



# *CITY OF* EAST PROVIDENCE, RI

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## WATER AND SEWER RATE STUDY

CITY COUNCIL WORKSHOP & PUBLIC HEARING | APRIL 12, 2017

# AGENDA

- » Background
- » Rate study overview
- » Financial plans
- » Preliminary Water rates
- » Sewer rate options and impacts
- » Discussion

# BACKGROUND

- » Water and sewer funds are solely funded through water and sewer revenue sources
  - Fixed charges
  - Volumetric charges
  - Miscellaneous operating and non-operating sources
- » Annual revenue needs are made up of
  - O&M expenses
    - Water purchases
    - NBC charges
  - Debt service
  - Capital improvements

# BACKGROUND

- » Water rate study required by Water Rate ordinance and RI Infrastructure Bank for new loan
  - Key driver is financial sufficiency, rather than rate structure modifications
- » Impetus of sewer rate study stems from the desire to develop a rate structure that is fair and equitable



# GOAL OF RATE SETTING

How to Design a Rate Structure That:

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Generates  
Sufficient  
Revenues

Accomplishes City  
and Stakeholder  
Objectives

Is Consistent with  
Industry Best  
Practices

Is Defensible if  
Challenged

# WATER FINANCIAL PLAN

<b>Water Financial Plan</b>	<b><u>FY 2018</u></b> <i>Forecast</i>	<b><u>FY 2019</u></b> <i>Forecast</i>	<b><u>FY 2020</u></b> <i>Forecast</i>	<b><u>FY 2021</u></b> <i>Forecast</i>	<b><u>FY 2022</u></b> <i>Forecast</i>
<b>Revenues</b>					
Meter Charge	\$ 1,573,928	\$ 1,573,928	\$ 1,573,928	\$ 1,573,928	\$ 1,573,928
Volumetric Charges	7,775,169	8,365,009	8,990,598	9,669,808	10,402,640
Private Fire Protection	63,150	67,134	71,360	75,948	80,898
Other Misc. Revenue	191,637	191,637	191,637	191,637	191,637
<b>Total: Revenues</b>	<b>\$ 9,603,884</b>	<b>\$ 10,197,709</b>	<b>\$ 10,827,523</b>	<b>\$ 11,511,321</b>	<b>\$ 12,249,103</b>
<b>Expenditures</b>					
Operating Expenses	\$ (6,711,783)	\$ (6,913,137)	\$ (7,120,531)	\$ (7,334,147)	\$ (7,554,171)
Existing Debt	(1,848,974)	(1,837,622)	(1,826,838)	(1,814,713)	(1,804,705)
Future Debt	(175,808)	(580,958)	(647,809)	(1,313,619)	(1,676,711)
Other Capital Costs	(820,000)	(840,000)	(1,160,000)	(1,000,000)	(1,160,000)
<b>Total: Expenditures</b>	<b>\$ (9,556,565)</b>	<b>\$ (10,171,717)</b>	<b>\$ (10,755,179)</b>	<b>\$ (11,462,478)</b>	<b>\$ (12,195,587)</b>
<b>Water Surplus/(Deficit)</b>	<b>\$ 47,319</b>	<b>\$ 25,992</b>	<b>\$ 72,344</b>	<b>\$ 48,842</b>	<b>\$ 53,515</b>

## **Key Results**

Revenue Increase	7.5%	7.5%	7.5%	7.5%	7.5%
Debt Service Coverage	1.43	1.36	1.49	1.33	1.34

# WATER RATE RECOMMENDATIONS

- » Recalculate fixed charges to have differentials between meter sizes be consistent with industry best practices
- » Increase fixed charges in FY18 only, and then hold steady over forecast period
- » Increase volumetric rates to accomplish revenue needs (FY18-FY22 = 7.5%)



# WATER RATES AND IMPACTS

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Quarterly Fixed Fee (5/8")</b>	<b>\$ 20.00</b>	<b>\$ 21.25</b>	<b>\$ 21.25</b>	<b>\$ 21.25</b>	<b>\$ 21.25</b>	<b>\$ 21.25</b>
<b>Volumetric Rate (per Ccf)</b>	<b>\$ 4.05</b>	<b>\$ 4.35</b>	<b>\$ 4.68</b>	<b>\$ 5.03</b>	<b>\$ 5.41</b>	<b>\$ 5.82</b>
Median Customer Quarterly Bill (1,500 Cf)	\$ 80.75	\$ 86.50	\$ 91.45	\$ 96.70	\$ 102.40	\$ 108.55
\$ Increase per Bill		\$ 5.75	\$ 4.95	\$ 5.25	\$ 5.70	\$ 6.15
% Increase per Bill		7%	6%	6%	6%	6%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 55.44	\$ 59.31	\$ 62.20	\$ 65.26	\$ 68.59	\$ 72.18
\$ Increase per Bill		\$ 3.88	\$ 2.89	\$ 3.06	\$ 3.33	\$ 3.59
% Increase per Bill		7%	5%	5%	5%	5%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 161.75	\$ 173.50	\$ 185.05	\$ 197.30	\$ 210.60	\$ 224.95
\$ Increase per Bill		\$ 11.75	\$ 11.55	\$ 12.25	\$ 13.30	\$ 14.35
% Increase per Bill		7%	7%	7%	7%	7%



# SEWER FINANCIAL PLAN

<b>Sewer Financial Plan</b>	<b><u>FY 2018</u></b> <i>Forecast</i>	<b><u>FY 2019</u></b> <i>Forecast</i>	<b><u>FY 2020</u></b> <i>Forecast</i>	<b><u>FY 2021</u></b> <i>Forecast</i>	<b><u>FY 2022</u></b> <i>Forecast</i>
<b>Revenues</b>					
Meter Charge	\$ 3,270,358	\$ 3,345,576	\$ 3,422,524	\$ 3,501,242	\$ 3,581,771
Volumetric Charges	9,811,073	\$ 10,036,728	\$ 10,267,572	\$ 10,503,726	\$ 10,745,312
Barrington WW Revenue	1,811,850	1,811,850	1,811,850	1,811,850	1,811,850
Other Misc. Revenue	187,550	187,550	187,550	187,550	187,550
<i>Total: Revenues</i>	\$ 15,080,830	\$ 15,381,703	\$ 15,689,496	\$ 16,004,369	\$ 16,326,483
<b>Expenditures</b>					
Operating Expenses	\$ (10,007,832)	\$ (10,308,067)	\$ (10,617,309)	\$ (10,935,829)	\$ (11,263,903)
Existing Debt	(3,902,306)	(3,902,488)	(3,902,367)	(3,902,390)	(3,902,444)
Future Debt	-	-	-	-	-
Other Capital Costs	(1,163,586)	(1,158,490)	(1,150,000)	(1,150,000)	(1,150,000)
<i>Total: Expenditures</i>	\$ (15,073,724)	\$ (15,369,044)	\$ (15,669,676)	\$ (15,988,219)	\$ (16,316,348)
<b><i>Sewer Surplus/(Deficit)</i></b>	<b>\$ 7,106</b>	<b>\$ 12,659</b>	<b>\$ 19,820</b>	<b>\$ 16,150</b>	<b>\$ 10,135</b>

## **Key Results**

Rate Increases	3.50%	2.30%	2.30%	2.30%	2.30%
Debt Service Coverage	1.30	1.30	1.30	1.30	1.30

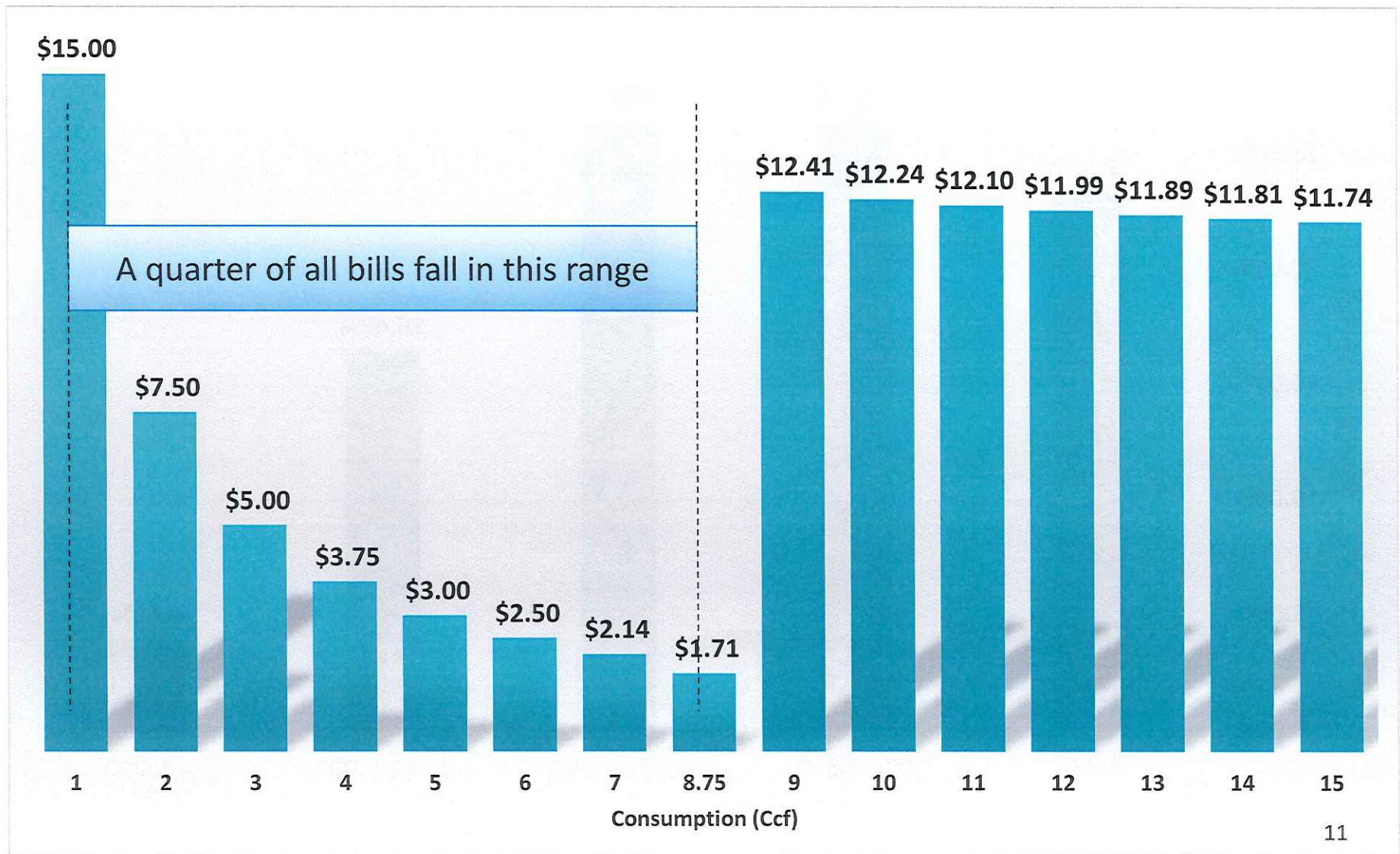
# SEWER RATE ISSUES

- » Fixed charges are too low for revenue stability purposes
- » The existing minimum allowance of 875 cubic feet produces a subsidy of low-volume customers

Total Sewer Usage (Ccf)	172,130,302
Billed Sewer Usage (Ccf)	<u>115,596,153</u>
% of Sewer Usage Billed	<b>67%</b>

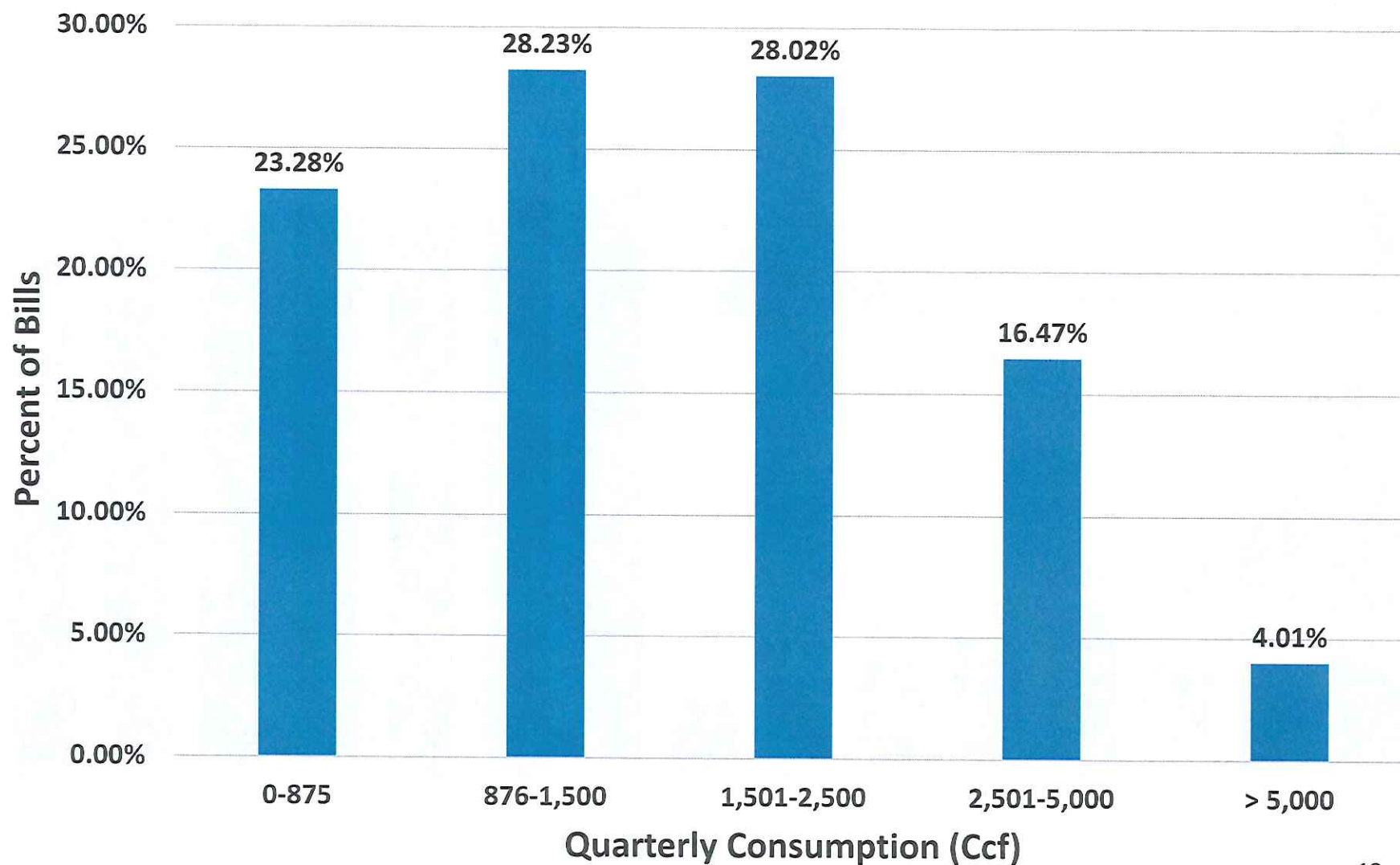
- » The City's existing minimum volume customer (875 cf) pays only \$15 per quarter for sewer service, when the more accurate cost for that same level of service is approximately \$95 per quarter
- » Since low-volume customer's bills have been held artificially low, high-volume users have had to make up the difference
- » Implied rate per Ccf inequalities

# IMPLIED RATE PER Ccf





# BILL CONSUMPTION DISTRIBUTION



# SEWER RATE RECOMMENDATIONS

- » Increase fixed charges to enhance revenue stability
- » Recalculate fixed charges to have differentials between meter sizes be consistent with industry best practices
- » Remove usage allowance of 875 cubic feet per quarter
- » Phase-in/out structure changes as needed to mitigate customer bill impacts

# SEWER VOLUMETRIC OPTIONS

- » **Option 1:** Fully increase fixed charge in FY18; Remove minimum allowance all together in FY18
- » **Option 2:** Fully increase fixed charge in FY18; Phase-out minimum allowance from FY18-FY22
- » **Option 3:** Phase-in fixed charge increases from FY18-FY22; Phase-out minimum allowance from FY18-FY22
- » **Option 4:** Fully increase fixed charge in FY18; Remove minimum allowance all together in FY18; Utilize average winter consumption

Option comparisons are presented using quarterly bill impacts for median, low, and high volume Residential customers



# SEWER VOLUMETRIC EXAMPLE

Allowance Level (cf)	Existing Rate	Calculated Rate	Change
875	\$ 10.74	\$ 8.49	-20.97%
800	10.74	8.19	-23.74%
700	10.74	7.81	-27.28%
600	10.74	7.45	-30.63%
500	10.74	7.11	-33.80%
400	10.74	6.79	-36.78%
300	10.74	6.49	-39.57%
200	10.74	6.21	-42.18%
100	10.74	5.95	-44.60%
0	10.74	5.70	-46.93%
AWC	10.74	6.45	-39.94%

# OPTION 1: REMOVE ALLOWANCE IN FY18 & FULLY INCREASE FIXED CHARGE IN FY18

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Option 1: Remove Allowance in FY18</b>						
Quarterly Fixed Fee (5/8")	\$ 15.00	\$ 45.00	\$ 46.00	\$ 47.00	\$ 48.00	\$ 49.00
Volumetric Rate (per Ccf)	\$ 10.74	\$ 5.70	\$ 5.83	\$ 5.97	\$ 6.10	\$ 6.24
Minimum Allowance (Cf)	875	-	-	-	-	-
Median Customer Quarterly Bill (1,500 Cf)	\$ 82.13	\$ 130.50	\$ 133.47	\$ 136.48	\$ 139.54	\$ 142.64
\$ Increase per Bill		\$ 48.38	\$ 2.97	\$ 3.01	\$ 3.06	\$ 3.11
% Increase per Bill		59%	2%	2%	2%	2%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 94.88	\$ 97.02	\$ 99.20	\$ 101.40	\$ 103.62
\$ Increase per Bill		\$ 79.88	\$ 2.15	\$ 2.17	\$ 2.20	\$ 2.23
% Increase per Bill		533%	2%	2%	2%	2%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 244.50	\$ 250.09	\$ 255.78	\$ 261.58	\$ 267.50
\$ Increase per Bill		\$ (52.43)	\$ 5.59	\$ 5.69	\$ 5.80	\$ 5.91
% Increase per Bill		-18%	2%	2%	2%	2%



# OPTION 2: REDUCE ALLOWANCE FROM FY18-FY22 & FULLY INCREASE FIXED CHARGE IN FY18

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Option 2: Reduce Allowance from FY18-22</b>						
Quarterly Fixed Fee (5/8")	\$ 15.00	\$ 45.00	\$ 46.00	\$ 47.00	\$ 48.00	\$ 49.00
Volumetric Rate (per Ccf)	\$ 10.74	\$ 7.81	\$ 7.27	\$ 6.79	\$ 6.36	\$ 6.24
Minimum Allowance (Cf)	875	700	500	300	100	-
Median Customer Quarterly Bill (1,500 Cf)	\$ 82.13	\$ 107.48	\$ 118.74	\$ 128.46	\$ 137.05	\$ 142.64
\$ Increase per Bill		\$ 25.36	\$ 11.26	\$ 9.73	\$ 8.59	\$ 5.59
% Increase per Bill		31%	10%	8%	7%	4%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 58.67	\$ 73.28	\$ 86.03	\$ 97.29	\$ 103.62
\$ Increase per Bill		\$ 43.67	\$ 14.61	\$ 12.76	\$ 11.26	\$ 6.33
% Increase per Bill		291%	25%	17%	13%	7%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 263.68	\$ 264.21	\$ 264.23	\$ 264.26	\$ 267.50
\$ Increase per Bill		\$ (33.25)	\$ 0.53	\$ 0.03	\$ 0.03	\$ 3.24
% Increase per Bill		-11%	0%	0%	0%	1%



# OPTION 3: REDUCE ALLOWANCE FROM FY18-FY22 & INCREASE FIXED CHARGE FROM FY18-FY22

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Option 3: Phase Allowance &amp; Fixed Charge</b>						
Quarterly Fixed Fee (5/8")	\$ 15.00	\$ 22.00	\$ 29.00	\$ 36.00	\$ 43.00	\$ 49.00
Volumetric Rate (per Ccf)	\$ 10.74	\$ 9.14	\$ 8.42	\$ 7.69	\$ 6.97	\$ 6.24
Minimum Allowance (Cf)	875	700	500	300	100	-
Median Customer Quarterly Bill (1,500 Cf)	\$ 82.13	\$ 95.12	\$ 113.16	\$ 128.30	\$ 140.54	\$ 142.64
\$ Increase per Bill		\$ 13.00	\$ 18.04	\$ 15.14	\$ 12.24	\$ 2.10
% Increase per Bill		16%	19%	13%	10%	1%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 38.00	\$ 60.56	\$ 80.23	\$ 96.99	\$ 103.62
\$ Increase per Bill		\$ 23.00	\$ 22.56	\$ 19.67	\$ 16.77	\$ 6.63
% Increase per Bill		153%	59%	32%	21%	7%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 277.92	\$ 281.47	\$ 282.12	\$ 279.88	\$ 267.50
\$ Increase per Bill		\$ (19.01)	\$ 3.55	\$ 0.65	\$ (2.24)	\$ (12.38)
% Increase per Bill		-6%	1%	0%	-1%	-4%

# AVERAGE WINTER CONSUMPTION

- » Utilizing an average winter consumption methodology for billing sewer will benefit less than 20% of the City's customers
  - These are the customers that greatly increase water use over the summer periods as compared to winter periods (e.g. lawn irrigators)
- » The typical customer in East Providence will not benefit from this methodology, but will also not be negatively impacted greatly



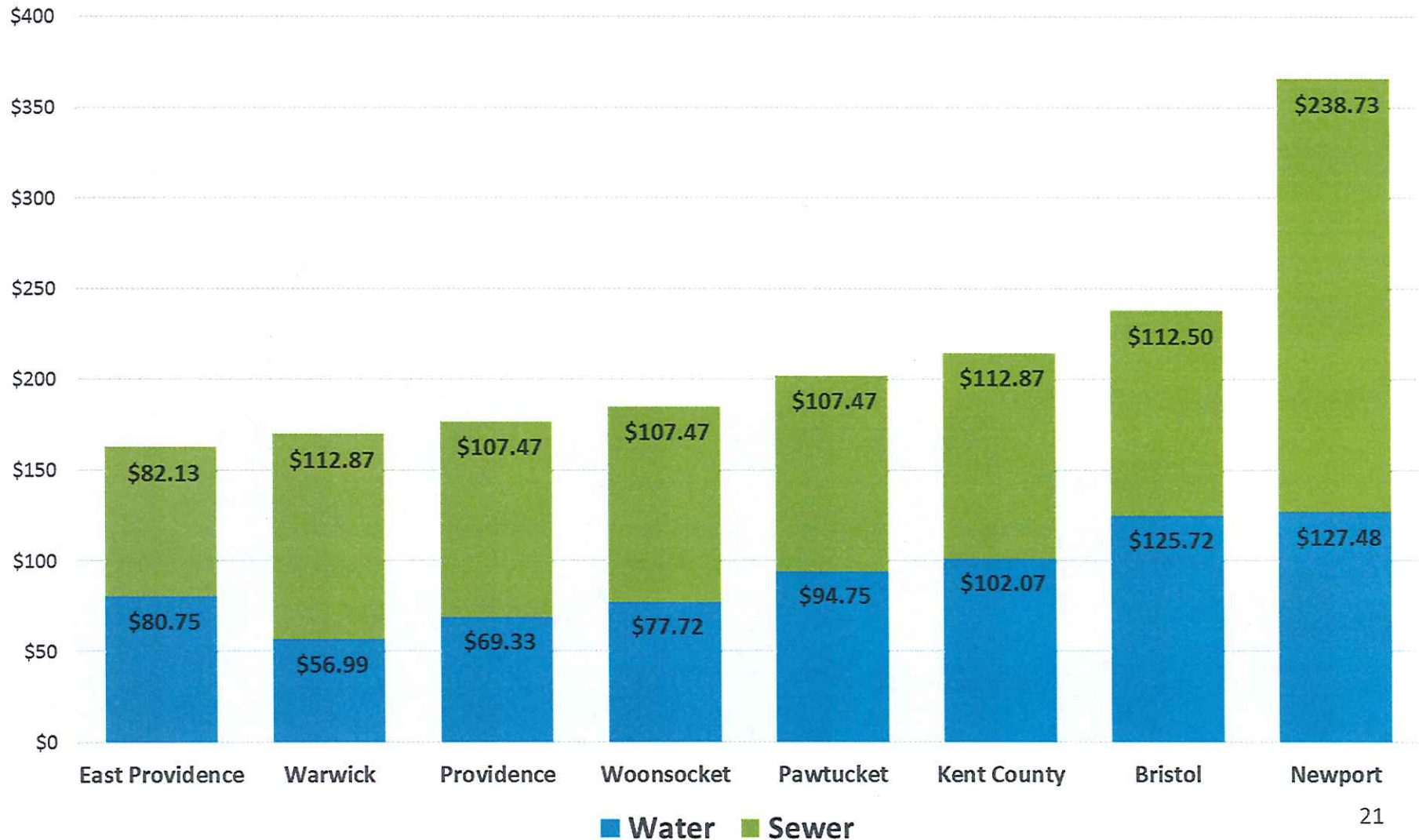
# OPTION 4: REMOVE ALLOWANCE IN FY18, FULLY INCREASE FIXED CHARGE IN FY18, UTILIZE AVERAGE WINTER CONSUMPTION

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Option 4: Remove Allowance in FY18 - AWC</b>						
Quarterly Fixed Fee (5/8")	\$ 15.00	\$ 45.00	\$ 46.00	\$ 47.00	\$ 48.00	\$ 49.00
Volumetric Rate (per Ccf)	\$ 10.74	\$ 6.45	\$ 6.60	\$ 6.75	\$ 6.91	\$ 7.06
Minimum Allowance (Cf)	875	-	-	-	-	-
Median Customer Quarterly Bill (1,500 Cf)	\$ 82.13	\$ 127.24	\$ 130.13	\$ 133.06	\$ 136.04	\$ 139.07
\$ Increase per Bill		\$ 45.11	\$ 2.89	\$ 2.93	\$ 2.98	\$ 3.02
% Increase per Bill		55%	2%	2%	2%	2%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 101.44	\$ 103.74	\$ 106.06	\$ 108.42	\$ 110.81
\$ Increase per Bill		\$ 86.44	\$ 2.30	\$ 2.33	\$ 2.36	\$ 2.39
% Increase per Bill		576%	2%	2%	2%	2%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 203.03	\$ 207.66	\$ 212.38	\$ 217.18	\$ 222.07
\$ Increase per Bill		\$ (93.90)	\$ 4.63	\$ 4.72	\$ 4.80	\$ 4.89
% Increase per Bill		-32%	2%	2%	2%	2%



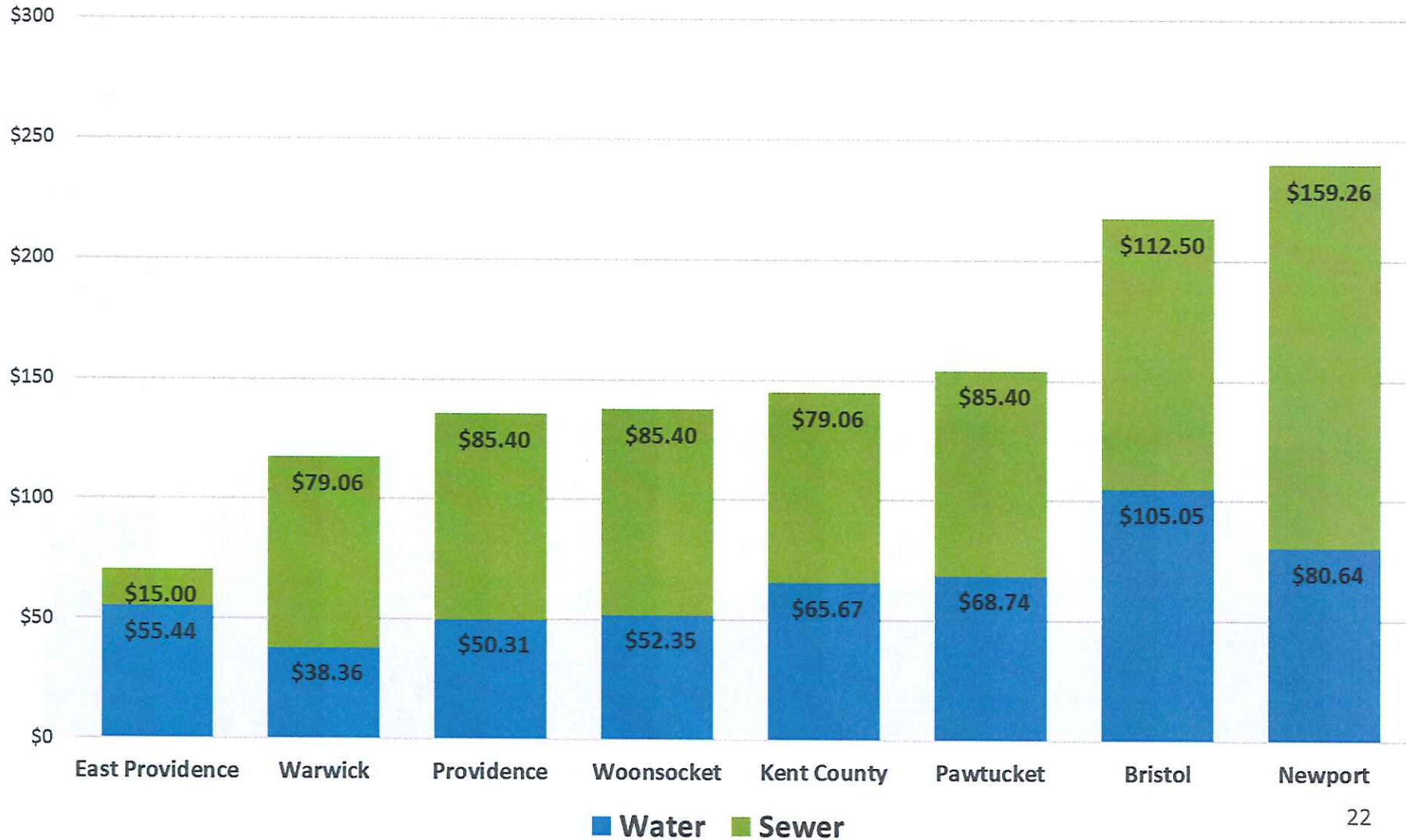
# QUARTERLY BILL COMPARISON

(5/8" meter & 15 Ccf)



# QUARTERLY BILL COMPARISON

(5/8" meter & 8.75 Ccf)



# DISCUSSION

- » Water Rates
- » Sewer Rates
- » Other options to consider?
- » Next steps and key deadlines



**THANK  
YOU**

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Option 1: Remove Allowance in FY18</b>						
Quarterly Fixed Fee (5/8")	\$ 15.00	\$ 45.00	\$ 46.00	\$ 47.00	\$ 48.00	\$ 49.00
Volumetric Rate (per Ccf)	\$ 10.74	\$ 5.70	\$ 5.83	\$ 5.97	\$ 6.10	\$ 6.24
Minimum Allowance (Cf)	875	-	-	-	-	-
Median Customer Quarterly Bill (1,500 Cf)	\$ 82.13	\$ 130.50	\$ 133.47	\$ 136.48	\$ 139.54	\$ 142.64
\$ Increase per Bill		\$ 48.38	\$ 2.97	\$ 3.01	\$ 3.06	\$ 3.11
% Increase per Bill		59%	2%	2%	2%	2%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 94.88	\$ 97.02	\$ 99.20	\$ 101.40	\$ 103.62
\$ Increase per Bill		\$ 79.88	\$ 2.15	\$ 2.17	\$ 2.20	\$ 2.23
% Increase per Bill		533%	2%	2%	2%	2%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 244.50	\$ 250.09	\$ 255.78	\$ 261.58	\$ 267.50
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% Increase per Bill		-18%	2%	2%	2%	2%
<b>Option 2: Reduce Allowance from FY18-22</b>						
Quarterly Fixed Fee (5/8")	\$ 15.00	\$ 45.00	\$ 46.00	\$ 47.00	\$ 48.00	\$ 49.00
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Minimum Allowance (Cf)	875	700	500	300	100	-
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\$ Increase per Bill		\$ 25.36	\$ 11.26	\$ 9.73	\$ 8.59	\$ 5.59
% Increase per Bill		31%	10%	8%	7%	4%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 58.67	\$ 73.28	\$ 86.03	\$ 97.29	\$ 103.62
\$ Increase per Bill		\$ 43.67	\$ 14.61	\$ 12.76	\$ 11.26	\$ 6.33
% Increase per Bill		291%	25%	17%	13%	7%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 263.68	\$ 264.21	\$ 264.23	\$ 264.26	\$ 267.50
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\$ Increase per Bill		\$ 13.00	\$ 18.04	\$ 15.14	\$ 12.24	\$ 2.10
% Increase per Bill		16%	19%	13%	10%	1%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 38.00	\$ 60.56	\$ 80.23	\$ 96.99	\$ 103.62
\$ Increase per Bill		\$ 23.00	\$ 22.56	\$ 19.67	\$ 16.77	\$ 6.63
% Increase per Bill		153%	59%	32%	21%	7%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 277.92	\$ 281.47	\$ 282.12	\$ 279.88	\$ 267.50
\$ Increase per Bill		\$ (19.01)	\$ 3.55	\$ 0.65	\$ (2.24)	\$ (12.38)
% Increase per Bill		-6%	1%	0%	-1%	-4%



# AWC OPTION

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Option 1: Remove Allowance in FY18</b>						
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<b>Option 4: Remove Allowance in FY18 - AWC</b>						
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Volumetric Rate (per Ccf)	\$ 10.74	\$ 6.45	\$ 6.60	\$ 6.75	\$ 6.91	\$ 7.06
Minimum Allowance (Cf)	875	-	-	-	-	-
Median Customer Quarterly Bill (1,500 Cf)	\$ 82.13	\$ 127.24	\$ 130.13	\$ 133.06	\$ 136.04	\$ 139.07
\$ Increase per Bill		\$ 45.11	\$ 2.89	\$ 2.93	\$ 2.98	\$ 3.02
% Increase per Bill		55%	2%	2%	2%	2%
Low-Volume Customer Quarterly Bill (875 Cf)	\$ 15.00	\$ 101.44	\$ 103.74	\$ 106.06	\$ 108.42	\$ 110.81
\$ Increase per Bill		\$ 86.44	\$ 2.30	\$ 2.33	\$ 2.36	\$ 2.39
% Increase per Bill		576%	2%	2%	2%	2%
High-Volume Customer Quarterly Bill (3,500 Cf)	\$ 296.93	\$ 203.03	\$ 207.66	\$ 212.38	\$ 217.18	\$ 222.07
\$ Increase per Bill		\$ (93.90)	\$ 4.63	\$ 4.72	\$ 4.80	\$ 4.89
% Increase per Bill		-32%	2%	2%	2%	2%



# WATER RATES

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<u>Annual Fixed Fee</u>						
5/8"	\$ 80.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
3/4"	\$ 120.00	\$ 127.50	\$ 127.50	\$ 127.50	\$ 127.50	\$ 127.50
1"	\$ 100.00	\$ 212.50	\$ 212.50	\$ 212.50	\$ 212.50	\$ 212.50
1 1/2"	\$ 150.00	\$ 425.00	\$ 425.00	\$ 425.00	\$ 425.00	\$ 425.00
2"	\$ 300.00	\$ 680.00	\$ 680.00	\$ 680.00	\$ 680.00	\$ 680.00
3"	\$ 450.00	\$1,360.00	\$1,360.00	\$1,360.00	\$1,360.00	\$1,360.00
4"	\$ 980.00	\$2,125.00	\$2,125.00	\$2,125.00	\$2,125.00	\$2,125.00
6"	\$1,660.00	\$4,250.00	\$4,250.00	\$4,250.00	\$4,250.00	\$4,250.00
8"	\$3,440.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00
10"	\$4,950.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00	\$6,800.00
<u>Volumetric Rate (per Ccf)</u>	\$ 4.05	\$ 4.35	\$ 4.68	\$ 5.03	\$ 5.41	\$ 5.82

# SEWER RATES

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Option 1: Remove Allowance in FY18</b>							<b>Option 2: Reduce Allowance from FY18-22</b>						
<u>Annual Fixed Fee</u>							<u>Annual Fixed Fee</u>						
5/8"	\$ 60.00	\$ 180.00	\$ 184.00	\$ 188.00	\$ 192.00	\$ 196.00	5/8"	\$ 60.00	\$ 180.00	\$ 184.00	\$ 188.00	\$ 192.00	\$ 196.00
3/4"	\$ 100.00	\$ 270.00	\$ 276.00	\$ 282.00	\$ 288.00	\$ 294.00	3/4"	\$ 100.00	\$ 270.00	\$ 276.00	\$ 282.00	\$ 288.00	\$ 294.00
1"	\$ 150.00	\$ 450.00	\$ 460.00	\$ 470.00	\$ 480.00	\$ 490.00	1"	\$ 150.00	\$ 450.00	\$ 460.00	\$ 470.00	\$ 480.00	\$ 490.00
1 1/2"	\$ 300.00	\$ 900.00	\$ 920.00	\$ 940.00	\$ 960.00	\$ 980.00	1 1/2"	\$ 300.00	\$ 900.00	\$ 920.00	\$ 940.00	\$ 960.00	\$ 980.00
2"	\$ 450.00	\$ 1,440.00	\$ 1,472.00	\$ 1,504.00	\$ 1,536.00	\$ 1,568.00	2"	\$ 450.00	\$ 1,440.00	\$ 1,472.00	\$ 1,504.00	\$ 1,536.00	\$ 1,568.00
3"	\$ 980.00	\$ 2,880.00	\$ 2,944.00	\$ 3,008.00	\$ 3,072.00	\$ 3,136.00	3"	\$ 980.00	\$ 2,880.00	\$ 2,944.00	\$ 3,008.00	\$ 3,072.00	\$ 3,136.00
4"	\$ 1,660.00	\$ 4,500.00	\$ 4,600.00	\$ 4,700.00	\$ 4,800.00	\$ 4,900.00	4"	\$ 1,660.00	\$ 4,500.00	\$ 4,600.00	\$ 4,700.00	\$ 4,800.00	\$ 4,900.00
6"	\$ 3,440.00	\$ 9,000.00	\$ 9,200.00	\$ 9,400.00	\$ 9,600.00	\$ 9,800.00	6"	\$ 3,440.00	\$ 9,000.00	\$ 9,200.00	\$ 9,400.00	\$ 9,600.00	\$ 9,800.00
8"	\$ 4,950.00	\$ 14,400.00	\$ 14,720.00	\$ 15,040.00	\$ 15,360.00	\$ 15,680.00	8"	\$ 4,950.00	\$ 14,400.00	\$ 14,720.00	\$ 15,040.00	\$ 15,360.00	\$ 15,680.00
10"	\$ 4,950.00	\$ 14,400.00	\$ 14,720.00	\$ 15,040.00	\$ 15,360.00	\$ 15,680.00	10"	\$ 4,950.00	\$ 14,400.00	\$ 14,720.00	\$ 15,040.00	\$ 15,360.00	\$ 15,680.00
<u>Volumetric Rate (per Ccf)</u>	\$ 10.74	\$ 5.70	\$ 5.83	\$ 5.97	\$ 6.10	\$ 6.24	<u>Volumetric Rate (per Ccf)</u>	\$ 10.74	\$ 7.81	\$ 7.27	\$ 6.79	\$ 6.36	\$ 6.24
<u>Minimum Allowance (Cf)</u>	875	-	-	-	-	-	<u>Minimum Allowance (Cf)</u>	875	700	500	300	100	-
<b>Option 3: Phase Allowance &amp; Fixed Charge</b>							<b>Option 4: Remove Allowance in FY18 - AWC</b>						
<u>Annual Fixed Fee</u>							<u>Annual Fixed Fee</u>						
5/8"	\$ 60.00	\$ 88.00	\$ 116.00	\$ 144.00	\$ 172.00	\$ 196.00	5/8"	\$ 60.00	\$ 180.00	\$ 184.00	\$ 188.00	\$ 192.00	\$ 196.00
3/4"	\$ 100.00	\$ 132.00	\$ 174.00	\$ 216.00	\$ 258.00	\$ 294.00	3/4"	\$ 100.00	\$ 270.00	\$ 276.00	\$ 282.00	\$ 288.00	\$ 294.00
1"	\$ 150.00	\$ 220.00	\$ 290.00	\$ 360.00	\$ 430.00	\$ 490.00	1"	\$ 150.00	\$ 450.00	\$ 460.00	\$ 470.00	\$ 480.00	\$ 490.00
1 1/2"	\$ 300.00	\$ 440.00	\$ 580.00	\$ 720.00	\$ 860.00	\$ 980.00	1 1/2"	\$ 300.00	\$ 900.00	\$ 920.00	\$ 940.00	\$ 960.00	\$ 980.00
2"	\$ 450.00	\$ 704.00	\$ 928.00	\$ 1,152.00	\$ 1,376.00	\$ 1,568.00	2"	\$ 450.00	\$ 1,440.00	\$ 1,472.00	\$ 1,504.00	\$ 1,536.00	\$ 1,568.00
3"	\$ 980.00	\$ 1,408.00	\$ 1,856.00	\$ 2,304.00	\$ 2,752.00	\$ 3,136.00	3"	\$ 980.00	\$ 2,880.00	\$ 2,944.00	\$ 3,008.00	\$ 3,072.00	\$ 3,136.00
4"	\$ 1,660.00	\$ 2,200.00	\$ 2,900.00	\$ 3,600.00	\$ 4,300.00	\$ 4,900.00	4"	\$ 1,660.00	\$ 4,500.00	\$ 4,600.00	\$ 4,700.00	\$ 4,800.00	\$ 4,900.00
6"	\$ 3,440.00	\$ 4,400.00	\$ 5,800.00	\$ 7,200.00	\$ 8,600.00	\$ 9,800.00	6"	\$ 3,440.00	\$ 9,000.00	\$ 9,200.00	\$ 9,400.00	\$ 9,600.00	\$ 9,800.00
8"	\$ 4,950.00	\$ 7,040.00	\$ 9,280.00	\$ 11,520.00	\$ 13,760.00	\$ 15,680.00	8"	\$ 4,950.00	\$ 14,400.00	\$ 14,720.00	\$ 15,040.00	\$ 15,360.00	\$ 15,680.00
10"	\$ 4,950.00	\$ 7,040.00	\$ 9,280.00	\$ 11,520.00	\$ 13,760.00	\$ 15,680.00	10"	\$ 4,950.00	\$ 14,400.00	\$ 14,720.00	\$ 15,040.00	\$ 15,360.00	\$ 15,680.00
<u>Volumetric Rate (per Ccf)</u>	\$ 10.74	\$ 9.14	\$ 8.42	\$ 7.69	\$ 6.97	\$ 6.24	<u>Volumetric Rate (per Ccf)</u>	\$ 10.74	\$ 6.45	\$ 6.60	\$ 6.75	\$ 6.91	\$ 7.06
<u>Minimum Allowance (Cf)</u>	875	700	500	300	100	-	<u>Minimum Allowance (Cf)</u>	875	-	-	-	-	-