

EXAMPLE NO. V

MUNICIPALITY WITH ALL SERVICES METERED, SINGLE RATE SCHEDULE, WITH NO LARGE CUSTOMERS.

ABBREVIATIONS: C = Contingency Allowance; Dom. = Domestic Rate; G, followed by a number = Guideline Item; Incr. = Increment; M & O = Maintenance & Operation; M.G. = Thousand Gallons; Q = Quarter year; Ratio = Group Capacity Ratio; S = Sewer; W = Water; Wh. = Wholesale rate.

USE SPACE BELOW () TO INSERT YOUR OWN DATA.

Data for preceding year should be projected for 2 years to allow for increases, e.g., estimate increases in costs, number of likely new customers, additional water sales, or decreases anticipated.

CUSTOMERS:	W & S	340	()	If any customers are located outside Municipality or L.I.D. limits, (see G.21) these are all be included in the number customers indicated here.
	W only	5	()	
	S only	5	()	
	Total	350	()	

METERS:

Connected to system	5/8 inch	344	()
	3/4 "	4	()
	1 "	2	()
	1½ "	-	()
	2 "	-	()
	Total	350	()

CAPITAL COST OF SYSTEM, ANNUAL DEBENTURE COST & CONTINGENCY ALLOWANCE:

	<u>Capital Cost</u>	<u>Contingency Allowance G.5.</u>
W. Production & distribution	\$ 225,000 ()	\$2,250 ()
S. Collection & Disposal	160,000 ()	1,600 ()
Total	\$ 385,000 ()	\$ 3,850 ()

Annual Debenture cost - \$25,000 ()

Recovered by:

Frontage charges	8,000	()
Tax on assessment	17,000	()
Rates	-	()

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UTILITY CASH SURPLUS, accumulated to end of previous year	\$ 5,000	()	G.6.
UTILITY RESERVE FUND, balance end of previous year	\$10,000	()	
WATER: Produced or Purchased	30,000 M.G.	()	
Sold:			
Connected customers	27,000	()	
Bulk Sales	300	()	
Sales through hydrants	<u> -</u>	()	
Total sales	<u>27,300</u>	()	
Unaccounted for	2,700	()	
Unaccounted percentage of water produced or purchased	9%	()	

Note: Water used through hydrants for fire-fighting, building construction, etc., should be estimated and charged at the appropriate rate, usually the Dom rate. Water unaccounted for includes water used for flushing sewers, which is a Utility expense.

ANNUAL WATER CONSUMPTION (PER QUARTER)

NOTE: This data to be filed as additional information

- (a) No. of 5/8" meters and total consumption through all 5/8" meters.
- (b) Quarterly consumption data for each customer with a meter size larger than 5/8", listing in each case the customer description and meter size.

RATE CALCULATIONS:

Based on operating expenses and contingency allowances. G.9. If any debenture costs are to be recovered through rates, these should be included as an expense also. (See G.4). Hydrant rentals are charged to recover cost of maintaining and replacing hydrants, which are part of the W. Distribution system: these rentals should be deducted from W. costs in calculating rates, as shown below.

<u>Annual Costs</u>	<u>Calculation of rates</u>	<u>Rates Derived Per Quarter</u>
\$3,500 ()	ADMINISTRATION COSTS: G.2. <u>Costs \$3,500 ()</u> customers 350 () by 4 Q.	
	= <u>Customer Service Charge</u>	= \$2.50 ()
\$35,000 ()	WATER PRODUCTION & DISTRIBUTION COSTS: G.14. M & O \$32,750 () + C \$2,250 (), less hydrant rental \$680 () <u>Net cost \$34,320 ()</u> Total W. sales 27,300 M.G. ()	<u>Per M.G.</u>
	= <u>Water Commodity Rate</u>	= \$1.30 ()

\$ 13,600 SEWER COLLECTION & DISPOSAL COSTS:
 () M & O \$12,000 () + C \$1,600 ()
 Total sales 27,300 M.G. (), less
 W. only sales 370 M.G. () & less
 Bulk sales 300 M.G. () = 26,630 M.G. ()
 = Sewer Commodity rate

\$52,100 Total expenses for rate calculation, excluding = \$0.50 ()
 Debenture charges collected through taxes.

BULK SALES RATE: G. 22.
 M & O + C Costs \$52,100 () plus
 Debenture costs paid through taxes
\$25,000 () = \$77,100 (), multiply
 M & O + C costs \$52,100 ()
 by W. Commodity rate \$1.30 per M.G. ()
 = Bulk Water rate

= \$2.00 ()

SCHEDULE OF QUARTERLY RATES:

1. Commodity rates per M.G.

	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
All water consumption	\$1.30 ()	\$0.50 ()	\$1.80 ()

2. MINIMUM CHARGES, Quarterly G.8.

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

Meter Size	Group Capacity Ratio	Water Included, Gallons	Customer Service Charge	<u>Commodity Charges</u>		Total Quarterly Minimum
				<u>Water</u>	<u>Sewer</u>	
<u>Water & Sewer Customers</u>						
5/8"	1	3,000 ()	\$2.50 ()	\$ 3.90 ()	\$ 1.50 ()	\$ 7.90 ()
3/4"	2	6,000 ()	2.50 ()	7.80 ()	3.00 ()	13.30 ()
1"	4	12,000 ()	2.50 ()	15.60 ()	6.00 ()	24.10 ()
1 1/2"	10	30,000 ()	2.50 ()	39.00 ()	15.00 ()	56.50 ()
2"	25	75,000 ()	2.50 ()	97.50 ()	37.50 ()	137.50 ()

SCHEDULE OF QUARTERLY RATES: (continued)

2. Minimum Charges, quarterly (continued)

Water only customers

Minimum Charge will be the same for each meter size as shown above, but the Sewer Commodity Charge will be excluded.

Sewer only customers

Since these customers are all single family residences, without meters, and the average quarterly consumption of water by residential customers was 18,500 gallons, the Flat Rate Charge per quarter for these customers will be:

Customer Service Charge	\$2.50 ()
Commodity Charge 18.5 M.G. @ \$0.50 =	<u>9.25</u> ()
Total quarterly charge	11.75 ()

3. Bulk Sales Rate G 22

See page 12 for method of calculation and insert the rate here.

4. Service to customers outside Municipality, or L.I.D., limits

The Council of the Municipality may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Municipality. Such agreements shall provide for payment of the appropriate rates as set forth in paragraphs 1 and 2 of this schedule, as well as a surcharge, set by resolution of Council, which shall be equivalent to the frontage levy, and general and special taxes for Utility purposes in effect at the time, or as may be in effect from time to time, and would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections will be paid by the customer.

5. Reconnection Fee G. 25.

A customer who has had his service disconnected for any reason shall not be reconnected until all regulations have been complied with, and all arrears paid, as well as any penalties and a reconnection fee of \$5.00. (This fee is set by the Municipality to cover costs of connection and disconnection.)

6. Billing & Penalties. See G. 23 & 24.

7. Hydrant Rentals. See G. 17.

ESTIMATED ANNUAL REVENUES AND EXPENSES:

REVENUE:

Service Charges - 350 () customers @ \$2.50 () by 4 Q.	\$3,500 ()
Commodity Charges:	
W & S 26,600 M.G. () @ \$1.80 ()	47,880 ()
W. only - 370 M.G. () @ \$1.30 ()	481 ()
S. only - 5 customers () @ \$11.75 for 4 Q.	235 ()
Bulk sales 300 () M.G.@ \$ 2.00 ()	600 ()
Hydrant rentals 17 () @ \$40.00 ()	<u>680</u> ()
Total Revenue	53,376 ()
Total Expenses - page 2 & 3	<u>52,100</u> ()
Estimated surplus	\$1,276 ()

Note: Estimated revenue should exceed estimated expenses.