Summary of Findings and Recommendations

Rate Structure and User Fees

RCAP Solutions does not recommend a significant change to the rate structure currently being used in Waitsfield. Waitsfield Water System has used a capacity-based system which utilizes the wastewater permit for assigning equivalent residential units, or ERUs. Using actual usage data and revenue requirements, a number of scenarios were examined during the exercise. Affordability to customers and the impact on critical reserve contributions were considered. None of the scenarios were determined to provide a worthwhile benefit over the current structure, although a slight adjustment to the debt service base fee is recommended to reflect actual ERU growth. Modifications to the connection fee should also be considered to encourage connection to the system. Strong growth in the system carries with it community-wide benefits in the form of reduced user rates.

The current overage allotment and rate is well designed for the current rate structure. The modification of user fees is largely dependent on growth in the system and operating costs, and should be re-evaluated on an annual basis. Projections for user fees have been made in this document at varying ERU growth rates. For the upcoming year, the debt service base fee should be reduced from $150 to $146 per ERU.

Full cost pricing in the water industry considers all of the expenses associated with providing water to the community. Those expenses are typically divided into fixed and variable costs. Fixed expenses should be covered by the base rate, while any variable expenses – generally, those expenses that vary with a change in water production – are covered by the flow rate, or usage fee. With the current rate structure, Waitsfield essentially achieves those recommendations, which is important to the long-term financial health of the system.

Reserve Accounts

Reserve allocation recommendations have been made for the system. These recommendations are based on industry standards as well as factors specific to the system. RCAP Solutions recommends that separate accounts be maintained - and budget line items are included on an annual basis - for a planned equipment replacement reserve fund, a debt service reserve, and an emergency reserve if necessary (maintain at least $25,000 in the short-term). The following chart lists the recommended minimum planned equipment replacement reserve balance, which closely mirror the accumulation of “surplus” projections for the next 10 years and stays within community-wide affordability criteria.

Equipment Replacement Reserve Balance Recommendation

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
$29,137	$44,326	$59,971	$75,585	$92,182	$109,278	$112,686	$130,823	$149,503	$168,744

Waitsfield Water System Rate Study

Introduction

The Town of Waitsfield Water System (WWS) is a community water system providing water service to Waitsfield Village and Irasville, Vermont since late 2012. The Water Commission (Commission), the official entity responsible for the operation and policy setting of the water system, was also formed in late 2012 and is comprised of five members. With water usage data now available for the first few years of operation, the Water Commission is interested in reviewing the rate structure and whether the current structure supports continued financial viability for the water system. The Water Commission enlisted the assistance of RCAP Solutions, Inc. (RCAP) to assist with the process of reviewing their rates and related issues.

Assumptions

This analysis is based on a number of assumptions, changes to which may have significant impact on the findings. Assumptions have been made on variables including the growth of the water system, inflation rates, and the funding of cash reserves.

- **ERU Projection**

  According to the State of Vermont's database and for the purpose of compliance with the Safe Drinking Water Act, Waitsfield serves approximately 450 customers through 229 service connections. Of those service connections, approximately 180 are residential and 49 are commercial. It is important to note, however, that any financial projections and rate assumptions revolve around the number of equivalent residential units (ERUs) comprising the water system. ERU allocations are based on wastewater capacity assigned by the State in the permitting process. Based on input from the water system and existing 5-year projections, ERU growth is expected at a 3% annual rate during the next five years. While the most recent town plan (2012) expects a modest 0.5-1.5% growth per year in population during this time, ERU growth could exceed this rate. This assumption considers these factors:

  - Unconnected residents migrating to the system as private wells fail
  - Commercial expansion in the downtown growth areas
  - Influence of the strong tourism economy in the Mad River Valley

Fiscal Year	Number of ERUs Debt Service	Number of ERUs O&M
2016	228	205
2017	235	211
2018	242	217
2019	249	224
2020	257	231
2021	264	238

- **Inflation Rates**

Based on projections provided by the Water Commission and past budgeting practices, it is expected that operating and maintenance (O&M) costs will increase at a 3% annual rate. This increase has been extended for future projections in this exercise.

- **Reserve Fund Allocation**

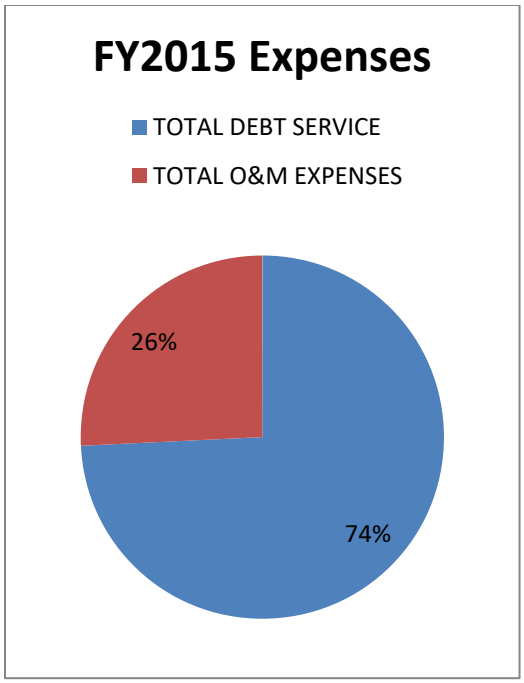
Adequate reserves can help assure financial stability and resiliency. The level of reserves considered adequate, however, varies considerably within the industry. Recommendations should be based on factors specific to the water system. For this reason, assets and replacement costs have been inventoried and estimated to determine appropriate reserve contributions. These costs should be considered part of the revenue requirement associated with operating the water system.

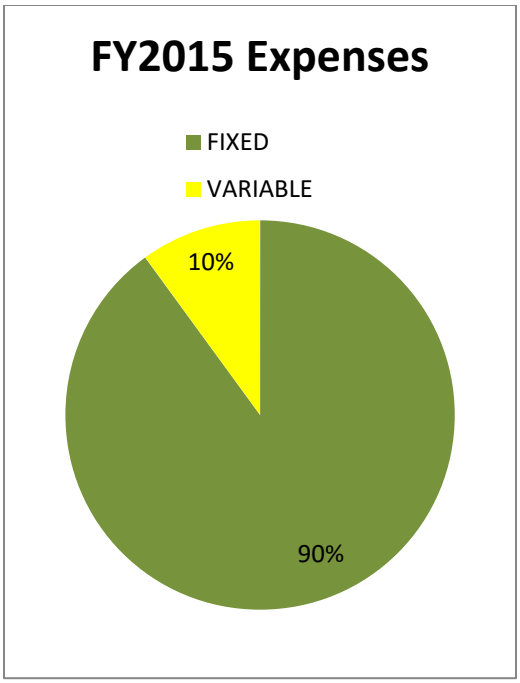
- **Debt Service Base Rate**

The level of debt service carried by the system related to the construction of the system is a finite number. An assumption has been made that, over time, the debt service user rate will decrease in proportion to debt service ERU growth.

Budget and Revenue Requirements

Full cost pricing in the water industry considers all of the expenses associated with providing water to the community. Those expenses are typically divided into fixed and variable costs. Fixed expenses should be covered by the base rate, while any variable expenses – generally, those expenses that vary with a change in water production – are covered by the flow rate, or usage fee.





In considering Waitsfield's actual expenditures for FY2015, it becomes evident that a high percentage of the system's overall expenses are fixed – approximately 90%. Debt service makes up a large portion of these costs, but not all. Salaries and other predictable expenses should also be included as part of the fixed costs:

FY2015 Budget Breakdown

Fixed Costs			**Variable Costs**		
Debt Service	**$**	**132,996**	Electricity	**$**	**1,942**
Reserve Funds	**$**	**570**	Propane	**$**	**400**
Billing & Collection/Office Rent	**$**	**1,500**	Repairs	**$**	**10,714**
Insurance	**$**	**519**	Office Expenses	**$**	**938**
Operator Salary	**$**	**15,550**	Chemicals	**$**	**33**
Education	**$**	**1,031**	Other - misc.	**$**	**3,995**
Engineering	**$**	**3,144**	**Total Variable Costs**	**$**	**18,022**
Telephone	**$**	**1,127**			
Water Tests	**$**	**475**			
Other - permit, notices	**$**	**4,754**			
Total Fixed Costs	**$**	**161,666**			

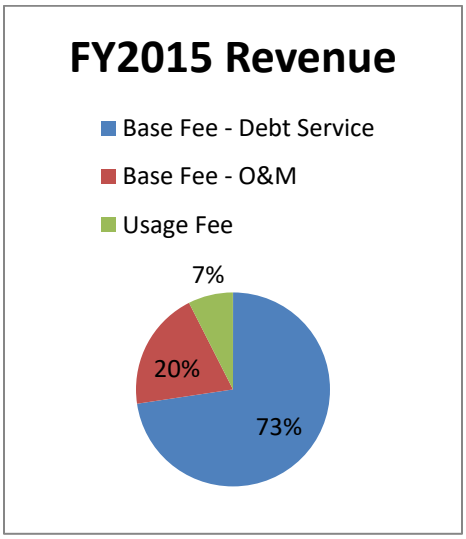
In FY2015, approximately 92.5% of the revenue generated was a result of the base fee component, which includes both the debt service and O&M portions of the total base fee. Therefore, the existing rate structure correlates fairly well with recommended industry practices; the base fees charged to users covers fixed costs. Thinking of the costs as fixed versus variable, debt service and future maintenance are both fixed and should be treated as such.

Basing revenue requirements off of budget projections which assume a 3% inflation factor and 3% annual ERU growth, annual user fees per ERU would drop gradually. However, reducing overall user fees without considering reserve requirements would not reflect the full cost of providing water service throughout the expected lifespan of the system. It is likely that the usage fee component of the customer bill will be the foundation for reserve contributions in the short term. Any revenue realized as a result of increased usage charges should support an increase in reserve allocations until the time that all recommended reserves are fully funded, allowing the system to both plan for the future and continue to promote conservation. Trends with usage fee revenue should be monitored over time, as more consumers become aware of the fee and adjust their habits.

Existing Water Rates and Current Revenue

Per Appendix A of the system's ordinance, water rates for metered properties consist of a base fee and usage charge, currently billed on a quarterly basis. The rates have been effective since December 20, 2013. The Commission strives to generate adequate revenues to operate and maintain the water system on a self-supporting basis.

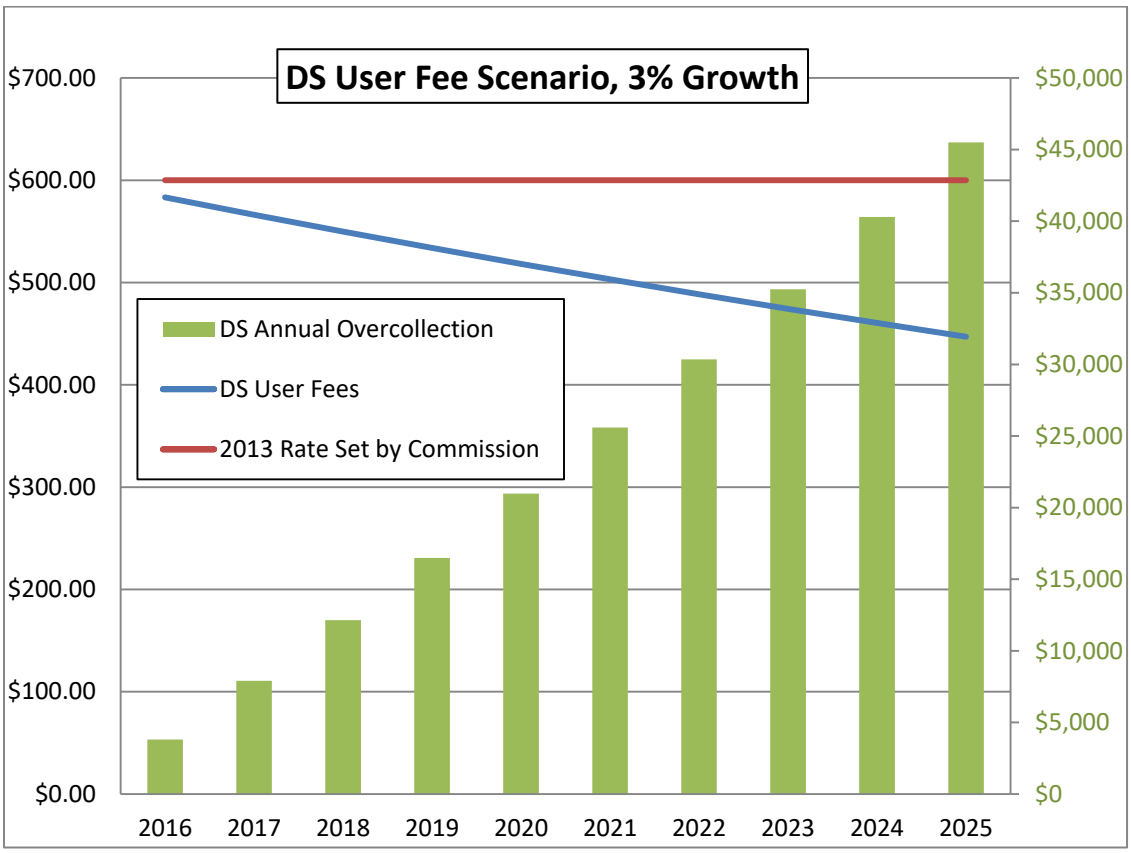
- Base Fee – per ERU charge that pays the debt service of the Waitsfield Community Water System, the O&M costs and is inclusive of the first 10,000 gallons per quarter (GPD)
    - Debt Service: $600 per ERU
    - O & M: $200 per ERU
    - Total Base Fee: $800 per ERU
- Usage Charge - over 10,000 GPQ:
    - $6.00 per 1,000 gallons



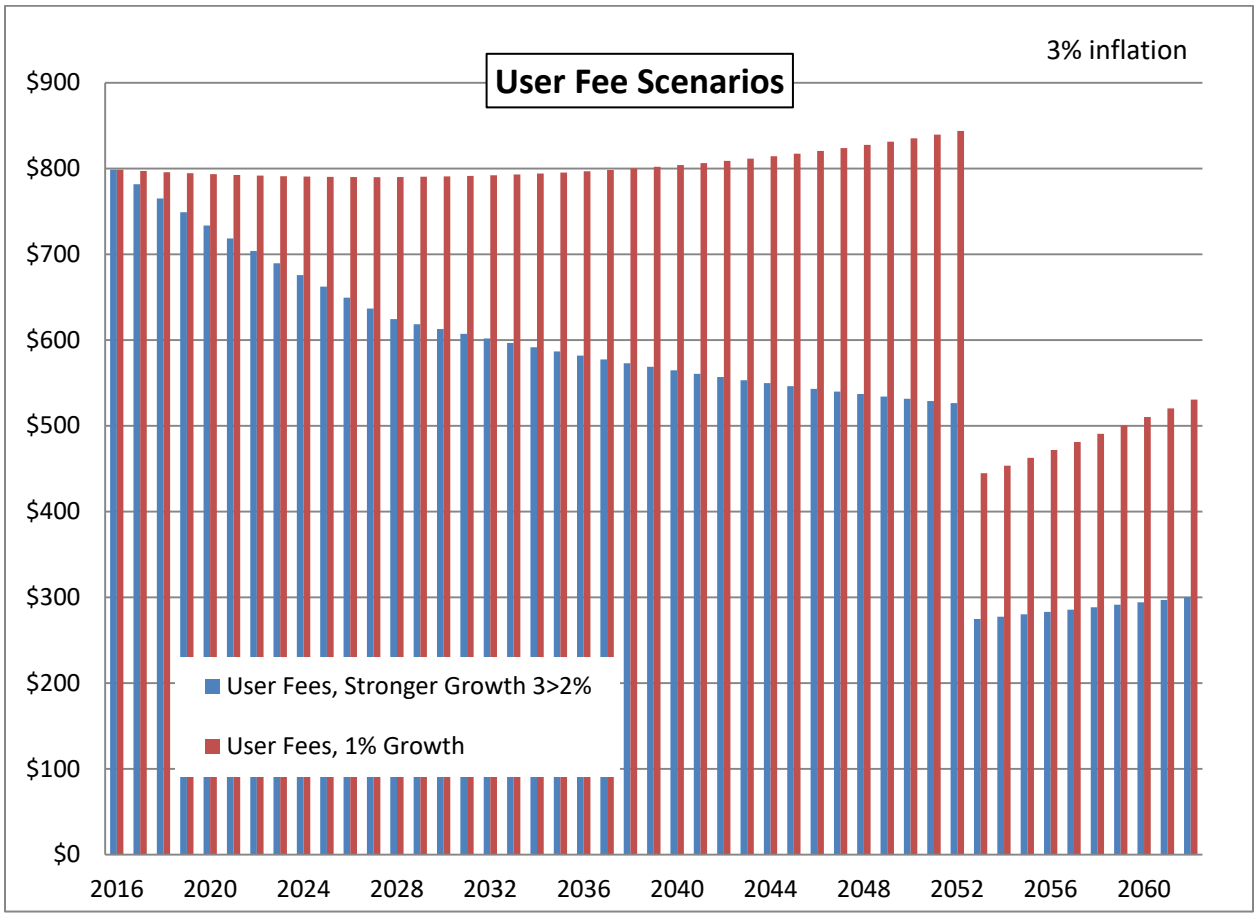
For Waitsfield, a newer water system with a high percentage of fixed expenses, it is important to ensure that revenues collected are predictable enough to allow repayment on the loan regardless of water production. For WWS, approximately 74% of the expenses in FY2015 were debt service-related. This breakdown correlates to the distinction within the base fee of the 75-25 ratio of debt service to operations and maintenance. Waitsfield's usage fee was designed to encourage conservation, in that

customers consuming more than the included base volume (10,000 gallons) are required to pay extra. The fee also provides a mechanism for the detection of customer premise leaks because the timely repair of the leak is incentivized. The revenue collected in FY2015 from the usage fee was approximately 7.5% of the total overall revenue.

As ERUs are gained within the system, actual debt service per ERU should be reduced. If this method of breaking out the components of the base fee is continued, it is recommended that the rates be reviewed periodically and this breakdown be modified, if necessary, based on actual ERU growth. If the debt service user fee is not adjusted, an over collection scenario will occur:



Projections made during this exercise assume that debt service fees will be reduced over time to reflect any increases in ERU growth. A reduction in debt service fees also has the effect of reducing overall user fees over the next 15 years, although the amount is largely dependent on the growth rate and inflation. The following chart illustrates the impact that 3% growth could have on user rates versus 1% growth:



Connection Fees

In addition to the base fees and the usage charge, the ordinance specifies the following connection fees:

Connection Fee:
2013 Fee: $1,000 per ERU.
2014 Fee: $2,000 per ERU.
2015 Fee: $3,000 per ERU.

The intent of the escalating connection fees was initially to encourage connection to the system. Because the fees are essentially "frozen" at the 2015 level, currently the fees have the consequence of discouraging connection. As discussed previously, the impact of growth in the system has a significant benefit to the community in the form of reduced user rates. Therefore, the system should modify the connection fees to incentivize connection. Revisions to the ordinance should specify a fair fee that covers the actual cost of the material and labor to the water system. This fee would presumably vary based on specifics of the connection, such as meter size, but should cover the actual costs.

Reserve Fund Allocation

In determining whether Waitsfield's water reserves are sufficient to meet the system's needs, the following factors need to be considered:

- The number and type of reserve accounts
- Policies on how each reserve account should be used
- The amount of money in each account, and annual contributions

Currently, WWS maintains a Water Reserve Fund. Annually, the system budgets approximately 7.5% of its O&M expenses to provide a debt service reserve and O&M contingency fund. This document incorporates components of USDA recommendations, which include maintenance of the following reserve accounts:

- Emergency Reserve – Recommended at a typical year's unscheduled / emergency repair expense plus 10%, or a minimum of $25,000 in this case
- Planned Equipment Replacement Reserve – Recommended for short-lived asset (10-15 year lifespan) replacement or rehabilitation, a.k.a. sinking fund, and long-term maintenance funds
- Debt Service Reserve – Separate account maintained for the purpose of paying loan installments

In the past, it appears that WWS has deposited any revenue in excess of budgeted and unbudgeted expenses into the Water Reserve Fund. While some may think of these funds as "surplus," budget line items identifying the need for reserve fund contributions would eliminate any misconceptions of the funds as surplus. In working with representatives of WWS on components of an asset management plan, RCAP Solutions has attempted to define an adequate level of reserve for the system. Due to the limited number of assets needing replacement in the next 10-15 years of operation, short-lived asset replacement has been included in the general equipment replacement reserve fund. In the future, the system may wish to separate out the short-lived assets into a separate reserve account.

Asset Management Plan

While general industry recommendations exist for reserve allocations, the level of reserve considered adequate for planned repair and replacement of system facilities and equipment should be based on an asset management plan. Having a basic idea of historic repair and replacement costs experienced by the system is important for budgeting purposes, but a longer-term approach to managing system assets – such as an asset management plan - is recommended in this case. An asset management plan also defines the level of service that the utility expects to provide to customers and other stakeholders, and should dictate financial prioritization.

Asset management can take many forms, but the basic steps in developing and maintaining an asset management plan include:

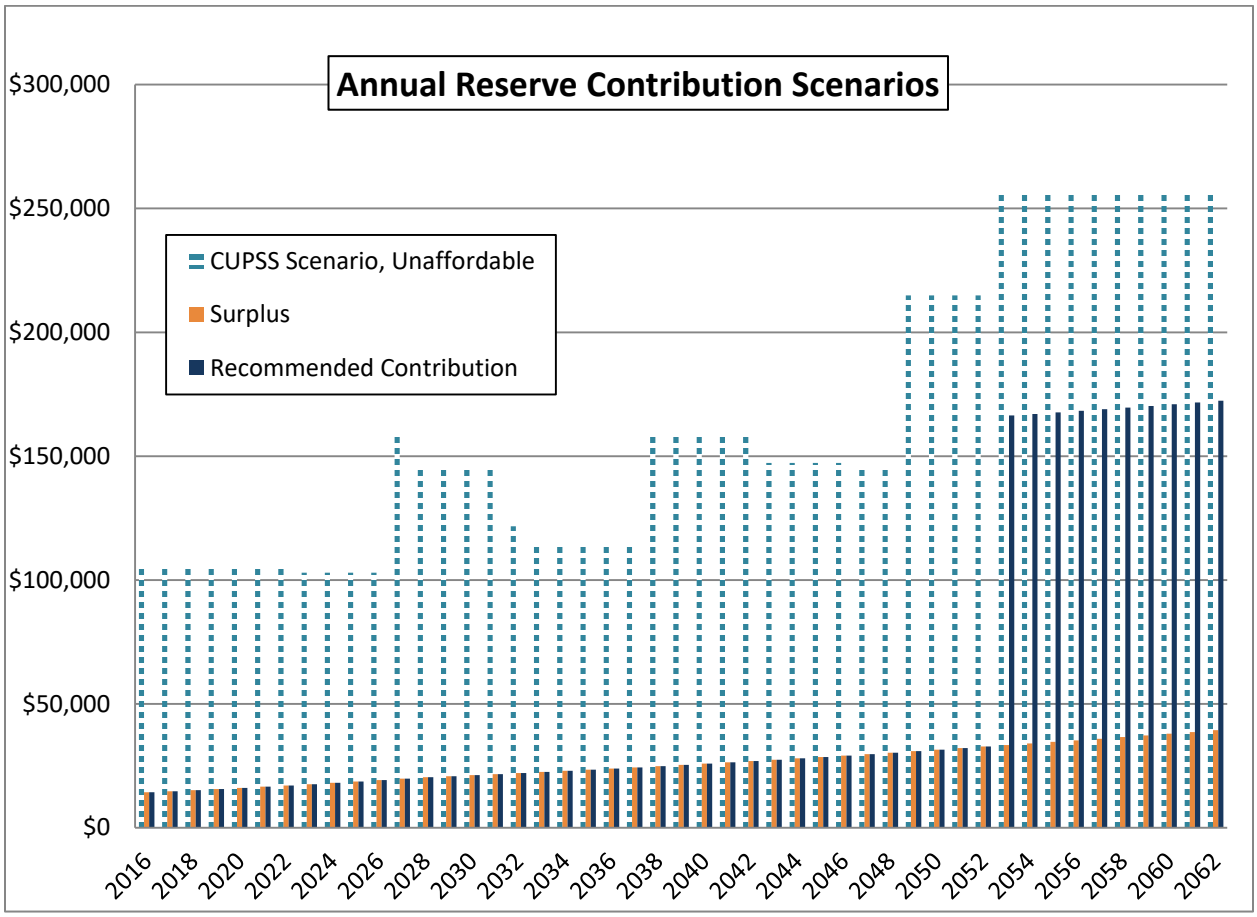
- Developing an inventory of assets – collect information on age, service history, and useful life
- Defining the utility's level of service expectations
- Prioritizing assets based on useful life, importance, redundancy
- Determining costs of asset rehabilitation and replacement
- Determining funding options (reserves or alternative funding source?)
- Reviewing and revising the plan annually during budget process

Based on responses from the initial TMF assessment, WWS recognizes the importance of planning for the future. RCAP encourages the continued development and maintenance of an asset management plan to better define appropriate equipment replacement funding.

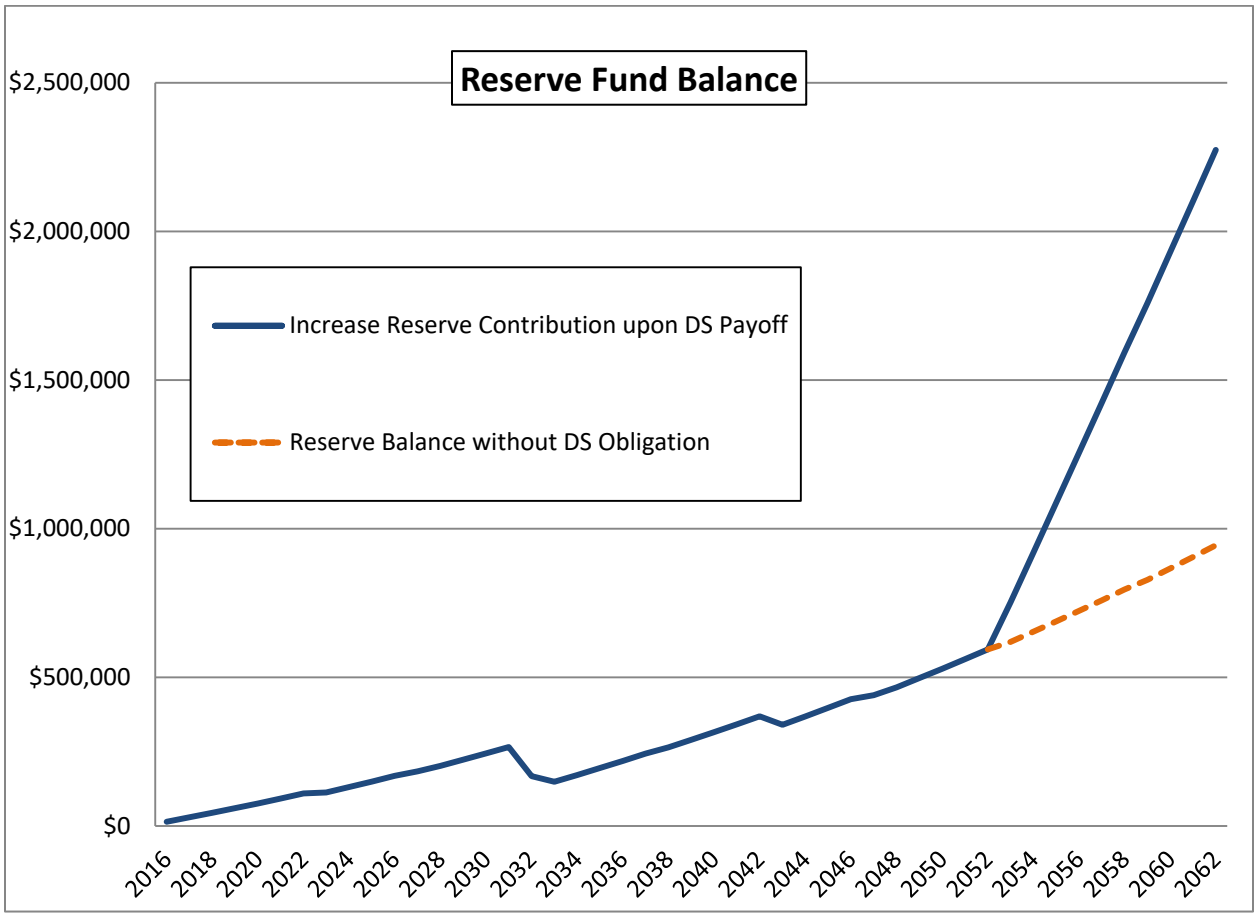
During the process of identifying assets of the water system, RCAP Solutions worked with the contract operator for the system and the Town Administrator. Approximately 94 assets were identified, representing a replacement cost of approximately 5.8 million dollars over the next 100 years. EPA's Check Up Program for Small Systems (CUPSS) was used to estimate the cost of replacing the entire water system at conservative life expectancies. This program takes into account the replacement costs at times up to 100 years in the future. For this reason, and because many system components often remain in service beyond expected life, the CUPSS scenario represents an unaffordable option. In fact, it does not consider rate affordability to the community when recommending reserve contributions. However, it is a useful tool for monitoring assets and planning for future expenditures.

Planned Equipment Replacement Fund

A critical component of operation and maintenance costs for a water system is money set aside for equipment replacement. These funds do not include money associated with main extensions or additional infrastructure, but encompass the replacement or rehabilitation of existing equipment and assets. Based on the age of the water system and the high debt service burden, contributions to this fund will likely remain relatively low until the current dent service is retired in 2052. However, these contributions – at a minimum – need to be sufficient to cover the costs of any improvements or replacements necessary until that time. Based on the conditions described in this document (2 to 3% growth, 3% inflation, and the current rate structure), one scenario for funding the necessary replacement of pipes, the well, customer meters, and other critical components of the system is below:



In this scenario, rates would need to be revisited periodically and likely adjusted as the system gets closer to replacing the core of its system, which would likely be necessary in the late 21st century. However, the system appears to be on track with its current structure to remain healthy and contribute a significant portion of necessary reserves for many years without significantly increasing rates. One scenario would include the cost of funding the replacement of most system components, such as the distribution system piping, hydrants, and the well, while seeking outside, low-interest funding options for the replacement of the storage tank.



Emergency Reserve Fund

Maintaining a fund for emergencies and unscheduled maintenance is recommended. Due to the limited amount of emergency repairs that have been experienced in the first few years of operation, it may be difficult to define a typical year of emergency costs. USDA recommends this account be funded at a typical year's unscheduled / emergency repair expense plus 10%. An adequate level of emergency reserves is difficult to define, but $25,000 set aside would be a reasonable minimum goal.

Rate Structure Considerations

In looking at whether to adjust the current rate structure, there are some basic questions that may be considered:

- Did revenues exceed expenses in each of the last three years? **Yes, operating ratio > 1**
- Was the system able to make all scheduled payments on long-term debt? **Yes**
- Is the system fully funding all reserve accounts? **Should be able to start**
- Was the system able to cover emergency and preventive maintenance as needed? **Yes**
- Is the system in compliance with applicable drinking water standards and regulations? **Yes**

- Have you had a rate increase in the last three years? **Rates adopted December 2013**

It recommended that WWS review these questions annually to determine whether a rate adjustment is necessary. This review would typically occur during the budgeting process. In addition to realizing adequate revenue to operate and maintain the water system and plan for future expenses, the rate structure should:

- Ensure that customers are treated fairly and equitably (fairness check)
- Meet affordability criteria for the community
- Be easily understood by customers and be easy to administer
- Cover all of the costs to produce and distribute water (accurate budget and asset management plan)
- Help to achieve community-specific goals, such as attract development, encourage conservation, or provide assistance to low-income customers

Fairness Check

Fairness within the existing rate structure was considered to help determine the need for rate structure modification. The method used actual revenue generated and actual water usage for the first calendar quarter of 2016 (water usage for the quarter, considered by customer class, was within 1 percent of the average water usage for the most recent four quarters). Customers were divided into class generally based on the type of facility. Using these classes, target revenues were calculated for each class. The target revenue is the average of the following two factors:

- Percentage of customer base
- Percentage of water consumption

All of the customer classes under the current structure were within 6% of the target revenue percentages using this method, considering both average water usage and the most recent water usage.

However, individual customers within each class pay more per gallon of water if they are not consuming the water allotment per quarter. For example, a customer with one ERU using 5,000 gallons of water per quarter pays twice as much per gallon (4 cents per gallon) as a customer with one ERU using the full 10,000 gallon allotment per quarter (2 cents per gallon). Perception of fairness within the current rate structure is more likely to be related to the ERU allocation, as opposed to the cost per gallon of water. An evaluation of ERU allocation and actual water usage over a period of several years would help to understand the issue's impact on revenue, but it is important to note that the ERU system considers capacity and the ability to serve water before actual water consumption.

Affordability Criteria

There is no universal measure of affordability criteria for water rates. Commonly used indicators of affordability for annual water rates are between 1% and 2% of MHI. The USDA affordability criterion of 1.5% of MHI is generally accepted as a baseline indicator. Using a five-year rolling average for ACS income data for Waitsfield ($70,300) and the base annual rate for a residential home ($800), the rates are approximately 1.1% of MHI. If the average water bill for single family residential customer in

Waitsfield were estimated ($852), the rates are approximately 1.2% of MHI. Both values are within most affordability criteria.

Comparing the WWS billing rates with the most recent municipal rate survey (2012) supplied by the Vermont League of Cities and Towns (VLCT):

Residential Monthly Usage	**5,000 gal**	**10,000 gal**
Average Monthly Bill, VLCT	$41.85	$67.35
Waitsfield	$76.67	$106.67

Commercial Monthly Usage	**75,000 gal**	**150,000 gal**
Average Monthly Bill, VLCT	$433	$855
For WWS Customer with 1 ERU	$497	$947
WWS customer with similar usage, 14 ERUs	$1,103	$1,553

Despite the considerable efforts of VLCT in conducting this survey, it is important to note the low sample size and difficulties that come with interpreting the data, with only 23 and 19 responses for the residential and commercial bills for the state, respectively. In addition, the survey results for the billing data notes, "We apologize that this question did not offer ample opportunity to capture the many ways municipalities report their sewer fees/rates."

Waitsfield Water System's residential billing was slightly higher than the average monthly bill from the VLCT survey. Commercial accounts were more difficult to compare with the survey based on two factors:

- WWS does not separate rates based on customer class (commercial, residential, industrial, etc.)
- It is difficult to estimate representative billing data within the ERU structure for such an exercise

No effort is made within the VLCT survey to distinguish those water systems on healthy financial footing with those struggling to remain viable. It is safe to assume that at least some of the systems in the survey have not had adequate rate increases, and the role of such a survey in setting rates should be considered but minimized.

Capacity Allocation

Since its inception, Waitsfield Water System has used a capacity-based system which utilizes the wastewater permit for assigning equivalent residential units, or ERUs. This system allows for customers to be treated consistently. In the event that the assigned capacity has differed significantly from actual usage, the Commission has granted modifications in a few cases. While the decision to make changes to allocation is likely made in good faith, the practice has the unintended consequence of impacting the cost to the rest of the customers. Therefore, it is recommended that the Commission cease the reassignment of ERUs, except in the instance of a change to the wastewater permit allocation. If this practice is determined to be unfair or otherwise burdensome to the community, an analysis of meter size as a determinant capacity could be conducted. In other words, some utilities use meter size to

assign the base rate. In some cases, this practice could be more effective to determine commercial capacity where the consumption of water does not match wastewater ERU allocation.

Options for Rate Structure Modification

It is prudent to consider other rate structures and what some of the challenges could be as clearer determinations of typical water usage and revenue requirements are made. Any consideration of a switch to emphasize metered rates to provide the operating revenue should take into account the discussion of fixed and variable rates mentioned previously.

A common and understandable desire of consumers is to be charged solely for what they consume. The practice of utilizing a flow rate as the only, or primary, method of billing has been well documented in the water industry as undesirable. For example, water systems with a significant portion of their revenue based on flow rates are vulnerable to variations in usage patterns. Many systems experiencing droughts - and required by necessity to promote conservation - are struggling to remain viable due to a plummeting revenue stream. Especially in a system with high debt burden, the practice of using flow rate for a significant portion of the bill also misses an important aspect of water system operation known as "readiness to serve." Having available fire protection – otherwise not charged for in Waitsfield - and the *ability* to consume water – water that is delivered to the consumer, under pressure and meeting state and federal water quality regulations – is invaluable. If a customer were able to reduce their water bill significantly by leaving for vacation, water may not be consumed but the water system continues to incur fixed costs.

The system also has a high number of accounts that do not have usage, but pay at least a portion of base rates. In general, attempts to increase the proportion of the flow component of the bill disproportionally impact those with usage on their bill. For example, using the March 2016 usage data, there were approximately 205 "active" O&M ERUs. Of those, approximately 20 ERUs had no usage recorded on their meters. Billing data reviewed for 5 consecutive quarters suggests a significant variation in water usage patterns. Unpredictable usage patterns are common to many water systems, new or established, and are attributable to a range of factors. Any increase in the flow rate component of the bill should be limited to capturing the variable portion of the revenue requirement, which would protect the system in the event of changes in consumption habits.

Flow Rate Options

There are four main rate structures commonly used in the water industry to look at when it comes to a flow rate, and many options within those structures to support specific goals.

- Single Block Rate – price of water remains constant; cost to customer is easy to understand and based directly on usage; often coupled with a minimum base fee
- Decreasing Block Rate – price of water decreases as usage increases; attractive to large-volume users; discourages conservation
- Increasing Block Rate – price of water increases as usage increases; encourages conservation but may discourage commercial development

- Seasonal Rate Structure – requires robust and reliable data to reliably predict seasonal fluctuations; can be confusing to customers

As mentioned previously, for WWS any usage-based flow component of the customer bill should be focused on meeting the variable portion of the system's expenses – for FY2015 and beyond, about 10% of the overall revenue requirement. In trying to achieve this goal while also maintaining other positive characteristics of the current rate structure (for example, it is easy to understand and theoretically promotes conservation), here are a few possibilities for some form of flow-based, or usage, rates:

- Replace the overage fee with a single block rate
- Replace a portion of the O&M base fee and all of the overage fees with a single block rate structure
    - Allows for appropriate recovery of fixed and variable expenses
    - Would shift slightly more of the burden of revenue to customers using water
- Maintain the debt service base fee while replacing all of O&M base fee and overage with uniform rate structure

Scenario 1 – Slightly adjust D.S. base fee, maintain O&M base fee, doing away with the allowance for 10,000 gallons per quarter. Instead, a uniform rate is used to capture all of the variable revenue requirements.

Analysis:

- Change in customer bill is entirely dependent on usage patterns
    - Slightly increases bill for those currently within usage allotments
    - Residential customers using 5 and 10 k / month (150 – 300% of allotment) would see bills stay same or slight decline
- Discourages conservation
- Not enough of a difference to make it worthwhile
- Not recommended

Scenario 2 – Slightly adjust D.S. base fee, replace O&M base and overage with uniform rate

Analysis:

- Exceeds recommended 10% max (variable portion) captured by usage, or flow rate – 30%
- Difficult to gauge long-term impact on customers due to usage patterns
- Disproportionately impacts those with usage on their bill, shifts burden
- Would require frequent rate adjustment and monitoring
- Would want to consider safeguards, such as a minimum charge if no usage.
    - If highest three consumers used no water, could reduce O&M revenue by 40% and overall revenue by 12% - even if they continued to pay D.S.

- Not recommended

Scenario 3 - Maintain D.S. base fee while replacing a minor portion of the O&M base fee and the entire overage fee with a uniform, or single, block rate structure.

  - Would allow for appropriate recovery of fixed and variable expenses
- Impacts those currently using slightly less than, to slightly more than, their allotments most significantly
  - Approximately 10% increases for those customers
- While Scenario 3 has a few benefits, the change in rate structure is not deemed to be worthwhile at this time. This scenario does not provide enough of an incentive to customers or the water system to move ahead with the change. The following data provides more information about the scenario and its impacts on revenue and customers:

Scenario 3			
D.S. Base per Qtr	O&M Base per Qtr	Allotment / Overage (gal)	$Uniform Rate / 1k gal
$146.00	**$40.00**	**0**	**$3.07**

Existing			
D.S. Base per Qtr	O&M Base per Qtr	Allotment / Overage (gal)	Rate /1k gal
$150.00	**$50.00**	**10,000**	**$6.00**

Revenue Breakdown – Scenario 3	
% Rev D.S.	69.2
% Rev O&M	17.1
% Rev Usage	13.7
Total	100.0
Revenue Requirement	
Fixed	$43,392
Variable	$4,821
Revenue Collected	
Base	$41,830
Usage	$6,618

Revenue Breakdown - Existing	
% Rev D.S.	71.5
% Rev O&M	21.5
% Rev Usage	7.0
Total	100.0
Revenue Requirement	
Fixed	$43,392
Variable	$4,821
Revenue Collected	
Base	$44,820
Usage	$3,393

Sample Customer, 1 ERU – Scenario 3				
Monthly Usage (gal)	**1667**	**3333**	**5000**	**10000**
Existing	**66.7**	**66.7**	**76.7**	**106.7**
Scenario 3	67.0	72.2	77.3	92.7
% Change	0.5%	8.3%	0.9%	-13.1%

Sample Customer, 14 ERUs – Scenario 3						
Monthly Usage (gal)	**25000**	**50000**	**75000**	**93333**	**136667**	**150000**
Existing	933.3	953.3	1103.3	1213.3	1473.3	1553.3
Scenario 3	944.7	1021.3	1098.3	1154.7	1287.7	1328.7
% Change	1.2%	7.1%	-0.5%	-4.8%	-12.6%	-14.5%

Sample Customer, 28 ERUs – Scenario 3						
Monthly Usage (gal)	**25000**	**50000**	**75000**	**93333**	**136667**	**150000**
Existing	1866.7	1866.7	1866.7	1866.7	2126.7	2206.7
Scenario 3	1812.7	1889.7	1966.3	2022.7	2155.7	2196.7
% Change	-2.9%	1.2%	5.3%	8.4%	1.4%	-0.5%