



**Executive Report**

**Allendale Charter Township, MI  
Sewer Department**

**Financial Projection and Rate Design Report**

**August 26, 2022**





August 26, 2022

Chad E Doornbos  
Superintendent of Public Utilities  
Allendale Charter Township  
6676 Lake Michigan Drive  
Allendale, MI 49401

Dear Mr. Doornbos,

We are pleased to present this executive summary report for a financial projection and rate design study completed for Allendale Charter Township sewer utility. This report was prepared to provide the utility with a comprehensive examination of its existing financials by an outside party.

The specific purposes of this long-term financial projection and rate study are:

- 1) Determine the sewer utility's revenue requirements for 2023
- 2) Project rate adjustments needed to meet targeted revenue requirements
- 3) Develop retail rates to be implemented in 2023 (after board approval)

This report includes results of the financial projection and identifies the future rate adjustments for the sewer department. Specific recommendations included in this report are:

- 1) Rate adjustments that are based on the utility's ability to work toward three factors listed below:
  - Debt Coverage Ratio
  - Minimum Cash Reserves
  - Optimal Operating Income
- 2) Rate adjustments are designed to work toward cost of service results performed in 2019.
  - A comparison of current and proposed rates and the impact to rate payers is included

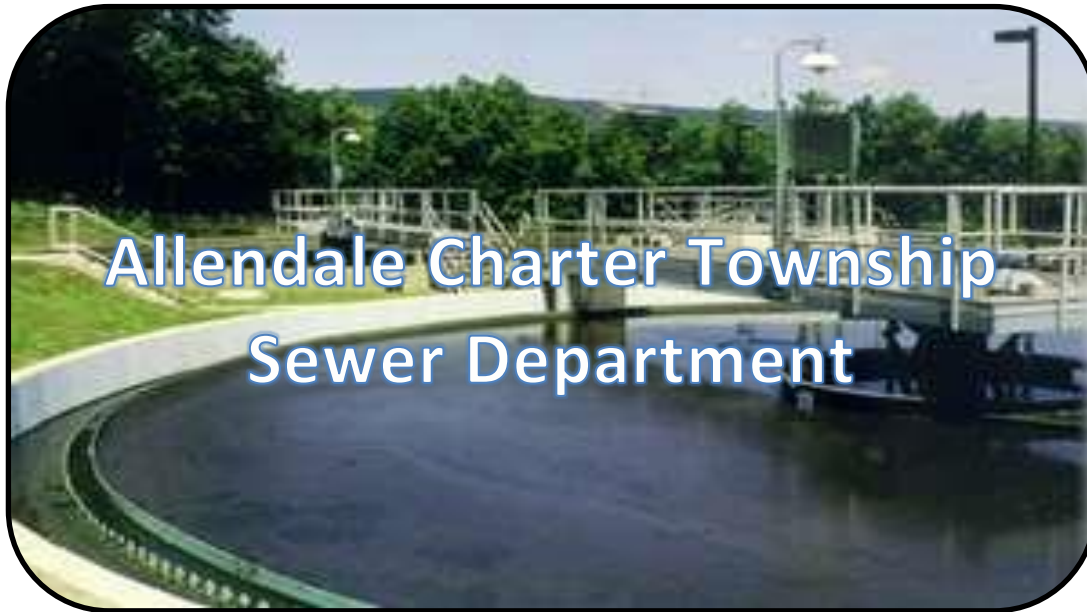
This report is intended for information and use by management and the Board of Directors for purposes stated above and is not intended to be used by anyone except the specified parties.

Sincerely,

*Dawn Lund*

Utility Financial Solutions, LLC  
Dawn Lund, Vice-President

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**Allendale Charter Township  
Sewer Department**

## UTILITY REVENUE REQUIREMENTS FOR 2023-2027

The utility currently has combined financial statements for water and sewer. This report separates the sewer department as its own enterprise fund for rate determination purposes. To determine revenue requirements, the revenues and expenses for Fiscal Year 2021 and Budget 2023 were analyzed, with adjustments made to reflect projected operating characteristics.

Table 1 is the projected financial summary for the sewer department from 2023-2027 without any rate adjustments and with a projected \$45.0 million bond issue in 2023, and a second projected bond issue of \$3.0 million 2027. Projected operating income for 2023 is \$400,918 and decreases to a projected operating loss of (\$155,877) in 2027. The cash generated from operations decreases throughout the period to (\$5.6 million) in 2027. The debt coverage ratio does not meet the targeted revenue bond requirements throughout the projection period.

**Table 1 – Financial Summary – (without Rate Adjustments; with Bond Issues)**

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2023	0.0%	2,972,773	2,715,767	400,918	4,489,655	45,000,000	45,000,000	1.41
2024	0.0%	3,073,290	3,201,414	15,789	2,745,243	629,950	-	0.58
2025	0.0%	3,103,014	3,277,863	(30,935)	(1,177,747)	2,783,000	-	0.57
2026	0.0%	3,133,036	3,362,589	(85,640)	(3,184,038)	835,000	-	0.56
2027	0.0%	3,163,357	3,463,148	(155,877)	(5,618,703)	4,240,000	3,000,000	0.55
<b>Targeted in 2023</b>				<b>\$ 1,407,936</b>				
<b>Targeted in 2027</b>				<b>\$ 2,176,147</b>				
<b>Minimum Target 2023</b>					<b>\$ 2,569,665</b>	<b>1.25/1.45</b>		
<b>Minimum Target 2027</b>					<b>\$ 2,675,894</b>	<b>1.25/1.45</b>		

## FINANCIAL TARGETS

### PROJECTED CASH FLOW

Table 2 is the projected cash flow for 2023-2027, including projections of capital improvements as provided by the Utility. Changes in the capital improvement plan can greatly affect the cash balance and minimum cash reserve target. Cash balances decrease and turn negative in 2025. The balance includes a \$45.0 million bond issuances in 2023 and \$3.0 million bond issuance in 2027 to help fund the capital improvement program. Cash balances are currently combined with sewer and were separated for the projection based on assets of 30/70 percent to water and sewer respectively.

**Table 2 – Projected Cash Flows (without Rate Adjustments; with Bond Issues)**

<b>Projected Cash Flows</b>	<b>Projected 2023</b>	<b>Projected 2024</b>	<b>Projected 2025</b>	<b>Projected 2026</b>	<b>Projected 2027</b>
Add Net Income	\$ (503,396)	\$ (1,555,739)	\$ (1,577,021)	\$ (1,610,275)	\$ (1,644,295)
Add Back Depreciation Expense	1,200,845	1,657,144	1,691,274	1,727,454	1,778,204
Subtract Debt Principal	265,000	1,215,867	1,254,243	1,288,470	1,328,574
Add Bond Sale Proceeds	45,000,000	-	-	-	3,000,000
<b>Cash Available from Operations</b>	<b>\$ 45,432,449</b>	<b>\$ (1,114,461)</b>	<b>\$ (1,139,990)</b>	<b>\$ (1,171,291)</b>	<b>\$ 1,805,334</b>
Estimated Annual Capital Additions	45,000,000	629,950	2,783,000	835,000	4,240,000
<b>Net Cash From Operations</b>	<b>\$ 432,449</b>	<b>\$ (1,744,411)</b>	<b>\$ (3,922,990)</b>	<b>\$ (2,006,291)</b>	<b>\$ (2,434,666)</b>
<b>Beginning Cash Balance</b>	4,057,206	4,489,655	2,745,243	(1,177,747)	(3,184,038)
<b>Ending Cash Balance</b>	<b>\$ 4,489,655</b>	<b>\$ 2,745,243</b>	<b>\$ (1,177,747)</b>	<b>\$ (3,184,038)</b>	<b>\$ (5,618,703)</b>
<b>Total Cash Available</b>	<b>\$ 4,489,655</b>	<b>\$ 2,745,243</b>	<b>\$ (1,177,747)</b>	<b>\$ (3,184,038)</b>	<b>\$ (5,618,703)</b>
<b>Targeted Minimum</b>	<b>\$ 2,569,665</b>	<b>\$ 2,581,680</b>	<b>\$ 2,614,240</b>	<b>\$ 2,630,505</b>	<b>\$ 2,675,894</b>

## Debt Coverage Ratio

The minimum targeted debt coverage ratio for prudent financial planning purposes is 1.45 for the outstanding revenue bonds on the sewer system. Maintaining a 1.45 debt coverage ratio is good business practice and helps to achieve the following:

- a. Helps to ensure adequate funds are available to meet debt service payments in years when sales are low due to cold or wet summers or loss of a major customer(s).
- b. Obtain higher bond rating, if revenue bonds are sold in the future, to lower interest cost.

Debt coverage ratios are mandated by covenants in the revenue bond ordinance and must be maintained to ensure the utility maintains its bond rating and has the capacity to issue additional revenue bonds in the future. Allendale Charter Township does not meet the minimum target coverage ratios throughout the projection period.

Table 3 below contains projected debt coverage ratios from 2023-2027. The projection period includes bond issuances of \$45.0 million in 2023 and \$3.0 million in 2027.

**Table 3 - Current Debt Coverage Ratio – (without Rate Adjustment; with Bond Issues)**

<b><u>Debt Coverage Ratio</u></b>	<b>Projected 2023</b>	<b>Projected 2024</b>	<b>Projected 2025</b>	<b>Projected 2026</b>	<b>Projected 2027</b>
Add Net Income	\$ (503,396)	\$ (1,555,739)	\$ (1,577,021)	\$ (1,610,275)	\$ (1,644,295)
Add Depreciation Expense	1,200,845	1,657,144	1,691,274	1,727,454	1,778,204
Add Interest Expense	780,688	1,450,063	1,415,899	1,380,722	1,344,505
Cash Available for Debt Service	<u>\$ 1,478,136</u>	<u>\$ 1,551,468</u>	<u>\$ 1,530,151</u>	<u>\$ 1,497,901</u>	<u>\$ 1,478,414</u>
Debt Principal and Interest	\$ 1,045,688	\$ 2,665,929	\$ 2,670,142	\$ 2,669,192	\$ 2,673,079
Projected Debt Coverage Ratio (Covenants)	1.41	0.58	0.57	0.56	0.55
<b>Minimum Debt Coverage Ratio</b>	<b>1.45</b>	<b>1.45</b>	<b>1.45</b>	<b>1.45</b>	<b>1.45</b>

**Debt Coverage Ratio do not meet the minimum targets throughout the projection period.**

## Minimum Cash Reserve

Table 4 is the minimum level of cash reserves required to help ensure timely replacement of assets and to provide financial stability of the sewer utility. The methodology used in this study is based on certain assumptions related to a percentage of operating expense, historical investment, capital improvements, and debt service to be kept in cash reserves. Minimum cash reserve attempts to quantify the minimum amount of cash the utility should keep in reserve and is considered at critical levels if cash approaches this minimum. Actual cash reserves may vary substantially above the minimum and is dependent on the life cycle of assets that are currently in service. The sewer utility should maintain a minimum of \$2.6 million in cash reserves based on the adopted methodology.

**Table 4 – Minimum Cash Reserves**

	Percent Allocated	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Operation & Maintenance Less Depreciation Expense	12.3%	\$ 186,335	\$ 189,945	\$ 195,150	\$ 201,122	\$ 207,248
Historical Rate Base	1%	830,847	837,146	864,976	873,326	915,726
Current Portion of Debt Service Reserve	50%	1,332,965	1,335,071	1,334,596	1,336,540	1,333,402
Five Year Capital Improvements - Net of bond proceeds	20%	219,518	219,518	219,518	219,518	219,518
<b>Targeted Minimum Cash Reserve Levels</b>		<b>\$ 2,569,665</b>	<b>\$ 2,581,680</b>	<b>\$ 2,614,240</b>	<b>\$ 2,630,505</b>	<b>\$ 2,675,894</b>
<b>Projected Cash Reserves</b>		<b>\$ 4,489,655</b>	<b>\$ 2,745,243</b>	<b>\$ (1,177,747)</b>	<b>\$ (3,184,038)</b>	<b>\$ (5,618,703)</b>

**Cash reserves do not meet minimum targets starting in 2025 including \$45 million and \$3 million bonds to help fund the capital improvement program.**

Notes:

1. Rate base is historical investment in plant and equipment.
2. Five-year capital includes budgeted capital improvements for the next five years and excludes capital improvements funded through debt issuances.



## Rate of Return

The optimal target for setting rates is the establishment of a target operating income to help ensure the following:

- 1) Funding of Interest Expense on the outstanding principal on debt. Interest expense is below the operating income line and needs to be recouped through the operating income balance.
- 2) Funding of the inflationary increase on the assets invested in the system. The inflation on the replacement of assets invested in the utility should be recouped through the operating income.
- 3) Adequate rate of return on investment to help ensure current customers are paying their fair share of the use of the infrastructure and not deferring the charge to future generations.

The target established for 2023 is \$1.4 million and increases to \$2.2 million in 2027 due to the large capital expenditure. This equates to approximately a 3.0% rate of return.

**Table 5 – Rate of Return Calculation (without Rate Adjustments; with Bond Issues)**

	Percent Allocated	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Outstanding Principal on Debt	1.6%	780,688	1,450,063	1,415,899	1,380,722	1,344,505
Contributed Capital Estimated	2.0%	79,446	81,276	82,631	84,537	85,508
System Equity	3.9%	547,803	567,962	672,799	704,785	746,134
<b>Target Operating Income</b>		<b>\$ 1,407,936</b>	<b>\$ 2,099,301</b>	<b>\$ 2,171,329</b>	<b>\$ 2,170,043</b>	<b>\$ 2,176,147</b>
<b>Projected Adjusted Operating Income</b>		<b>\$ 400,918</b>	<b>\$ 15,789</b>	<b>\$ (30,935)</b>	<b>\$ (85,640)</b>	<b>\$ (155,877)</b>
<b>Rate of Return in %</b>		<b>2.1%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.1%</b>

**Projected Operating Income is not meeting targets throughout the projection period.**

## SUMMARY OF FINANCIAL POSITION

### Proposed Rate Track

To work toward financial health and a healthy debt coverage ratio, a series of rate adjustments should be considered. Table 6 below is the five-year financial projection with proposed rate increases of 17.9% in 2023 – 2026 and 2.8% in 2027.

The rate track was developed to work toward healthy financial targets (Table 6); while also looking at the utility’s financials combined with water utility (Table 6B). Cash will need to be monitored as the capital improvement program materializes. The rate track should be reviewed with the budget process as changes in expenses and capital can impact the rate track.

**Table 6 – Financial Summary (with Proposed Rate Adjustments; with Bond Issues)**

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2023	17.9%	3,465,513	2,715,767	893,659	4,982,395	45,000,000	45,000,000	1.88
2024	17.9%	4,166,024	3,201,414	1,108,523	4,333,182	629,950	-	0.99
2025	17.9%	4,900,606	3,277,863	1,766,656	2,215,723	2,783,000	-	1.25
2026	17.9%	5,774,928	3,362,589	2,556,252	2,862,403	835,000	-	1.56
2027	2.9%	5,991,084	3,463,148	2,671,850	3,269,776	4,240,000	3,000,000	1.62
<b>Targeted in 2023</b>				<b>\$ 1,407,936</b>				
<b>Targeted in 2027</b>				<b>\$ 2,176,147</b>				
<b>Minimum Target 2023</b>					<b>\$ 2,569,665</b>	<b>1.25/1.45</b>		
<b>Minimum Target 2027</b>					<b>\$ 2,675,894</b>	<b>1.25/1.45</b>		

**Table 6B – Combined Water and Sewer Financial Summary (with Proposed Rate Adjustments; with Bond Issues)**

Fiscal Year	Projected Rate Adjustments (Water)	Projected Rate Adjustments (Wastewater)	Projected Revenues	Projected Expenses	Adjusted Operating Income	Operating Cash Balance	Capital Improvements	Bond Draw Down	Debt Coverage Ratio
2023	3.5%	17.9%	6,928,098	5,731,442	1,503,297	8,063,026	45,100,000	45,000,000	2.23
2024	3.5%	17.9%	7,866,259	6,360,750	1,812,150	7,468,203	1,346,804	-	1.26
2025	3.5%	17.9%	8,759,585	6,636,167	2,430,059	4,283,564	9,083,000	4,500,000	1.46
2026	3.5%	17.9%	9,799,761	6,913,749	3,192,652	5,379,813	935,000	-	1.62
2027	3.5%	2.9%	10,189,200	7,116,573	3,379,267	6,411,127	4,340,000	3,000,000	1.75
<b>Targeted 2023</b>					<b>\$ 2,112,506</b>	<b>\$ 4,021,132</b>	<b>1.25/1.45</b>		
<b>Targeted 2027</b>					<b>\$ 3,112,725</b>	<b>\$ 4,739,164</b>	<b>1.25/1.45</b>		

**COST OF SERVICE COMPLETED IN 2019**

The purpose of a cost of service study is to allocate costs between flow (Commodity Costs) and customer service costs (Customer Costs). The cost of service study was based on recognized procedures from the American Public Works Association.

**SIGNIFICANT ASSUMPTIONS**

This section outlines the procedures used to develop the financial projection study and related significant assumptions.

**Forecasted Operating Expenses**

Forecasted expenses were based on 2021 actual and Budget 2023 and adjusted for inflation.

**Inflation**

Inflation was assumed at 4.9% in 2023, 3.5% in 2024, and 2.9% in 2025-2027.

**Growth**

Growth on sales was projected at 5.0% in 2023, 3.5% in 2024 and 1.0% in 2025-2027.

**Depreciation Expense**

Depreciation expense was projected based on historical capital additions and discussions with management on future capital additions.

**Interest Income**

Interest income was forecasted based on projected cash balances and an interest rate of 0.50%.

**Capital Improvements**

The capital improvement projections were provided by the Utility. Projections for 2023-2027 are listed below:

Year	Projected Capital Improvement
2023	45,000,000
2024	629,950
2025	2,783,000
2026	835,000
2027	4,240,000

## SEWER DEPARTMENT FINDINGS

- For Allendale Charter Township to maintain long-term financial targets of the sewer utility, rate increases should be considered. Below is a summary of the five-year financial projection with proposed rate increases of 17.9% in 2023 – 2026 and 2.9% in 2027. In addition, approximately \$45.0 million in bonds in 2023 and \$3.0 million in 2027 will need to be issued over the five-year period to help fund the capital improvement program. The rate track was developed to move toward minimum targets. Operating income, cash balances and debt coverage ratio stabilize and work toward the minimums. The rate track should be reviewed annually as changes in revenues, expenses and capital can affect the rate track and bonding requirements.

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2023	17.9%	3,465,513	2,715,767	893,659	4,982,395	45,000,000	45,000,000	1.88
2024	17.9%	4,166,024	3,201,414	1,108,523	4,333,182	629,950	-	0.99
2025	17.9%	4,900,606	3,277,863	1,766,656	2,215,723	2,783,000	-	1.25
2026	17.9%	5,774,928	3,362,589	2,556,252	2,862,403	835,000	-	1.56
2027	2.9%	5,991,084	3,463,148	2,671,850	3,269,776	4,240,000	3,000,000	1.62
<b>Targeted in 2023</b>				<b>\$ 1,407,936</b>				
<b>Targeted in 2027</b>				<b>\$ 2,176,147</b>				
<b>Minimum Target 2023</b>					<b>\$ 2,569,665</b>			<b>1.25/1.45</b>
<b>Minimum Target 2027</b>					<b>\$ 2,675,894</b>			<b>1.25/1.45</b>

- Any approved rate increase should be placed on the customer charge to the extent possible while watching the impacts to customers by meter size. It may take several years to move closer to cost of service and recover the relative fixed costs of the system. The rate design should work towards cost of service, while phasing-in increases to customers.
- The financial projection revenue, expenses and cash flow should be updated annually with the budget process to determine if the rate track is on target. Any changes in revenues, expenses and capital improvements can greatly affect the rate track and bonding requirements.

## Proposed Rate Design and Impacts

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### Rate Design 2023 by Meter Size – 17.9% Rate Increase

<b>Summary Current vs Proposed Wastewater Rates</b>		
Meter Size	Total Current Customer Charge	Total Proposed Customer Charge
5/8"	\$ 43.25	\$ 49.75
3/4"	59.00	69.00
1"	100.00	116.00
1.5"	180.00	210.00
2"	240.00	276.00
3"	430.00	495.00
4"	700.00	805.00
6"	1,200.00	1,380.00
8"	1,300.00	1,495.00
Commodity Rate	4.45	\$ 5.30
<b>Overall Revenue Increase</b>		17.9%

## Proposed Rate Design and Impacts

### Impacts 2023 by Meter Size – 17.9% Rate Increase

<b>5/8"</b>		<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge		\$ 43.25	\$ 49.75		
Commodity Rate (/1000 Gallons)		4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>	
15	\$ 110.00	\$ 129.25	\$ 19.25	17.50%	
18	123.35	145.15	21.80	17.67%	
24	150.05	176.95	26.90	17.93%	
30	176.75	208.75	32.00	18.10%	
36	203.45	240.55	37.10	18.24%	
<b>3/4"</b>		<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge		\$ 59.00	\$ 69.00		
Commodity Rate (/1000 Gallons)		4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>	
18	\$ 139.10	\$ 164.40	\$ 25.30	18.19%	
24	165.80	196.20	30.40	18.34%	
30	192.50	228.00	35.50	18.44%	
36	219.20	259.80	40.60	18.52%	
42	245.90	291.60	45.70	18.58%	
<b>1"</b>		<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge		\$ 100.00	\$ 116.00		
Commodity Rate (/1000 Gallons)		4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>	
24	\$ 206.80	\$ 243.20	\$ 36.40	17.60%	
45	300.25	354.50	54.25	18.07%	
60	367.00	434.00	67.00	18.26%	
75	433.75	513.50	79.75	18.39%	
90	500.50	593.00	92.50	18.48%	
<b>1.5"</b>		<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge		\$ 180.00	\$ 210.00		
Commodity Rate		4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>	
40	\$ 358.00	\$ 422.00	\$ 64.00	17.88%	
60	447.00	528.00	81.00	18.12%	
80	536.00	634.00	98.00	18.28%	
100	625.00	740.00	115.00	18.40%	
120	714.00	846.00	132.00	18.49%	

# Proposed Rate Design and Impacts

## Impacts 2023 by Meter Size – 17.9% Rate Increase

<b>2"</b>	<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge	\$ 240.00	\$ 276.00		
Commodity Rate	4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>
65	\$ 529.25	\$ 620.50	\$ 91.25	17.24%
85	618.25	726.50	108.25	17.51%
105	707.25	832.50	125.25	17.71%
125	796.25	938.50	142.25	17.86%
145	885.25	1,044.50	159.25	17.99%
<b>3"</b>	<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge	\$ 430.00	\$ 495.00		
Commodity Rate	4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>
95	\$ 852.75	\$ 998.50	\$ 145.75	17.09%
115	941.75	1,104.50	162.75	17.28%
135	1,030.75	1,210.50	179.75	17.44%
155	1,119.75	1,316.50	196.75	17.57%
175	1,208.75	1,422.50	213.75	17.68%
<b>4"</b>	<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge	\$ 700.00	\$ 805.00		
Commodity Rate	4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>
125	\$ 1,256.25	\$ 1,467.50	\$ 211.25	16.82%
125	1,256.25	1,467.50	211.25	16.82%
155	1,389.75	1,626.50	236.75	17.04%
200	1,590.00	1,865.00	275.00	17.30%
300	2,035.00	2,395.00	360.00	17.69%
<b>6"</b>	<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge	\$ 1,200.00	\$ 1,380.00		
Commodity Rate	4.45	5.30		
<b>Quarterly Usage Level in 1000 Gallons</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>
145	\$ 1,845.25	\$ 2,148.50	\$ 303.25	16.43%
145	1,845.25	2,148.50	303.25	16.43%
175	1,978.75	2,307.50	328.75	16.61%
220	2,179.00	2,546.00	367.00	16.84%
320	2,624.00	3,076.00	452.00	17.23%
<b>8"</b>	<b>Current Rates</b>	<b>Proposed Rates</b>		
Customer Service Charge	\$ 1,300.00	\$ 1,495.00		
Commodity Rate	4.45	5.30		
<b>Usage Level in 100 CF</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Dollar Impact</b>	<b>Percent Change</b>
195	\$ 2,167.75	\$ 2,528.50	\$ 360.75	16.64%
195	2,167.75	2,528.50	360.75	16.64%
225	2,301.25	2,687.50	386.25	16.78%
270	2,501.50	2,926.00	424.50	16.97%
370	2,946.50	3,456.00	509.50	17.29%