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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF THE APPLICATION OF  
LITCHFIELD PARK SERVICE COMPANY,  
AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY AND  
FOR INCREASES IN ITS WASTEWATER  
RATES AND CHARGES BASED THEREON  
FOR UTILITY SERVICE.

Docket No. SW-01428A-13-0042

IN THE MATTER OF THE APPLICATION OF  
LITCHFIELD PARK SERVICE COMPANY,  
AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE OF  
ITS UTILITY PLANTS AND PROPERTY AND  
FOR INCREASES IN ITS WATER RATES  
AND CHARGES BASED THEREON FOR  
UTILITY SERVICE.

Docket No. W-01427A-13-0043

NOTICE OF FILING.

The RESIDENTIAL UTILITY CONSUMER OFFICE ("RUCO") hereby provides notice of  
filing the Direct Testimony of Robert B. Mease on Rate Design, in the above-referenced  
matter.

RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of October, 2013.

Daniel W. Pozefsky  
Chief Counsel

1 AN ORIGINAL AND THIRTEEN COPIES  
2 of the foregoing filed this 4th day  
3 of October, 2013 with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington  
6 Phoenix, Arizona 85007

5 COPIES of the foregoing hand delivered/  
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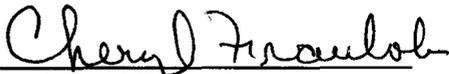
7 Teena Jibilian  
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LITCHFIELD PARK SERVICE COMPANY

DOCKET NO. SW-01428A-13-0042

DOCKET NO. W-01427A-13-0043

DIRECT TESTIMONY

OF

ROBERT B. MEASE

ON

RATE DESIGN

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

OCTOBER 4, 2013

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**SCHEDULES  
LITCHFIELD PARK SERVICE COMPANY  
WATER DIVISION**

Rate Design.....RBM W RD-1  
Typical Bill Analysis.....RBM W RD-2

**WASTEWATER DIVISION**

Rate Design.....RBM WW RD-1  
Typical Bill Analysis.....RBM WW RD-2

## EXECUTIVE SUMMARY

Litchfield Park Service Company (“LPSCO” or “Company”) is a for profit Class A public service corporation serving potable water to approximately 16,802 customers and wastewater service to approximately 16,161 customers in portions of Maricopa County, Arizona. The testimony of Mr. Robert B. Mease represents the Residential Utility Consumer Office’s (“RUCO”) recommended water and wastewater rate designs.

### Water Division

The present rate design is based on monthly minimum charges that increase by meter size and a three-tiered commodity rate charge per one-thousand gallons consumed. There are currently seven residential customer classifications, eight commercial customer classifications, six irrigation customer classifications, four multi-family customer classifications, and seven other classifications that include fire, hydrant, sweeper, City of Goodyear, and Valley Utilities Inc. customer classifications.

All residential customers on the  $\frac{5}{8}$  x  $\frac{3}{4}$ ,  $\frac{3}{4}$ , and 1-inch meter sizes have a three-tier rate design, while all other rate classes have a two-tier rate design. The Company proposes to increase the break-over points for all meter sizes. In addition, the Company proposes to add an additional fourth-tier rate design for the  $\frac{5}{8}$  x  $\frac{3}{4}$ ,  $\frac{3}{4}$ , and 1-inch residential meter sizes.

The Company-proposed rates would increase the monthly bill for a typical  $\frac{5}{8}$  x  $\frac{3}{4}$ -inch meter residential customer with an average usage of 4,277 gallons by \$4.41 or 28.23 percent from \$15.64 to \$20.05. Under RUCO’s recommended rate design, the monthly bill for a typical residential customer would increase by \$0.80 or 5.09 percent from \$15.64 to \$16.44 (See Schedule RBM W RD-2).

### Wastewater Division

The present rate design is based largely on flat monthly minimum rates. All customers are charged a flat monthly rate based on customer classifications listed above with the exception of two commercial customers and the three effluent sale customers. The two commercial classification customers are billed a flat monthly rate with a commodity charge per one-thousand gallons of water billed to those customers. The three effluent sale customers have no flat monthly minimum charge and are only billed per one-thousand gallons of metered effluent water sales delivered.

The Company-proposed rates would increase the monthly bill for a typical  $\frac{5}{8}$  x  $\frac{3}{4}$ -inch meter residential customer by \$2.63 or approximately 6.75 percent from \$38.99 to \$41.62. Under RUCO’s recommended rate design, the monthly bill for a typical  $\frac{5}{8}$  x  $\frac{3}{4}$ -inch metered residential customer would increase by \$0.07 or roughly .18 percent from \$38.99 to \$39.06 (See Schedule RBM WW RD-2).

1 **I. INTRODUCTION**

2 **Q. Please state your name, position, employer and address.**

3 A. My name is Robert B. Mease. I am the Chief of Accounting & Rates and  
4 am employed by the Residential Utility Consumer Office (“RUCO”) located  
5 at 1110 W. Washington, Suite 220, Phoenix, Arizona 85007.

6

7 **Q. Are you the same Robert B. Mease who previously filed testimony**  
8 **pertaining to rate base, operating income, and revenue requirement**  
9 **on behalf of RUCO in this docket for Litchfield Park Service**  
10 **Company’s (“LPSCO” or “Company”) permanent rate Application?**

11 A. Yes.

12

13 **II. WATER DIVISION RATE DESIGN**

14 **Q. Did RUCO prepare a summary of the Company’s present rates,**  
15 **proposed rates, and RUCO’s recommended rates for both LPSCO’s**  
16 **water and wastewater divisions?**

17 A. Yes, see Schedules RBM W RD-1 and RBM WW RD-1 for the water and  
18 wastewater divisions respectively.

19

20 **Q. Please summarize RUCO’s recommended water rate design.**

21 A. RUCO recommends an inverted four-tier rate design that consists of four-  
22 tiers for the  $\frac{5}{8}$  x  $\frac{3}{4}$  and  $\frac{3}{4}$ -inch residential meter sizes with commodity  
23 rates of \$0.84 per thousand gallons for 0 to 3,000 gallons, \$1.50 per

1           thousand gallons for 3,001 to 9,000 gallons, \$2.71 per thousand gallons  
2           for 9,001 to 15,000 gallons, and \$3.81 per thousand gallons for any  
3           consumption over 15,000 gallons.

4  
5           For the 1-inch residential meter size, RUCO also recommends the same  
6           inverted four-tier rate design structure but with different break-over points  
7           that consists of four-tiers with commodity rates of \$0.84 per thousand  
8           gallons for 0 to 5,000 gallons, \$1.50 per thousand gallons for 5,001 to  
9           15,000 gallons, \$2.71 per thousand gallons for 15,001 to 35,000 gallons,  
10          and \$3.79 per thousand gallons for any consumption over 35,000 gallons.

11  
12          RUCO recommends a two-tier inverted block rate structure for all  
13          customers with meters larger than 1-inch meters. The recommended  
14          break-over point for the two-tier customers increases with meter size, as  
15          shown in Schedule RBM W RD-1. Under the recommended rate design,  
16          the monthly bill at any usage level is higher for a larger meter than for a  
17          smaller meter.

18

19   **Q. Did RUCO prepare a typical bill analysis for a 5/8 x 3/4 inch customer?**

20   **A. Yes. Please see Schedule RBM W RD-2.**

21

22

1 **Q. What is the rate impact on a  $\frac{5}{8}$  x  $\frac{3}{4}$  inch meter residential customer**  
2 **using an average consumption of 4,277 gallons?**

3 A. Under RUCO's recommended rates, a residential  $\frac{5}{8}$  x  $\frac{3}{4}$  inch meter  
4 customer consuming the average usage of 4,277 gallons per month will  
5 pay \$16.44, which is \$0.80 more than the current \$15.64 or a 5.09 percent  
6 increase. By comparison, a residential  $\frac{5}{8}$  x  $\frac{3}{4}$  inch meter customer  
7 consuming the average usage of 4,277 gallons per month under the  
8 Company's proposed rates would be billed \$20.05, which is \$4.41 more  
9 than the current \$15.64 or an increase of 28.23 percent.

10

11 **III. WASTEWATER DIVISION RATE DESIGN**

12 **Q. Did RUCO prepare a summary of the Company's present rates,**  
13 **proposed rates, and RUCO's recommended rates for LPSCO's**  
14 **wastewater division?**

15 A. Yes, please see Schedule RBM WW RD-2.

16

17 **Q. What is the rate impact on a  $\frac{5}{8}$  x  $\frac{3}{4}$  inch meter residential customer?**

18 A. Under RUCO's recommended rates, a residential  $\frac{5}{8}$  x  $\frac{3}{4}$  inch meter  
19 customer will pay \$39.06, which is \$0.07 more than the current \$38.99 or  
20 an approximate .18 percent increase. By comparison, a residential  $\frac{5}{8}$  x  $\frac{3}{4}$   
21 inch meter customer under the Company's proposed rates would be billed  
22 \$41.62, which is \$2.63 more than the current \$38.99 or an increase of  
23 6.75 percent.

1 **IV. LOW INCOME TARIFF**

2 **Q. Does the Company presently have a Low Income Tariff for both the**  
3 **water and wastewater divisions?**

4 **A. Yes.**

5

6 **Q. Is the Company proposing changes to the present Low Income**  
7 **Tariff?**

8 **A. No.**

9

10 **Q. What does RUCO recommend for LPSCO's Low Income Tariff?**

11 **A. RUCO recommends that the Low Income Tariff approved in the last case**  
12 **remain in effect, which is 85 percent of the same meter size for customers**  
13 **that do not qualify for the low income program.**

14

15 **V. OTHER RATE DESIGN ISSUES**

16 **Q. Are there any other issues that RUCO would want to clarify regarding**  
17 **rate design?**

18 **A. Yes. RUCO's wastewater rate design model is currently capable of**  
19 **designing rates up to a ten-inch meter. The Company has requested**  
20 **rates from a  $\frac{5}{8}$  x  $\frac{3}{4}$  inch meter through a twelve-inch meter. To**  
21 **accommodate LPSCO's twelve-inch meter rate design request, RUCO**  
22 **advises the interested parties to multiply RUCO's recommended  $\frac{5}{8}$  x  $\frac{3}{4}$**   
23 **inch meter rate by the meter multiplier of 215 to obtain that specific**

1 customer classification customer rate for a twelve-inch meter in all such  
2 instances.

3

4 **Q. Does this conclude your Direct Testimony for the water and**  
5 **wastewater divisions' rate design?**

6 **A. Yes, it does.**

| Monthly Usage Charge  | Present   | Company Proposed Rates | RUCO Recommended Rates |
|---|-----------|------------------------|------------------------|
| <b>Meter Size (All Classes):</b>  |           |                        |                        |
| 5/8 x 3/4 Inch  | \$ 10.20  | \$ 14.50               | \$ 12.00               |
| 3/4 Inch - Residential  | 10.20     | 14.50                  | 12.00                  |
| 3/4 Inch  | 10.20     | 14.50                  | 12.00                  |
| 1 Inch - Residential  | 22.95     | 32.75                  | 30.00                  |
| 1 Inch  | 25.50     | 36.25                  | 33.21                  |
| 1 1/2 Inch  | 51.00     | 72.50                  | 60.00                  |
| 2 Inch  | 81.60     | 116.00                 | 96.00                  |
| 3 Inch  | 163.20    | 232.00                 | 192.00                 |
| 4 Inch  | 255.00    | 362.50                 | 300.00                 |
| 6 Inch  | 510.00    | 725.00                 | 600.00                 |
| 8 Inch - Bulk Water Only  | 501.00    | 575.00                 | 475.86                 |
| 8 Inch  | 841.50    | 1,160.00               | 960.00                 |
| 10 Inch   | 1,173.00  | 1,667.50               | 1,380.00               |
| 12 Inch   | 2,193.00  | 3,117.50               | 2,580.00               |
| The low income monthly meter charge is 85% of the Residential 3/4 inch and 1 inch meter charge. |           |                        |                        |
| <b>Commodity Charge - Per 1,000 Gallons</b>   |           |                        |                        |
| <u>5/8" x 3/4" Meter and 3/4" (Residential)</u>   |           |                        |                        |
| First 3,000 gallons   | \$ 1.0000 | N/A                    | N/A                    |
| 3,001 to 9,000 gallons  | 1.9100    | N/A                    | N/A                    |
| Over 9,000 gallons  | 3.0300    | N/A                    | N/A                    |
| First 3,000 gallons   | N/A       | \$ 1.0000              | N/A                    |
| 3,001 to 11,000 gallons   | N/A       | 2.0000                 | N/A                    |
| 11,001 to 30,000 gallons  | N/A       | 3.0500                 | N/A                    |
| Over 30,000 gallons   | N/A       | 3.6600                 | N/A                    |
| First 3,000 gallons   | N/A       | N/A                    | \$ 0.8400              |
| 3,001 to 9,000 gallons  | N/A       | N/A                    | 1.5000                 |
| 9,001 to 15,000 gallons   | N/A       | N/A                    | 2.7100                 |
| Over 15,000 gallons   | N/A       | N/A                    | 3.8100                 |
| <u>5/8" x 3/4" and 3/4" Meter (Commercial &amp; Irrigations)</u>                                |           |                        |                        |
| First 9,000 gallons   | 1.9100    | 2.0000                 | N/A                    |
| Over 9,000 gallons  | 3.0300    | 3.6600                 | N/A                    |
| First 9,000 gallons   | N/A       | N/A                    | 1.5000                 |
| Over 9,000 gallons  | N/A       | N/A                    | 3.8100                 |
| <u>1" Meter (Residential)</u>   |           |                        |                        |
| First 5,000 gallons   | 1.0000    | N/A                    | N/A                    |
| 5,001 to 20,000 gallons   | 1.9100    | N/A                    | N/A                    |
| Over 20,000 gallons   | 3.0300    | N/A                    | N/A                    |
| First 5,000 gallons   | N/A       | 1.0000                 | N/A                    |
| 5,001 to 20,000 gallons   | N/A       | 2.0000                 | N/A                    |
| 20,001 to 40,000 gallons  | N/A       | 3.0500                 | N/A                    |
| Over 40,000 gallons   | N/A       | 3.6600                 | N/A                    |
| First 5,000 gallons   | N/A       | N/A                    | 0.8400                 |
| 5,001 to 15,000 gallons   | N/A       | N/A                    | 1.5000                 |
| 15,001 to 35,000 gallons  | N/A       | N/A                    | 2.7100                 |
| Over 35,000 gallons   | N/A       | N/A                    | 3.8100                 |
| <u>1" Meter (Commercial &amp; Irrigations)</u>  |           |                        |                        |
| First 20,000 gallons  | 1.9100    | 2.0000                 | N/A                    |
| Over 20,000 gallons   | 3.0300    | 3.6600                 | N/A                    |
| First 22,500 gallons  | N/A       | N/A                    | 1.5000                 |
| Over 22,500 gallons   | N/A       | N/A                    | 3.8100                 |
| <u>1 1/2" Meter (All Classes)</u>   |           |                        |                        |
| First 40,000 gallons  | 1.9100    | 2.0000                 | N/A                    |
| Over 40,000 gallons   | 3.0300    | 3.6600                 | N/A                    |

|                                |        |        |        |
|--------------------------------|--------|--------|--------|
| First 40,000 gallons           | N/A    | N/A    | 1.5000 |
| Over 40,000 gallons            | N/A    | N/A    | 3.8100 |
| <u>2" Meter (All Classes)</u>  |        |        |        |
| First 60,000 gallons           | 1.9100 | 2.0000 | N/A    |
| Over 60,000 gallons            | 3.0300 | 3.6600 | N/A    |
| First 60,000 gallons           | N/A    | N/A    | 1.5000 |
| Over 60,000 gallons            | N/A    | N/A    | 3.8100 |
| <u>3" Meter (All Classes)</u>  |        |        |        |
| First 120,000 gallons          | 1.9100 | 2.0000 | N/A    |
| Over 120,000 gallons           | 3.0300 | 3.6600 | N/A    |
| First 100,000 gallons          | N/A    | N/A    | 1.5000 |
| Over 100,000 gallons           | N/A    | N/A    | 3.8100 |
| <u>4" Meter (All Classes)</u>  |        |        |        |
| First 180,000 gallons          | 1.9100 | 2.0000 | N/A    |
| Over 180,000 gallons           | 3.0300 | 3.6600 | N/A    |
| First 160,000 gallons          | N/A    | N/A    | 1.5000 |
| Over 160,000 gallons           | N/A    | N/A    | 3.8100 |
| <u>6" Meter (All Classes)</u>  |        |        |        |
| First 360,000 gallons          | 1.9100 | 2.0000 | N/A    |
| Over 360,000 gallons           | 3.0300 | 3.6600 | N/A    |
| First 340,000 gallons          | N/A    | N/A    | 1.5000 |
| Over 340,000 gallons           | N/A    | N/A    | 3.8100 |
| <u>8" Meter (Bulk Resale)</u>  |        |        |        |
| All Classes                    | 1.5000 | 1.6500 | 3.8100 |
| <u>8" Meter (All Classes)</u>  |        |        |        |
| First 650,000 gallons          | 1.9100 | 2.0000 | N/A    |
| Over 650,000 gallons           | 3.0300 | 3.6600 | N/A    |
| First 550,000 gallons          | N/A    | N/A    | 1.5000 |
| Over 550,000 gallons           | N/A    | N/A    | 3.8100 |
| <u>10" Meter (All Classes)</u> |        |        |        |
| First 940,000 gallons          | 1.9100 | 2.0000 | N/A    |
| Over 940,000 gallons           | 3.0300 | 3.6600 | N/A    |
| First 800,000 gallons          | N/A    | N/A    | 1.5000 |
| Over 800,000 gallons           | N/A    | N/A    | 3.8100 |
| <u>12" Meter (All Classes)</u> |        |        |        |
| First 1,248,000 gallons        | 2.9200 | N/A    | N/A    |
| Over 1,248,000 gallons         | 3.6400 | N/A    | N/A    |
| First 1,500,000 gallons        | N/A    | N/A    | 1.5000 |
| Over 1,500,000 gallons         | N/A    | N/A    | 3.8100 |
| <u>Construction Hydrants</u>   |        |        |        |
| All Gallons                    | 3.0300 | 3.6600 | 3.8100 |

Typical Bill Analysis  
Residential 5/8 x 3/4-Inch Meters

| Company Proposed        | Gallons | Present Rates | Proposed Rates | Dollar Increase | Percent Increase |
|-------------------------|---------|---------------|----------------|-----------------|------------------|
| Average Usage           | 4,277   | \$ 15.64      | \$ 20.05       | \$ 4.41         | 28.23%           |
| Median Usage            | 4,000   | 22.75         | 27.50          | \$ 4.75         | 20.88%           |
| <b>RUCO Recommended</b> |         |               |                |                 |                  |
| Average Usage           | 4,277   | \$ 15.64      | \$ 16.44       | \$ 0.80         | 5.09%            |
| Median Usage            | 4,000   | 22.75         | 22.02          | \$ (0.73)       | -3.21%           |

Present & Proposed Rates (Without Taxes)  
Residential 5/8 x 3/4-Inch Meters

| Gallons Consumption | Present Rates | Company Proposed Rates | % Increase | RUCO Recommended Rates | % Increase |
|---------------------|---------------|------------------------|------------|------------------------|------------|
| -                   | \$ 10.20      | \$ 14.50               | 42.16%     | \$ 12.00               | 17.65%     |
| 1,000               | 11.20         | \$ 15.50               | 38.39%     | \$ 12.84               | 14.64%     |
| 2,000               | 12.20         | \$ 16.50               | 35.25%     | \$ 13.68               | 12.13%     |
| 3,000               | 13.20         | \$ 17.50               | 32.58%     | \$ 14.52               | 10.00%     |
| 4,000               | 15.11         | \$ 19.50               | 29.05%     | \$ 16.02               | 6.02%      |
| 5,000               | 17.02         | \$ 21.50               | 26.32%     | \$ 17.52               | 2.94%      |
| 6,000               | 18.93         | \$ 23.50               | 24.14%     | \$ 19.02               | 0.48%      |
| 7,000               | 20.84         | \$ 25.50               | 22.36%     | \$ 20.52               | -1.54%     |
| 8,000               | 22.75         | \$ 27.50               | 20.88%     | \$ 22.02               | -3.21%     |
| 9,000               | 24.66         | \$ 29.50               | 19.63%     | \$ 23.52               | -4.62%     |
| 10,000              | 27.69         | \$ 31.50               | 13.76%     | \$ 26.23               | -5.27%     |
| 11,000              | 30.72         | \$ 33.50               | 9.05%      | \$ 28.94               | -5.79%     |
| 12,000              | 33.75         | \$ 36.55               | 8.30%      | \$ 31.65               | -6.22%     |
| 13,000              | 36.78         | \$ 39.60               | 7.67%      | \$ 34.36               | -6.58%     |
| 14,000              | 39.81         | \$ 42.65               | 7.13%      | \$ 37.07               | -6.88%     |
| 15,000              | 42.84         | \$ 45.70               | 6.68%      | \$ 39.78               | -7.14%     |
| 16,000              | 45.87         | \$ 48.75               | 6.28%      | \$ 43.59               | -4.97%     |
| 17,000              | 48.90         | \$ 51.80               | 5.93%      | \$ 47.40               | -3.07%     |
| 18,000              | 51.93         | \$ 54.85               | 5.62%      | \$ 51.21               | -1.39%     |
| 19,000              | 54.96         | \$ 57.90               | 5.35%      | \$ 55.02               | 0.11%      |
| 20,000              | 57.99         | \$ 60.95               | 5.10%      | \$ 58.83               | 1.45%      |
| 25,000              | 73.14         | \$ 76.20               | 4.18%      | \$ 77.88               | 6.48%      |
| 30,000              | 88.29         | \$ 91.45               | 3.58%      | \$ 96.93               | 9.79%      |
| 35,000              | 103.44        | \$ 109.75              | 6.10%      | \$ 115.98              | 12.12%     |
| 40,000              | 118.59        | \$ 128.05              | 7.98%      | \$ 135.03              | 13.86%     |
| 45,000              | 133.74        | \$ 146.35              | 9.43%      | \$ 154.08              | 15.21%     |
| 50,000              | 148.89        | \$ 164.65              | 10.58%     | \$ 173.13              | 16.28%     |
| 75,000              | 224.64        | \$ 256.15              | 14.03%     | \$ 268.38              | 19.47%     |
| 100,000             | 300.39        | \$ 347.65              | 15.73%     | \$ 363.63              | 21.05%     |

| Monthly Charge for:  | Present  | Company<br>Proposed Rates | RUCO<br>Recommended Rates |
|--|----------|---------------------------|---------------------------|
| Monthly Residential Service  | \$ 38.99 | \$ 41.62                  | \$ 39.06                  |
| Low Income Residential Service   | 33.14    | 35.38                     | 33.20                     |
| Multi-Unit Housing - Monthly per Unit  | 36.19    | 38.63                     | 36.29                     |
| Commercial:  |          |                           |                           |
| Small Commercial - Monthly Service   | 65.93    | 70.37                     | 66.12                     |
| Measured Service:  |          |                           |                           |
| Regular Domestic:  | 36.91    | 39.40                     | 37.00                     |
| Monthly Service Charge   | 3.22     | 3.44                      | 3.22                      |
| Commodity Charge per 1,000 gallons   |          |                           |                           |
| Restaurant, Motels, Grocery Stores & Dry Cleaning Estab.1  |          |                           |                           |
| Monthly Service Charge   | 36.91    | 39.40                     | 37.00                     |
| Commodity Charge per 1,000 gallons   | 4.30     | 4.59                      | 4.31                      |
| Wigwam Resort:   |          |                           |                           |
| Monthly Rate - Per Room  | 36.19    | 39.40                     | 36.30                     |
| Main Hotel Facilities - Per Month  | 1,433.30 | 1,529.90                  | 1,438.00                  |
| Schools - Monthly Service Rates:   |          |                           |                           |
| Elementary Schools   | 974.64   | 1,040.33                  | 977.37                    |
| Middle Schools   | 1,146.64 | 1,223.92                  | 1,150.00                  |
| High Schools   | 1,146.64 | 1,223.92                  | 1,150.00                  |
| Community College  | 1,777.29 | 1,897.08                  | 1,782.50                  |
| Effluent2:   |          |                           |                           |
| 1 Motels without restuarants charged multi-unit monthly rate.  |          |                           |                           |
| 2 Market Rate - Maximum effluent rate shall not exceed \$430 per acre foot based on a potable water rate of \$1.32 per thousand gallons. |          |                           |                           |
| Late Payment Penalty   |          |                           |                           |

Litchfield Park Service Company - Wastewater Division  
 Docket No. SW-01428A-13-0042 ET AL.  
 Test Year Ended: December 31, 2013

Schedule RBM WW RD-2

Typical Bill Analysis  
 Residential

| Company Proposed        | Gallons | Present Rates | Proposed Rates | Dollar Increase | Percent Increase |
|-------------------------|---------|---------------|----------------|-----------------|------------------|
| Average Usage           | -       | \$ 38.99      | \$ 41.62       | \$ 2.63         | 6.75%            |
| Median Usage            | -       | 38.99         | 41.62          | \$ 2.63         | 6.75%            |
| <u>RUCO Recommended</u> |         |               |                |                 |                  |
| Average Usage           | -       | \$ 38.99      | \$ 39.06       | \$ 0.07         | 0.18%            |
| Median Usage            | -       | 38.99         | 39.06          | \$ 0.07         | 0.18%            |