and Maintenance				
Salaries and Wages - Employees	660,113	69,388	C	729,501
Salaries and Wages - Officers	13,050	3,950	C	17,000
Employee Pensions and Benefits	131,549	28,434	C	159,983
Purchased Power	136,885	1,137	D	138,022
Chemicals	38,249	331	D	38,580
Materials and Supplies	74,814		D	74,814
Contractual Services - Engineering	8,724			8,724
Contractual Services - Accounting	46,575			46,575
Contractual Services - Legal	1,869			1,869
Contractual Services - Water Testing	24,060			24,060
Contractual Services - Other	135,070			135,070
Rental of Building	13,541			13,541
Rental of Equipment	2,412			2,412
Transportation Expenses	47,537			47,537
Insurance - Vehicles	4,756			4,756
Insurance - General Liability	2,693			2,693
Insurance - Worker's Compensation	6,498			6,498
Insurance - Other	7,713			7,713
Advertising Expense	630			630
Bad Debt Expense	11,817			11,817
Miscellaneous Expense	26,565			26,565
Total Operation and Maintenance Expenses	1,395,120	103,240		1,498,360
Depreciation	449,040	61,956	E	510,996
Taxes Other Than Income	53,284	5,610	C	58,894
Total Operating Expenses	1,897,444	170,806		2,068,250
Net Operating Income	646,179	(136,330)		509,849
Plus: Interest Income	129,899		F	129,899
Income Available to Service Debt	\$ 776,078	\$ (136,330)		\$ 639,748

(A) Sales of Water. Test year revenue from water sales was stated at \$2,456,876. As a part of Staff's review a billing analysis was formulated where present rates were applied to test year water usage information. The billing analysis indicated that test year revenues should be increased by \$3,469 to \$2,460,345. Staff recommends that this adjustment be accepted when establishing rates in this case.

(B) Sales of Water. As a part of Ohio's application filed in this case it sought approval to construct additional water mains where an additional 65 customers will be added to Ohio's water system. Ohio proposed to increase test year revenues by \$31,007 to reflect the annual revenues anticipated to be collected from those customers. Staff agrees and recommends that the adjustment be accepted.

(C) Salaries and Wages – Employees and Commissioners, Employee Pensions and Benefits, Taxes Other Than Income Taxes. Ohio proposed to increase test year salaries and wages for employees and commissioners by \$69,389 and \$3,950, respectively, to reflect the current level of employees, commissioners and their pay rates. Staff agrees with the adjustments and recommends that they be approved.

Ohio also proposed to increase test year employee salaries and wages by \$14,496 for employee pay raises anticipated to be effective July 1, 2003. At the time of Staff's field visit the pay raise was neither effective nor approved by Ohio's board of Commissioners. Staff recommends that the adjustment be denied as it is not known and measurable.

Ohio further proposed to decrease employee salaries and wages by \$14,496 to capitalize the portion of pro forma salary attributable to Ohio's meter change out program. At Item E of this Attachment Staff discusses in detail its recommendation to

deny Ohio's adjustments related to the meter change-out program. Staff recommends that the related salary adjustment also be denied.

Ohio proposed to increase test year pensions and benefits and taxes other than income taxes by \$2,954 and \$5,610, respectively, in concert with the adjustments to payroll. Staff agrees with each adjustment in principal, however, staff calculated a slightly different amount for pensions as follows:

Pro forma salaries and wages – employees	\$729,501
Less : Part-time employee	<u>(13,210)</u>
Pro forma salaries and wages subject to pension	716,291
Times: Contribution rate	<u>6.34%</u>
Pro forma	45,413
Less: Test year	<u>(42,187)</u>
Adjustment	<u>\$3,226</u>

Staff recommends that test year pensions and taxes other than income be increased by \$3,226 and \$5,610, respectively.

Ohio further proposed to increase test year pensions and benefits by \$25,208 for increased health insurance costs resulting from the new employees hired subsequent to the test year and the level of current monthly premiums. Staff agrees with the adjustment and recommends that it be accepted. The net adjustment to test year pensions and benefits is then \$28,434 (\$3,226 + 25,208).

(D) Purchased Power, Chemicals, Materials and Supplies. The construction proposed in this case will result in 65 additional residential customers for Ohio. Ohio proposed to increase test year purchased power, chemicals and materials and supplies expenses by \$1,137, \$331, \$646, respectively, to account for the increased operating cost of serving these new customers. Ohio's adjustments were calculated by determining the expense to Ohio for producing 1 gallon of water and multiplying that

factor by the additional gallons of water made necessary by the new customers. Ohio based the new customer's anticipated water consumption on the test year average residential usage per customer of 4,983 gallons.

There is a distinct correlation between the amount of water sold and the cost of chemicals and purchased power necessary to prepare and deliver that water. Staff recommends that Ohio's adjustments to purchased power and chemicals be accepted as they were based upon reasonable assumptions.

There is less correlation between water sold and materials and supplies expenses. Ohio's adjustment to materials and supplies is not known and measurable and should not be included in Ohio's pro forma operations as approved by this Commission.

(E) Depreciation. During the test year Ohio capitalized routine purchases of plant and equipment and calculated depreciation on those items from their in-service dates. Test year depreciation on these items totaled \$28,487. Ohio proposed to annualize test year depreciation for these items by increasing the test year amount by \$29,056. Staff agrees with this adjustment and recommends that it be accepted.

As a part of the application filed in this case Ohio proposed to construct plant with construction costs totaling \$1,644,983. This Commission approved the construction through an Interim Order dated May 15, 2003. Ohio proposed to increase test year expenses by \$32,900 to reflect the 50-year depreciable life of these plant improvements. Staff agrees with this adjustment and recommends it be accepted.

Ohio further proposed to increase test year depreciation by \$29,313 determined as follows:

Item	Cost	Life	Annual Recovery
New Meter Installations	\$130,000	30	\$4,333
Replacement Program	102,000	30	3,400
Tank Painting	<u>323,700</u>	15	<u>21,580</u>
Total	<u>\$555,700</u>		<u>\$29,313</u>

Staff recommends that the requested adjustment of \$29,313 be denied as it is not known and measurable. Ohio estimated that it would add 200 customers to its system in the pro forma in addition to those customers coming on-line through the proposed construction. Ohio determined the capital costs related to these customers to be \$130,000. Ohio provided no reasonable basis for the determination of the 200 additional customers nor did it adjust test year revenues and operation and maintenance expenses to reflect these customers. The adjustment should be denied.

As a part of its 10 year meter testing program, Ohio has been replacing its existing meters with "touch read" meters for the past four years. During the years 2000, 2001, 2002 and 2003 Ohio replaced 140, 88, 488 and 247 meters, respectively. Ohio proposed that 1,200 meters would be replaced in the pro forma at a cost of \$102,000. Ohio did not establish a basis for the proposed 1,200 meters. Ohio has not developed a formal meter replacement plan outlining when specific meters will be replaced nor does the historic information support the adjustment. The adjustment should be denied.

Ohio also included in pro forma expenses costs related to the painting of two tanks: 1) Echols Standpipe and 2) Bells Run Elevated Storage Tank. The total cost of the tank painting was estimated to be \$323,700. Bids for the project establishing its cost have not been obtained by Ohio. The adjustment should be denied.

(F) Interest Income. Ohio reported test year interest income of \$129,899 but proposed to eliminate interest earned on restricted funds in the amount of \$62,225.

Ohio argues that the use of this interest income, like the cash it was accrued upon, is restricted by its bond resolutions and should not be used to off-set revenue requirements.

Staff agrees that Ohio's use of the interest earned on certain funds is restricted. However, Ohio's bond resolutions do not forbid interest income from being used to determine Ohio's revenue requirements. At page 20 of the Series 2000 Ohio Waterworks Revenue Bonds Resolution, Ohio is required to maintain rates that produce "net revenues" not less than 120 percent of its average annual debt payments. At page 23 "net revenues" are defined as gross revenues less operation expenses. It is Staff's opinion that all interest income should be included in the calculation of "gross revenues." Although Ohio's resolution doesn't specifically define "gross revenues" as including interest income, Staff has reviewed numerous resolutions of other entities stating as much. Staff recommends that Ohio's adjustment be denied.

ATTACHMENT C
 STAFF REPORT CASE NO. 2003-00034
 COMPARISON OF REVENUE REQUIREMENTS

	Proposed By Ohio District	Calculated By Staff
Operating Expenses	2,097,938	2,068,250
5-year average Debt Principal and Interest	956,135	956,135
Debt Coverage at 20 Percent	<u>191,227</u>	<u>191,227</u>
 Total Revenue Required	 3,245,300	 3,215,612
Less: Other Operating Revenue	(86,747)	(86,747)
Interest Income	<u>(67,674)</u>	<u>(129,899)</u>
 Revenue Required from Rates	 3,090,879	 2,998,966
Less: Revenue from Proposed Rates	<u>(2,909,910)</u>	<u>(2,909,910)</u>
 Revenue Deficit	 <u>180,969</u>	 <u>89,056</u>

ATTACHMENT D
STAFF REPORT CASE NO. 2003-00034
COST OF SERVICE STUDY

Wholesale Allocation Factors: Staff reviewed the factors and the amount of mains dedicated to the Wholesale Customer with PSC's Engineers. After review the Engineering Staff concurred with the information filed by Ohio County as having appropriately allocated costs for all mains four inches (4") or greater to the Wholesale Customer. Additionally, Staff has accepted the inch diameter mile information and factor method as filed by Ohio County.

Cost of Service Study:

Rates: Staff's review established the total revenue required for Ohio County is \$3,215,612, \$118,067 is obtained through other operating revenue and \$129,899 is obtained through interest income. Staff developed rates that will collect the remaining \$2,967,646 from the company's retail and wholesale customers. The utility's expenses were analyzed and allocated according to three different classifications: Pumping and Treatment, Transmission and Distribution, and Customer.

Pumping and Treatment costs are those directly associated with the cost of water. Transmission and Distribution costs are those associated with providing the facilities to meet the peak demands placed on the system. Customer costs are those incurred to serve customers regardless to the varying usage.

The Allocation of Expenses sheet of the following cost of service study shows the allocation of Operation and Maintenance expenses to the functional cost components, Commission Staff utilized information obtained through the utility's application and field

reviews to allocate these costs. Administrative and general expenses are allocated to the cost components based on the subtotal allocated percentages.

The Wholesale Rate sheet of the following Cost of Service Study allocates the Operation and Maintenance expenses to the wholesale customer. Staff accepted Ohio County's method of allocating debt service and purchased power proportionate to the wholesale customers. [See note on Wholesale Rate sheet]

Additionally, applying the inch diameter mile allocation factors to the various cost components, Staff has calculated the Wholesale Rate for Ohio County as \$2.61.

The Allocation of Retail Costs sheet of the attached Cost of Service Study allocates the remaining portion of the Revenue Requirement from Rates to the retail customer in the functional cost components of Commodity, Demand and Customer. The allocation process results in \$112,111 in commodity costs, \$2,298,705 in demand costs and \$232,578 in customer costs.

The Calculation of Proposed Rates sheet of the attached Cost of Service Study shows the calculation of the company's retail water rates. Total commodity costs are allocated across the rate steps in accordance with usage percentages. Total demand costs are allocated across the rate steps in accordance with usage that has been adjusted to reflect the higher peak demands that are caused in the lower rate steps. Total customer costs are all collected in the first rate step, or minimum bill, since those costs do not differ with varying usage.

The total for the first rate step is \$1,240,335 which is divided by the number of bills issued on an annual bases which calculates to a minimum bill of \$20.53 for the first

2,000 gallons. The totals for the remaining rate steps are each divided by the actual water usage for each rate step to calculate the remainder of the rates.

OHIO COUNTY WATER DISTRICT				
ALLOCATION OF EXPENSES				
Expense	Total	Pumping and Treatment	Transmission and Distribution	Customer
Salaries and Wages	\$629,649	\$209,093	\$302,735	\$117,821
Employee Pension and Benefits	137,274	46,889	67,889	22,496
Payroll Taxes	49,271	16,259	23,650	9,361
Purchased Power	138,022	101,031	36,991	
Chemicals	38,580	38,580		
Materials and Supplies	59,846	3,903	37,924	18,019
Contractual Services Other	149,142	87,899	60,739	504
Rents	7,027		513	6,514
Transportation Expense	40,698	4,105	32,164	4,429
Bad Debts	11,817			11,817
Miscellaneous	6,939	1,307	1,699	3,933
Subtotal Less Commodity	\$1,128,654	\$369,455	\$564,304	\$194,894
Percentage		0.3273	0.5000	0.1727
Administrative and General				
Salaries and Wages	116,852	38,251	58,424	20,178
Payroll Taxes	9,623	3,150	4,811	1,662
Pensions and Benefits	22,709	7,434	11,354	3,921
Insurance	9,553	3,127	4,776	1,650
Materials and Supplies	14,968	4,900	7,484	2,585
Contractual Services Eng., Acct., Legal	67,156	21,983	33,577	11,596
Rents	8,926	2,922	4,463	1,541
Transportation Expense	6,839	2,239	3,419	1,181
Insurance	12,107	3,963	6,053	2,091
Miscellaneous	19,626	6,424	9,813	3,389
Advertising Expense	630	206	315	109
Subtotal	\$1,557,254	\$603,665	\$708,793	\$244,797
Depreciation	510,996	61,831	424,433	24,732
Debt Service plus Coverage at 1.2	1,147,362	143,306	954,261	49,796
Total Expenses	\$3,215,612	\$808,801	\$2,087,487	\$319,325
Debt Service allocated based on 2001 debt service shown in Annual Report.				

OHIO COUNTY WATER DISTRICT				
WHOLESALE RATE				
Expense	Total	Allocation Factor	Amount to Wholesale	Rate to Wholesale
Commodity				
Purchased Power*	\$138,022		\$21,531	\$0.17
Chemicals	38,580	0.3017	11,640	0.09
Operation and Maintenance				
Pumping and Treatment	464,054	0.2234	103,670	0.83
Transmission and Distribution	671,802	0.0909	61,068	0.49
Customer	244,797			
Depreciation				
Pumping and Treatment	61,831	0.2234	13,813	0.11
Transmission and Distribution	424,433	0.0909	38,582	0.31
Customer	24,732			
Debt Service				
Pumping and Treatment*	143,306	0.2234	13,585	0.11
Transmission and Distribution*	954,261	0.0909	72,173	0.58
Customer	49,796			
Total Expenses	\$3,215,613			
Less Interest Income	129,899	0.0909	11,808	0.09
Cost of Service Rate			\$324,254	\$2.61
Proposed Rate			\$317,039	\$2.55
<p>* For purposes of allocating debt service to the wholesale customers, \$160,295 has been deducted from transmission and distribution which includes interest and debt service on the new project which does not directly benefit the wholesale customers. Debt service on pumping and treatment has also been decreased by \$82,500 for service that may not benefit the wholesale customer. The allocation of purchased power has been reduced because part of the system serving wholesale customers is gravity fed. $(\\$138,022 - .3017) * .2234$ or $\\$138,021 - \\$41,641 = \\$96,381$ $\\$96,381 * .2234 = \\$21,531$.</p>				

OHIO COUNTY WATER DISTRICT				
ALLOCATION OF RETAIL COSTS				
		Commodity	Demand	Customer
Operation and Maintenance		\$143,431	\$971,118	\$244,797
Depreciation			433,869	24,732
Debt Service			1,011,809	49,796
General Water Cost to Retail	\$2,879,552	\$143,431	\$2,416,796	\$319,325
Less:				
Forfeited Discounts	(61,595)			(61,595)
Interest Income	(118,091)		(118,091)	
Misc. Service Revenues	(23,108)			(23,108)
Other Water Revenues	(2,044)			(2,044)
Leak Adjustment Revenue	(31,320)	(31,320)		
Revenue Required from Retail Rates	\$2,643,394	\$112,111	\$2,298,705	\$232,578
SUMMARY				
Revenue From Retail Rates	\$2,643,394			
Interest Income	129,899			
Other Revenue	118,067			
Wholesale Revenue	324,254			
Total Revenue Requested	\$3,215,614			

OHIO COUNTY WATER DISTRICT

CALCULATION OF PROPOSED RATES

	Total	First 2,000	Next 18,000	Next 30,000	Next 50,000	Over 100,000
Actual Water Sales						
Thousand Gallons	275,708.7	103,796.0	143,962.0	10,094.9	6,779.4	11,076.4
Percentage		0.3765	0.5222	0.0366	0.0246	0.0402
Weighted Sales for Demand						
Thousand Gallons	494,218.5	207,592.0	251,933.5	15,142.4	8,474.3	11,076.4
Percentage		0.4200	0.5098	0.0306	0.0171	0.0224
Allocation of Costs						
Commodity	\$112,111	\$42,206	\$58,539	\$4,105	\$2,757	\$4,504
Demand	2,298,705	965,550	1,171,791	70,430	39,415	51,518
Customer	232,578	232,578				
Total	\$2,643,394	\$1,240,335	\$1,230,330	\$74,535	\$42,172	\$56,022
Number of Bills	60,430					
Staff Cost of Service Rates		\$20.53	\$8.55	\$7.38	\$6.22	\$5.06
<u>Proposed OCWD Rates</u>		\$20.11	8.39	7.26	6.12	4.97

OHIO COUNTY WATER DISTRICT				
VERIFICATION OF RATES				
	Bills	Gallons	Rate	Revenue
First 2,000	14,782	103,796	\$20.53	\$1,240,335
Next 18,000	44,851	143,962	8.55	1,230,330
Next 30,000	580	10,095	7.38	74,535
Next 50,000	135	6,779	6.22	42,172
Over 100,000	82	11,076	5.06	56,022
Total	60,430			\$2,643,394
Wholesale		124,329	\$2.61	324,499
Leaks		12,000	2.61	31,320
Other Revenue				86,747
Interest Income				129,899
Total Revenue				\$3,215,859

OHIO COUNTY WATER DISTRICT				
COMPARISON OF RETAIL RATES				
Usage	Current Cost	Cost at Proposed	Increase	Percentage
1,000	\$17.23	\$20.53	\$3.30	19%
2,000	17.23	20.53	3.30	19%
3,000	24.78	29.07	4.29	17%
4,000	32.33	37.62	5.29	16%
5,000	39.88	46.16	6.28	16%
10,000	77.63	88.89	11.26	15%
20,000	153.13	174.36	21.23	14%
25,000	185.93	211.27	25.34	14%
50,000	349.93	395.86	45.93	13%
75,000	488.93	551.37	62.44	13%
100,000	627.93	706.89	78.96	13%
	Current Rates	Proposed Rates		
First 2,000	\$17.23	\$20.53		
Next 18,000	7.55	8.55		
Next 30,000	6.56	7.38		
Next 50,000	5.56	6.22		
Over 100,000	4.58	5.06		
COMPARISON OF WHOLESALE AND LEAK ADJUSTMENT RATES				
Per 1,000 Gallons	Current Rate	Revised Rate	Increase	Percentage
	\$1.53	\$2.61	\$1.08	70%