

# 4 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
4 Block Inclining	Option A	80	\$10.66	\$205.45	\$200.62	(\$4.83)	1.1%	0.8%	4.0%	3.3%
		165	\$12.25							
		275	\$14.86							
		>275	\$18.74							
	Option B	80	\$10.66	\$205.45	\$207.34	\$1.89	1.1%	0.8%	4.1%	3.4%
		165	\$13.09							
		9,000	\$16.16							
		>9,000	\$20.52							

*Average Family – 3 person household using 55 gpd/person*

# 4 Tier – Option B

Basis For Tiers	Costs Included In Tier Rates
<ul style="list-style-type: none"> <li>• 80 gpd – Minimum household sanitary needs for 3 person household (26 gallons/person/day)</li> <li>• 165 gpd – Average use by a typical 3 person household (55 gallons/person/day)</li> <li>• 9,000 gpd – Consistent with current structure. Recognizes non-residential customers</li> </ul>	<p>Tier 1</p> <ul style="list-style-type: none"> <li>• Water: allocated share of base costs, 25% share of MD costs, 100% unrecovered fixed charge revenue</li> <li>• Sewer: allocated share of base costs 25% share of capacity costs, 100% of unrecovered fixed charge revenue</li> </ul> <p>Tier 2</p> <ul style="list-style-type: none"> <li>• Water: allocated share of base costs; 125% share of MD costs</li> <li>• Sewer: allocated share of base costs, 75% share of capacity costs</li> </ul> <p>Tier 3</p> <ul style="list-style-type: none"> <li>• Water: allocated share of base costs; 125% share of MD costs; 75% share of MH costs</li> <li>• Sewer: allocated share of volume costs, 125% share of capacity costs</li> </ul> <p>Tier 4</p> <ul style="list-style-type: none"> <li>• Water: allocated share of base costs; remaining MD and MH costs</li> <li>• Sewer: allocated share of volume costs, remaining capacity costs</li> </ul>
<h3>Responsiveness to Key Pricing Policies</h3>	
<ul style="list-style-type: none"> <li>• Revenue Stability – Least stable of the tiered options</li> <li>• Conservation – Best at promoting conservation for large volume users</li> <li>• Rate Stability – 4 tier options are closest to the current rates</li> <li>• Affordability – Minimum water needs should be more affordable</li> <li>• Cost of Service – 4 tier options are better than current and fall between the two 3 tier options</li> </ul>	

# Bill Impacts – Residential

Single Family Residential 3/4" meter, 26 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 43.90</b>	<b>\$ 49.32</b>	<b>\$ 5.42</b>	<b>\$ 49.32</b>	<b>\$ 5.42</b>

Single Family Residential 3/4" meter, 55 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 73.60</b>	<b>\$ 81.30</b>	<b>\$ 7.70</b>	<b>\$ 81.30</b>	<b>\$ 7.70</b>

Single Family Residential 3/4" meter, 80 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 91.84</b>	<b>\$ 102.62</b>	<b>\$ 10.78</b>	<b>\$ 102.62</b>	<b>\$ 10.78</b>

Single Family Residential 3/4" meter, 100 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 121.42</b>	<b>\$ 127.12</b>	<b>\$ 5.70</b>	<b>\$ 128.80</b>	<b>\$ 7.38</b>

Single Family Residential 3/4" meter, 165 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 205.45</b>	<b>\$ 200.62</b>	<b>\$ (4.83)</b>	<b>\$ 207.34</b>	<b>\$ 1.89</b>

Single Family Residential 3/4" meter, 500 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 822.88</b>	<b>\$ 742.76</b>	<b>\$ (80.12)</b>	<b>\$ 708.30</b>	<b>\$ (114.58)</b>

# Bill Impacts – Non-Residential

## Nonresidential 2" meter, 750 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 1,414.24</b>	<b>\$ 1,339.04</b>	<b>\$ (75.20)</b>	<b>\$ 1,247.82</b>	<b>\$ (166.42)</b>

## Nonresidential 2" meter, 2,000 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 3,553.58</b>	<b>\$ 3,494.14</b>	<b>\$ (59.44)</b>	<b>\$ 3,106.22</b>	<b>\$ (447.36)</b>

## Nonresidential 8" meter, 10,000 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 20,720.68</b>	<b>\$ 20,007.34</b>	<b>\$ (713.34)</b>	<b>\$ 18,137.14</b>	<b>\$ (2,583.54)</b>

## Nonresidential 8" meter, 350,000 gpd

	Current	4 Block Option A		4 Block Option B	
	Bill Amount	Bill Amount	\$ Change from Current	Bill Amount	\$ Change from Current
<b>Total Bill</b>	<b>\$ 621,364.68</b>	<b>\$ 601,415.84</b>	<b>\$ (19,948.84)</b>	<b>\$ 654,770.14</b>	<b>\$ 33,405.46</b>