

3 Tier Inclining Block Structure

| | | | | Average Family Impact | | | | | | |
|-------------------|----------|--------------------------|-------------------------|---------------------------|-------------------|------------------------|-----------|----------|-----------|----------|
| | | W/WW Tier Cut-offs (gpd) | Combined Rate (\$/kgal) | Current Bill (\$/quarter) | Bill (\$/quarter) | \$ Change (\$/quarter) | % MHI PGC | % MHI MC | % LQI PGC | % LQI MC |
| 3 Block Inclining | Option A | 80 | \$10.66 | \$205.45 | \$210.06 | \$4.61 | 1.1% | 0.8% | 4.2% | 3.4% |
| | | 165 | \$13.43 | | | | | | | |
| | | >165 | \$17.61 | | | | | | | |
| | Option B | 165 | \$10.41 | \$205.45 | \$184.15 | (\$21.30) | 1.0% | 0.7% | 3.7% | 3.0% |
| | | 275 | \$13.89 | | | | | | | |
| | | >275 | \$19.96 | | | | | | | |

Average Family – 3 person household using 55 gpd/person

3 Tier – Option B

| Basis For Tiers | Costs Included In Tier Rates |
|---|---|
| <ul style="list-style-type: none"> • 165 gpd – Average use by a typical 3 person household (55 gallons/person/day) • 275 gpd – Average use by 5 person household | <p>Tier 1</p> <ul style="list-style-type: none"> • Water: allocated share of base costs; 25% share of MD costs; 100% unrecovered fixed charge revenue • Sewer: allocated share of volume costs, 25% share of capacity costs, 100% unrecovered fixed charge revenues <p>Tier 2</p> <ul style="list-style-type: none"> • Water: allocated share of base costs; 150% share of MD costs; 25% of allocated share of MH costs • Sewer: allocated share of volume costs, 75% share of capacity costs <p>Tier 3</p> <ul style="list-style-type: none"> • Water: allocated share of base costs; remaining MD and MH costs • Sewer: allocated share of volume costs; remaining capacity costs |
| <h3>Responsiveness to Key Pricing Policies</h3> | |
| <ul style="list-style-type: none"> • Revenue Stability – Most stable of tiered options • Conservation – Promotes conservation for all use over average, particularly for larger volume customers • Rate Stability – 3 Tier Options are closer to current than Uniform, but not as close as 4 tiers options • Affordability – Does not have a tier for minimum sanitary use • Cost of Service – Farthest option from Cost of Service, but closer than current | |

Bill Impacts – Residential

Single Family Residential 3/4" meter, 26 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|------------|-------------|------------------|------------------------|------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 43.90 | \$ 49.32 | \$ 5.42 | \$ 48.82 | \$ 4.92 |

Single Family Residential 3/4" meter, 100 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|------------|-------------|------------------|------------------------|------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 121.42 | \$ 129.48 | \$ 8.06 | \$ 121.69 | \$ 0.27 |

Single Family Residential 3/4" meter, 55 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|------------|-------------|------------------|------------------------|------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 73.60 | \$ 81.30 | \$ 7.70 | \$ 80.05 | \$ 6.45 |

Single Family Residential 3/4" meter, 165 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|------------|-------------|------------------|------------------------|------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 205.45 | \$ 210.06 | \$ 4.61 | \$ 184.15 | \$ (21.30) |

Single Family Residential 3/4" meter, 80 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|------------|-------------|------------------|------------------------|------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 91.84 | \$ 102.62 | \$ 10.78 | \$ 100.87 | \$ 9.03 |

Single Family Residential 3/4" meter, 500 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|------------|-------------|------------------|------------------------|------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 822.88 | \$ 755.97 | \$ (66.91) | \$ 742.21 | \$ (80.67) |

Bill Impacts – Non-Residential

Nonresidential 2" meter, 750 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|-------------------|--------------------|--------------------|------------------------|--------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 1,414.24 | \$ 1,327.39 | \$ (86.85) | \$ 1,365.33 | \$ (48.91) |

Nonresidential 2" meter, 2,000 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|-------------------|--------------------|--------------------|------------------------|--------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 3,553.58 | \$ 3,352.54 | \$ (201.04) | \$ 3,660.73 | \$ 107.15 |

Nonresidential 8" meter, 10,000 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|-------------------|---------------------|---------------------|------------------------|---------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 20,720.68 | \$ 19,040.84 | \$ (1,679.84) | \$ 21,064.53 | \$ 343.85 |

Nonresidential 8" meter, 350,000 gpd

| | Current | 3 Block Option A | | 3 Block Option B | |
|-------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| | Bill Amount | Bill Amount | \$ Change from Current | Bill Amount | \$ Change from Current |
| Total Bill | \$ 621,364.68 | \$ 565,391.09 | \$ (55,973.59) | \$ 640,323.53 | \$ 18,958.85 |