

Rainbow Municipal Water District

Water Rate Study

October 27, 2015



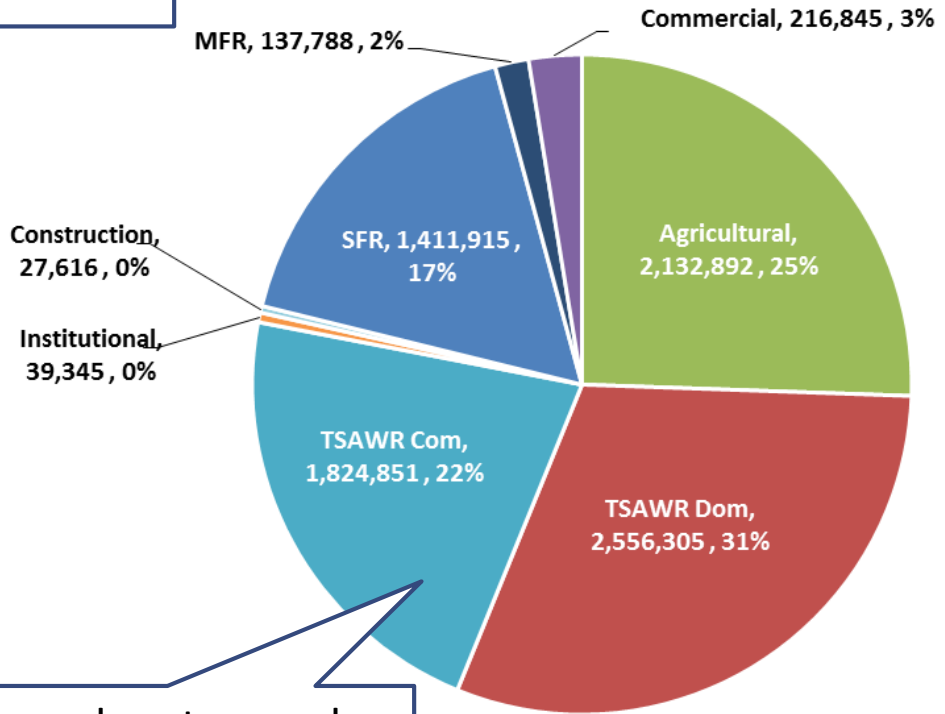
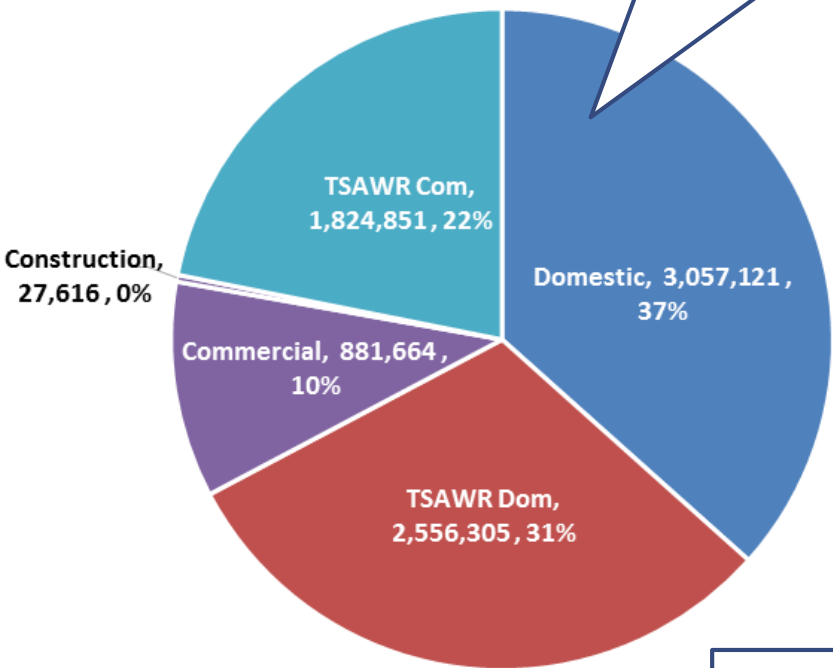
AGENDA

- Customer Characteristics
- Financial Plan
 - Key Assumptions
 - Revenue Adjustments
 - Reserves
- Cost of Service Analysis
- Proposed Water Rates
 - Monthly Charges
 - Single Family Residential / Multi-Family Residential
 - SAWR/Agriculture
 - Commercial / Institutional
- Discussion

CUSTOMER CHARACTERISTICS

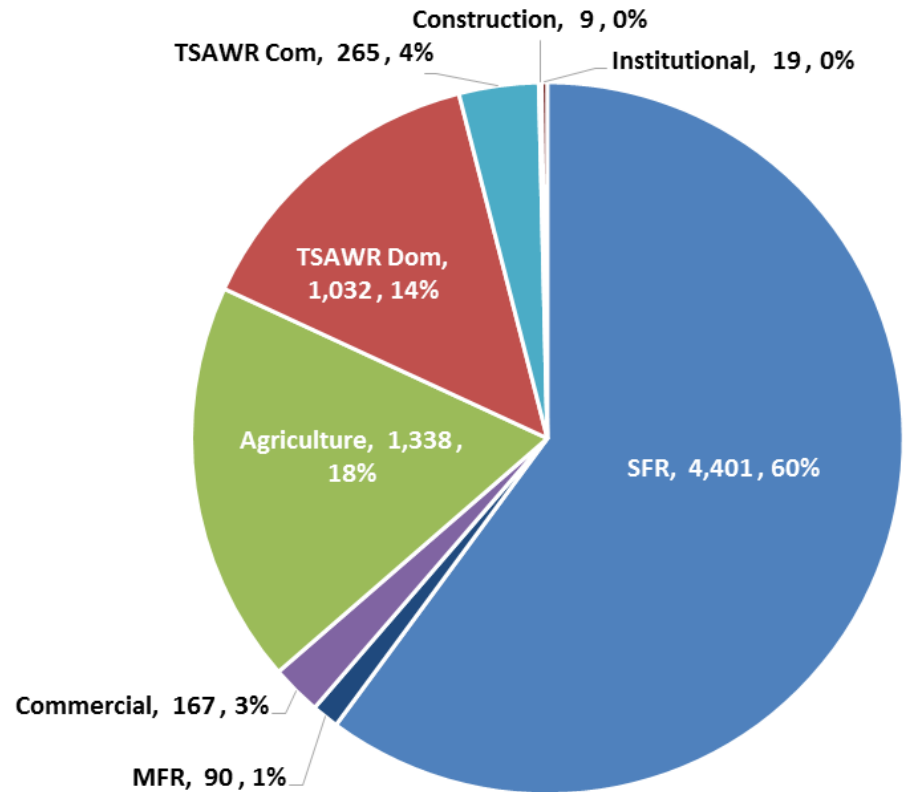
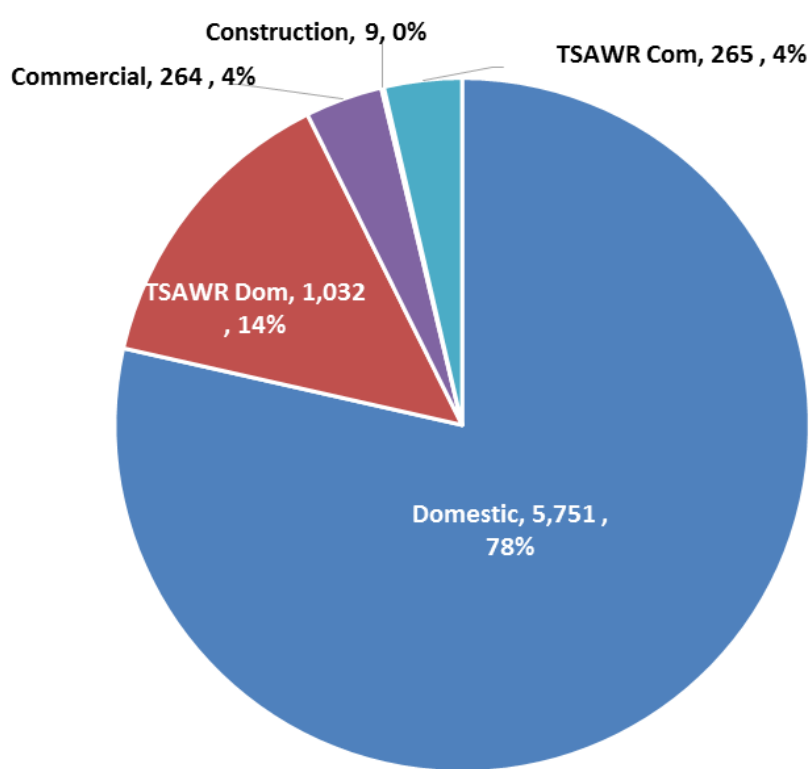
FYE 2015 WATER USE BY CUSTOMER CLASS (HCF, %)

The District reclassified accounts that were previously misclassified



RFC grouped customers by user code – SFR, MFR, and AGR were separated into their own customer class

FYE 2015 ACCOUNTS BY CLASS



Total Accounts = 7,321 (includes Construction Accounts)

FINANCIAL PLAN

FACTORS AFFECTING RATE/REVENUE ADJUSTMENTS

- Increased Water Purchase Costs
 - SDCWA Rates continue to increase
 - The District did not pass-through SDCWA rate increases as anticipated in January 2015
 - SDCWA introduced a new Supply Reliability Charge CY 2016
- Lower Water Sales
 - FYE 2015 saw a reduction in water sales of approximately 10%
 - FYE 2016 is projected to see an additional reduction of approximately 6%

FINANCIAL PLAN UNCERTAINTIES

1. Dry/Wet Weather
 - Recommend Water Usage Reduction Rates
2. New usage patterns due to recent conservation messages (New Norm)
 - Recommend calculating rates based off of the expected new norm of reduced usage, re-evaluate in 3-5 years
3. Future MWD/SDCWA rates and charges
 - Recommend passing through MWD/SDCWA rate increases

KEY ASSUMPTIONS

Cost Escalation Factors

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Inflationary Assumptions					
General	budget	3.0%	3.0%	3.0%	3.0%
Salary and Benefits	budget	3.0%	3.0%	3.0%	3.0%
Capital	budget	2.0%	2.0%	2.0%	2.0%
Energy	budget	5.0%	5.0%	5.0%	5.0%

- Costs for FYE 2016 were provided in the budget, no escalation needed.
- SDCWA charges and increases in purchased water costs will be passed-through to the District's customers at the time of rate increases.

KEY ASSUMPTIONS

Domestic Growth Rates determined from the development projections provided by the District

Revenue Factors

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Growth Rates					
Domestic / SFR	0.0%	2.1%	13.3%	14.6%	10.7%
Non-SFR	0.0%	0.0%	0.0%	0.0%	0.0%
Interest on Reserves	1.0%	2.0%	2.0%	2.0%	2.0%
Reduction in Water Use (%)	6.0%	0.0%	0.0%	0.0%	0.0%
Water Purchase Assumptions (AF)	18,825 AF	19,091 AF	20,809 AF	22,947 AF	24,742 AF

- “New Norm” of reduced usage ~18,000 AF (after 4% water loss)
 - This was based on estimates before the State mandated reductions
 - Currently sales are down by about 25%
- Continue to charge a Pumping Charge
 - Fixed and Variable Component

BOARD DIRECTION

- Scenario Options:
 - Option 1
 - Maintain growth rates stated in the key assumptions

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Growth Rates					
Domestic / SFR	0.00%	2.10%	13.30%	14.60%	10.70%
Commercial	0.00%	0.00%	0.00%	0.00%	0.00%

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Connection Fee / Capacity Revenue	\$597,434	\$776,939	\$4,771,190	\$7,326,669	\$5,603,583

BOARD DIRECTION

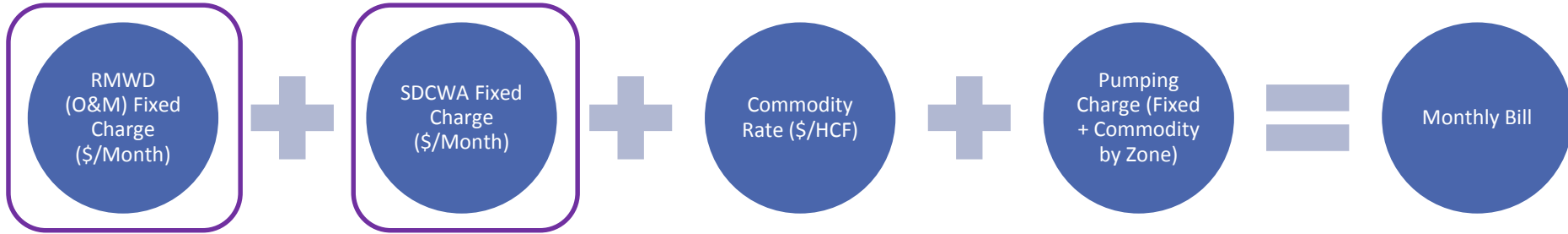
- Option 2
 - Adjust the growth rates and capacity fee revenue assumptions

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Growth Rates					
Domestic / SFR	0.00%	2.00%	5.00%	5.00%	5.00%
Commercial	0.00%	0.00%	0.00%	0.00%	0.00%

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Connection Fee / Capacity Revenue	\$597,434	\$739,942	\$1,793,680	\$2,509,133	\$2,618,497

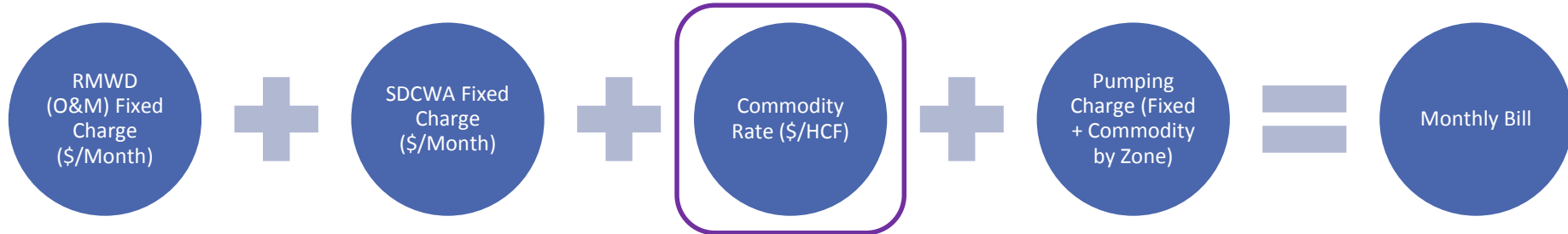
	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Revenue Adjustments	6.00%	6.00%	2.00%	2.00%	2.00%

CURRENT STRUCTURE



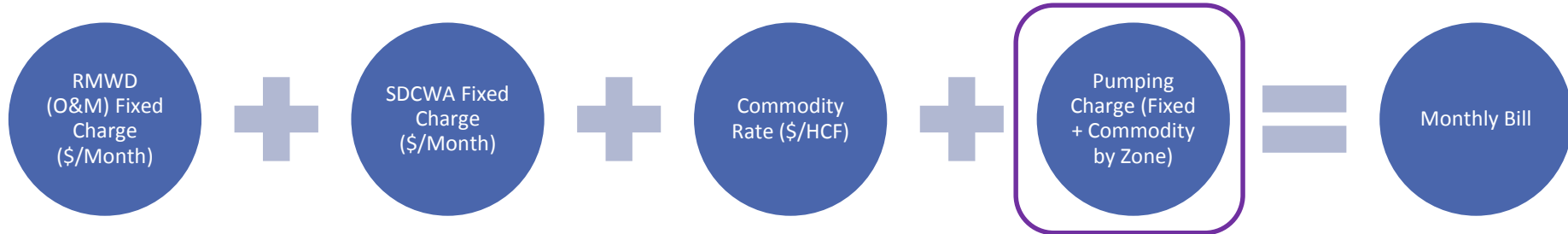
Meter Size	Monthly RMWD O&M Charge (\$/Meter)	Monthly SDCWA Fixed Charge		
		Domestic Charge (\$/Meter)	TSAWR/Domestic (\$/Meter)	TSAWR/Commerical (\$/Meter)
5/8"	\$28.35	\$30.48	\$30.48	\$16.17
3/4"	\$35.45	\$30.48	\$30.48	\$16.17
1"	\$46.10	\$48.77	\$48.77	\$25.87
1-1/2"	\$70.90	\$91.44	\$91.44	\$48.50
2"	\$124.05	\$158.49	\$91.44	\$84.07
3"	\$212.70	\$274.31	\$91.44	\$145.50
4"	\$354.50	\$487.66	\$91.44	\$258.66
6"	\$602.60	\$1,097.24	\$91.44	\$581.99

CURRENT STRUCTURE



Customer Class	Tier Width	Current Commodity Rate (\$/HCF)
Domestic (A, D, MF)		
Tier 1	1-6.99 HCF	\$3.00
Tier 2	7 & above HCF	\$3.15
Commercial		
Construction		
SAWR/Domestic		
Tier 1	1-6.99 HCF	\$3.00
Tier 2	7 - 26 HCF	\$3.15
Tier 3	27 & above HCF	\$2.83
SAWR/Commercial		
		\$2.83

CURRENT STRUCTURE



		Current Pumping Charge
Fixed Pumping Charge (\$/Month)		\$8.77
Commodity Rates (\$/HCF)		
Zone 1	Rainbow Heights	\$0.43
Zone 2	Improvement District U-1	\$0.27
Zone 3	Vallecitos	\$0.15
Zone 4	Northside	\$0.05
Zone 5	Morro Tank	\$0.08
Zone 6	Huntley	\$0.31
Zone 7	Magee Tank	\$1.42

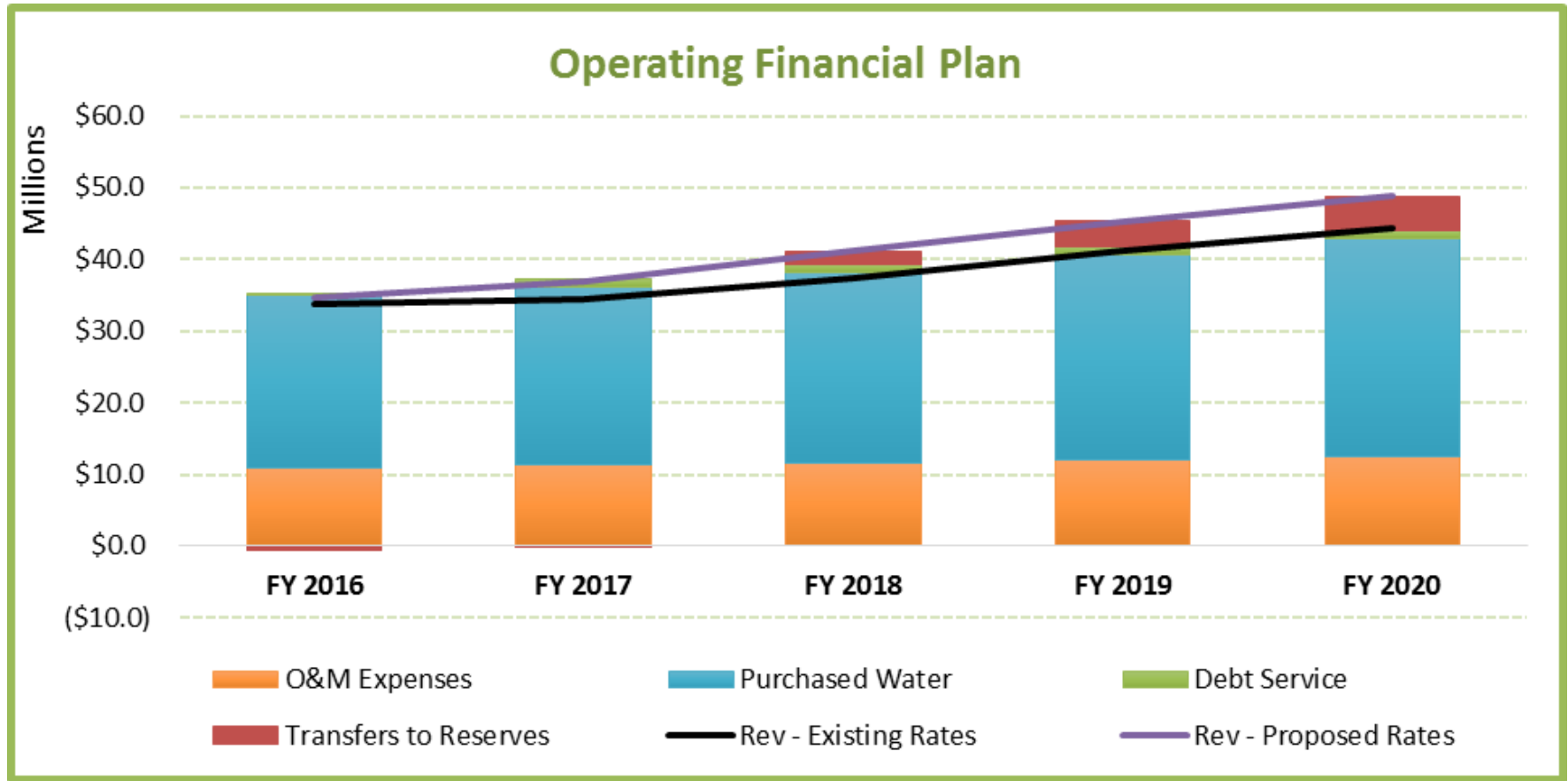
PROPOSED REVENUE ADJUSTMENTS

SCENARIO 1

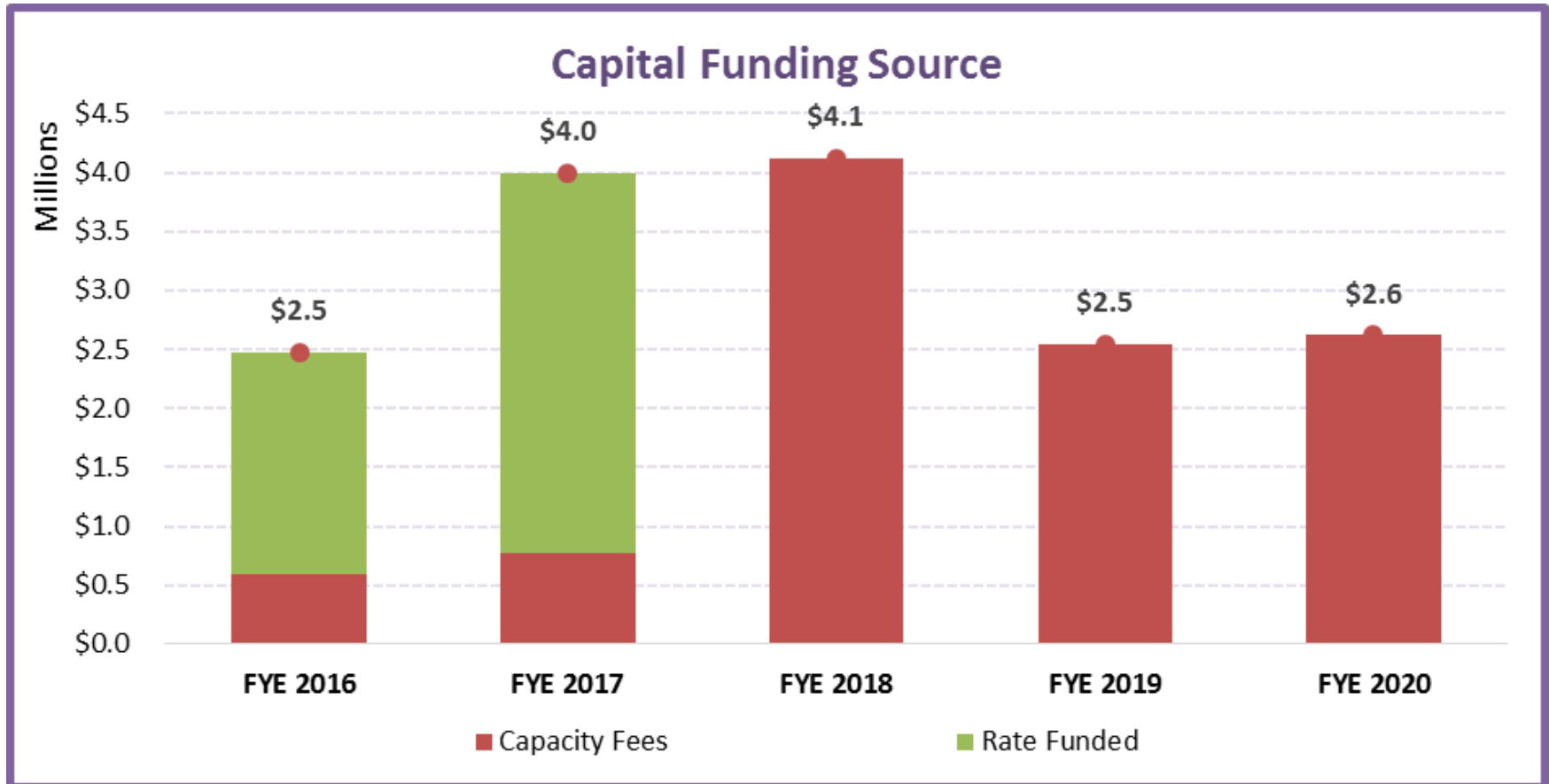
Fiscal Year	Proposed Adjustments
2016	5%
2017	5%
2018	0%
2019	0%
2020	0%

- No proposed future debt issuance

OPERATING FINANCIAL PLAN



CIP FUNDING SOURCES



- Based on direction from staff, anticipated capacity fee revenue will be available to help fund CIP
- The CIP projections will need to be revised once the Master Plan is completed
- Capacity fees are only anticipated to be available in the short term

RESERVE TARGETS

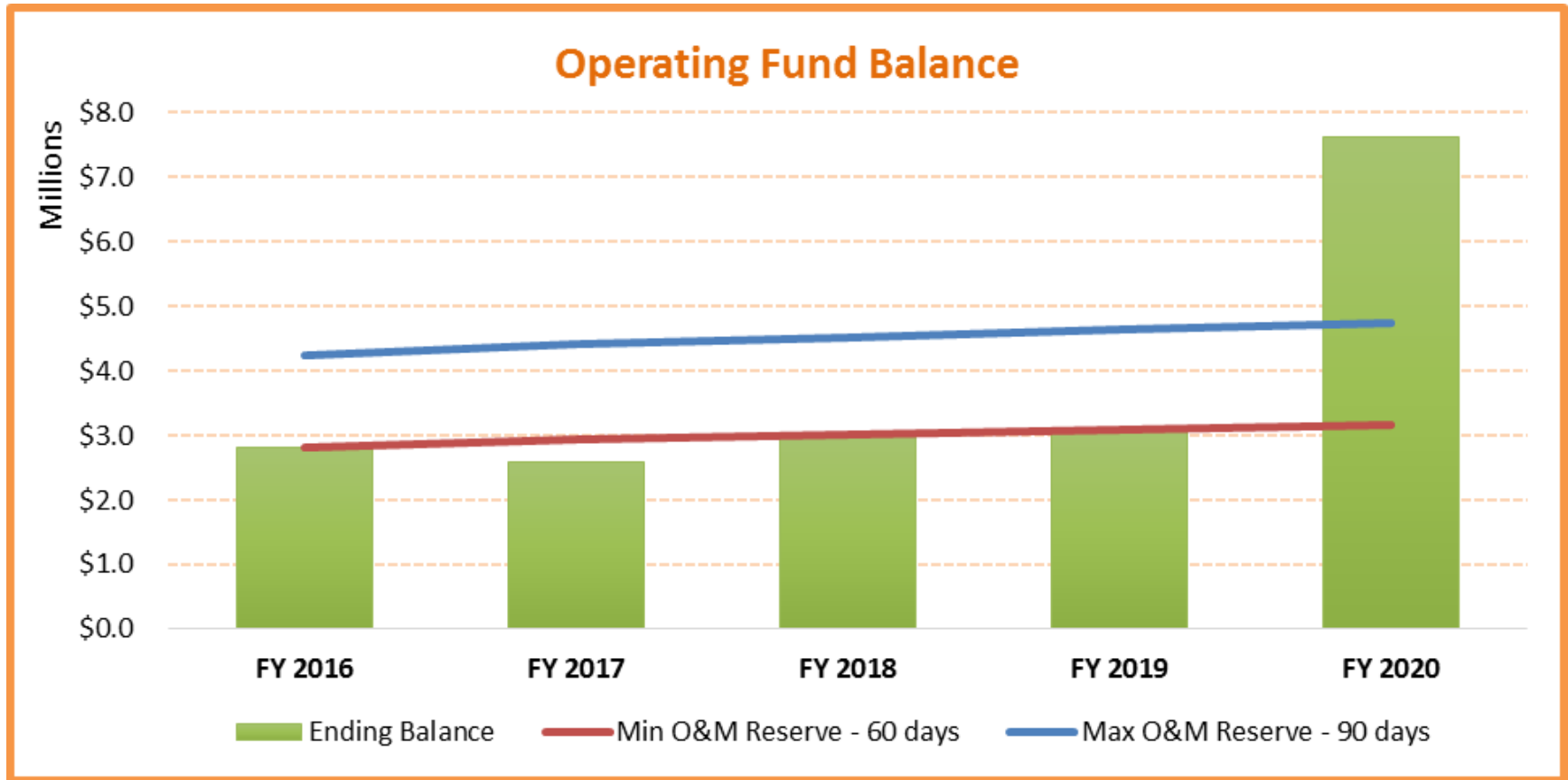
- **Operating Reserve** (excludes purchased water costs)
 - Minimum balance – 60 days of O&M expenses ~\$2.8 M
 - Maximum balance – 90 days of O&M expenses ~\$4.2M
- **Water Capital Projects Reserve**
 - Inflated Average of CIP Expenditures for FYE 2017 through FYE 2020
 - Capital Reserve Target of \$3.3 M in FYE 2016,
- **Rate Stabilization Reserve**
 - Minimum Target – 10% of Water Rate Revenue
- **Liability Self Insurance Reserve**
 - Target - \$100,000
- **New Water Sources Reserve**
 - No minimum target established

BEGINNING RESERVE BALANCES

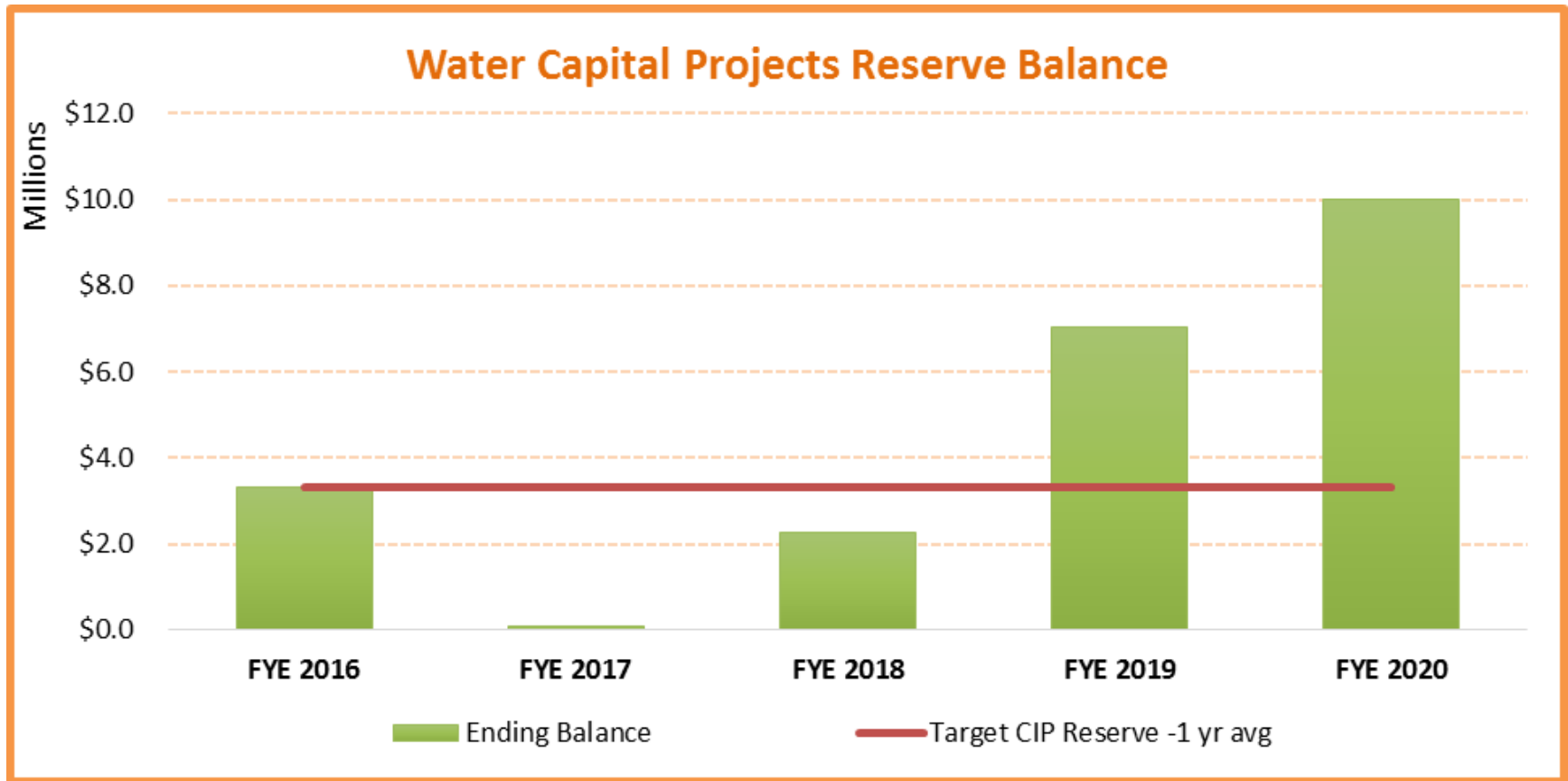
	Beginning Balance (FYE 2016)
Operating Reserve (O&M)	\$4,517,025
Water Capital Reserve	\$5,203,422
Liability Insurance Reserve	\$40,105
New Water Resource Reserve	\$1,023,429
Rate Stabilization Reserve	\$0

RFC recommends establishing a Rate Stabilization Reserve

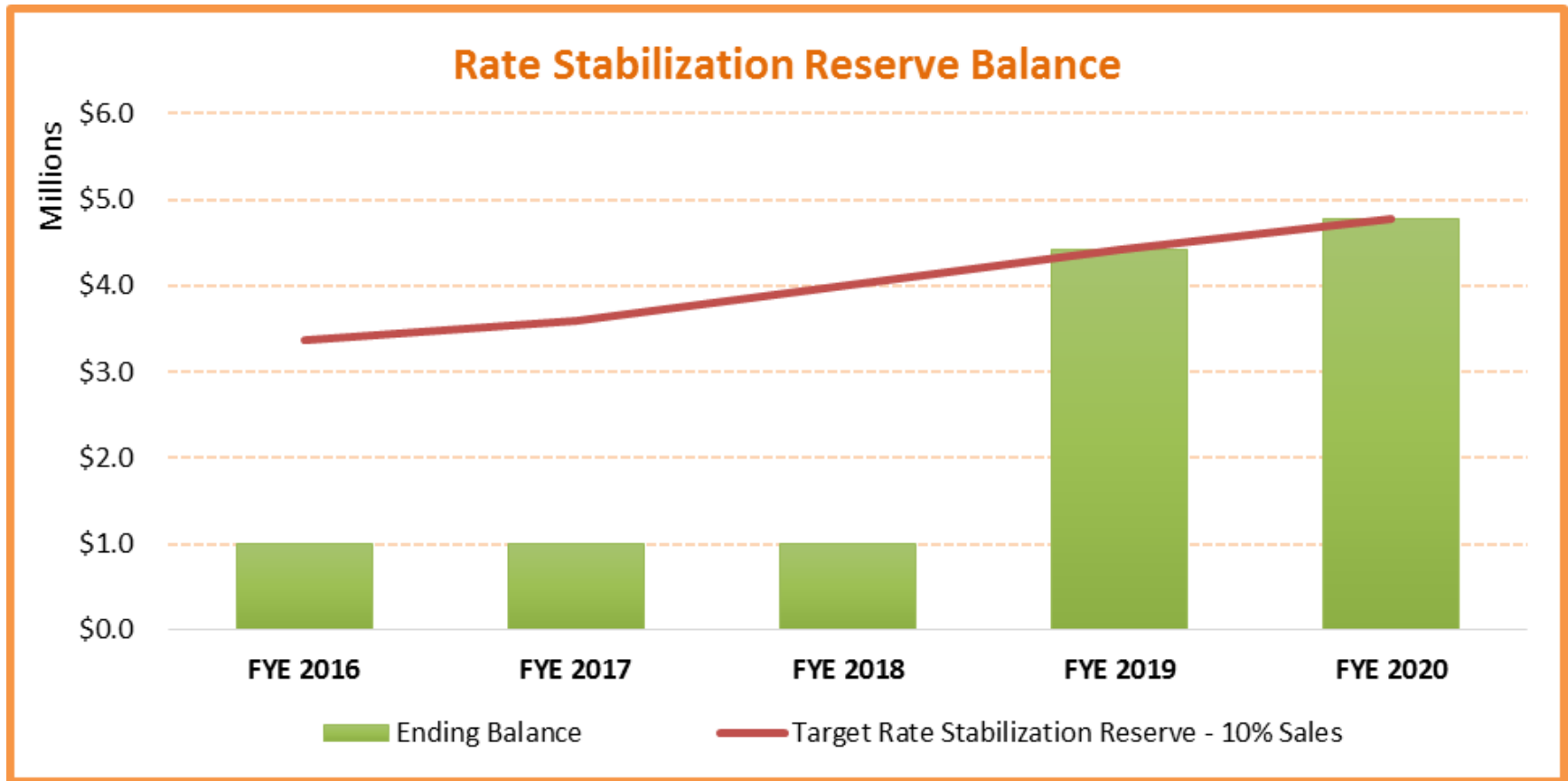
OPERATING RESERVE BALANCE



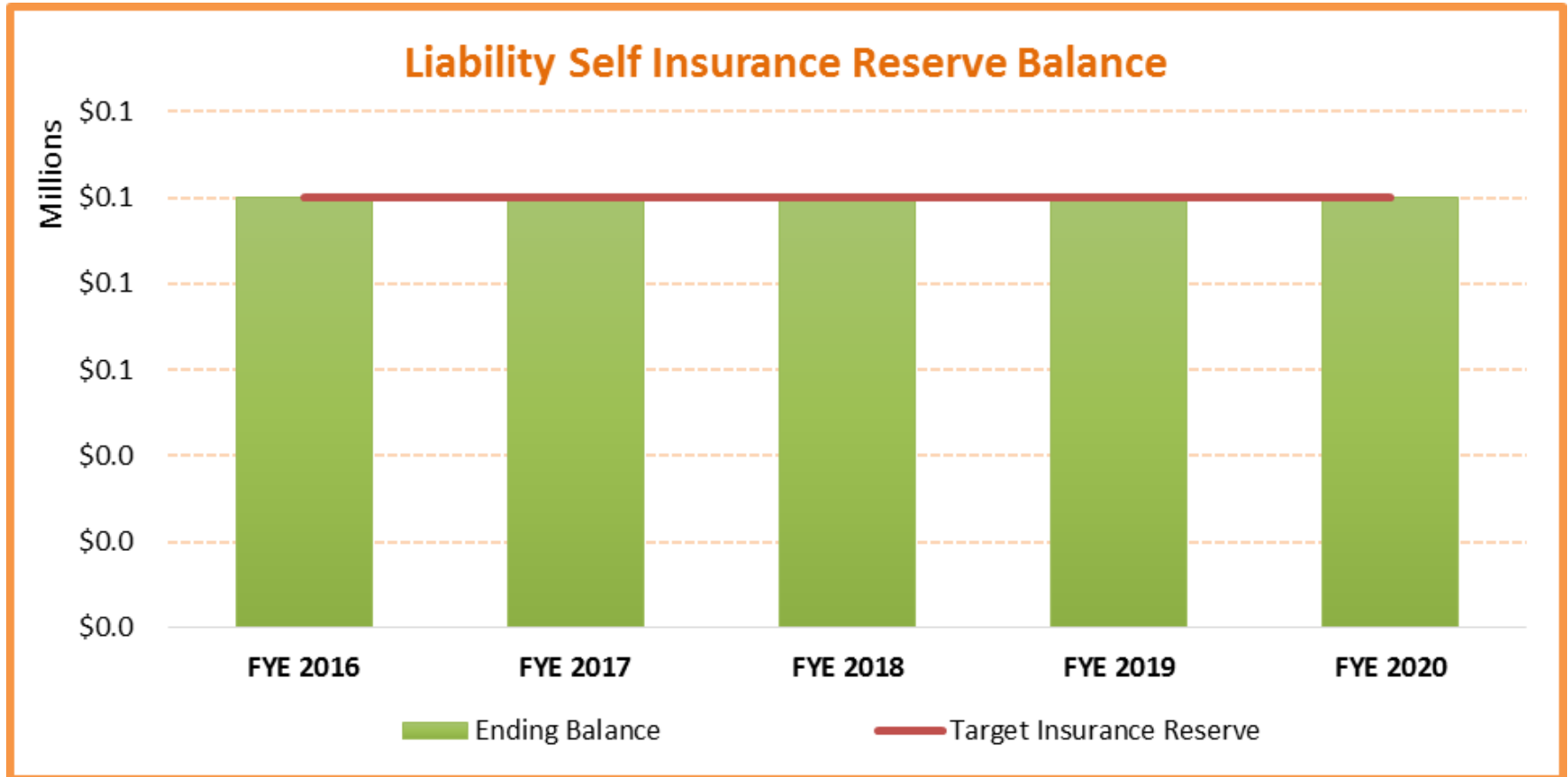
CAPITAL RESERVE ENDING BALANCE



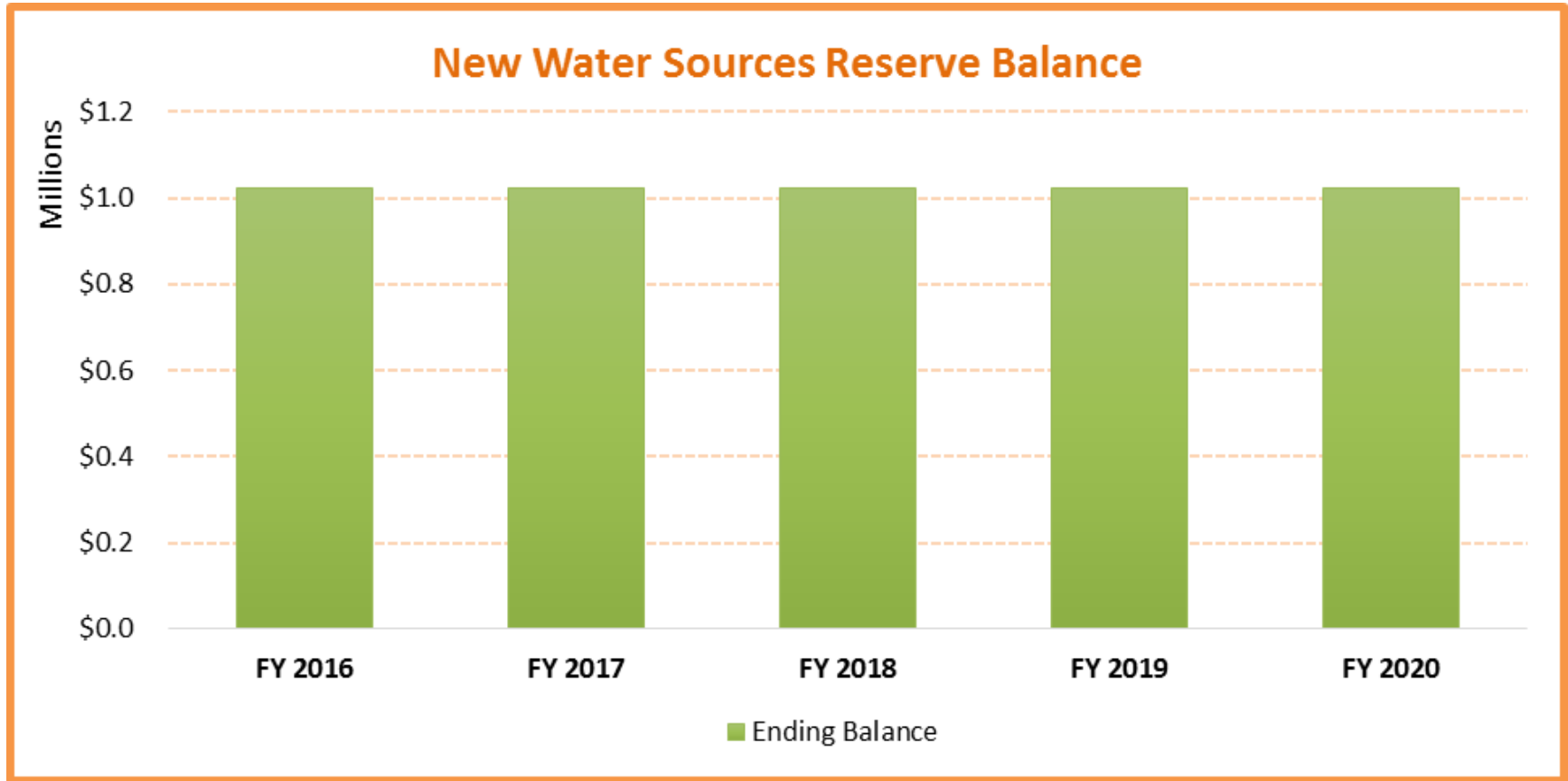
RATE STABILIZATION RESERVE BALANCE



LIABILITY SELF INSURANCE RESERVE BALANCE



NEW WATER RESOURCE RESERVE



COST OF SERVICE ANALYSIS

COST OF SERVICE ALLOCATION PROCESS

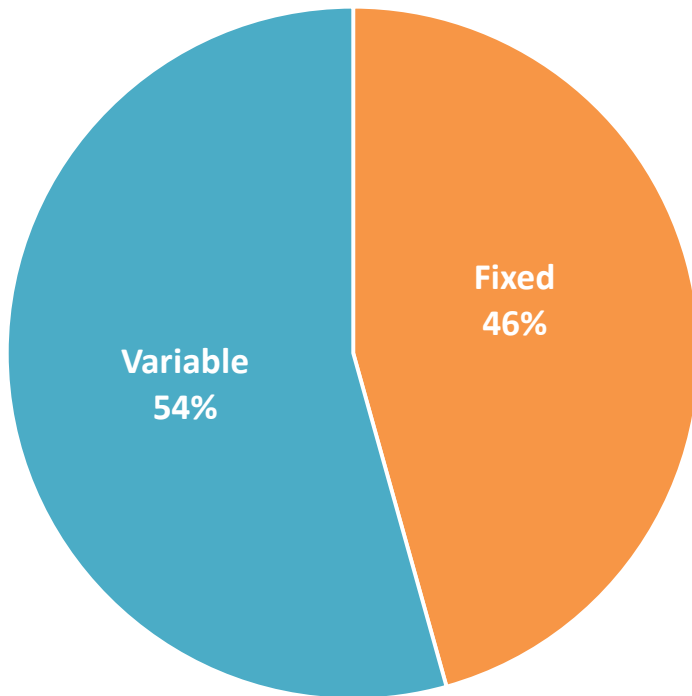
1. Identification of annual revenue requirements by function or activity
2. Allocation of these functional costs to appropriate cost components
3. Determination of customer class characteristics
4. Development of unit costs of service for each cost component
5. Distribution of costs to customer classes

SAN JUAN CAPISTRANO CASE

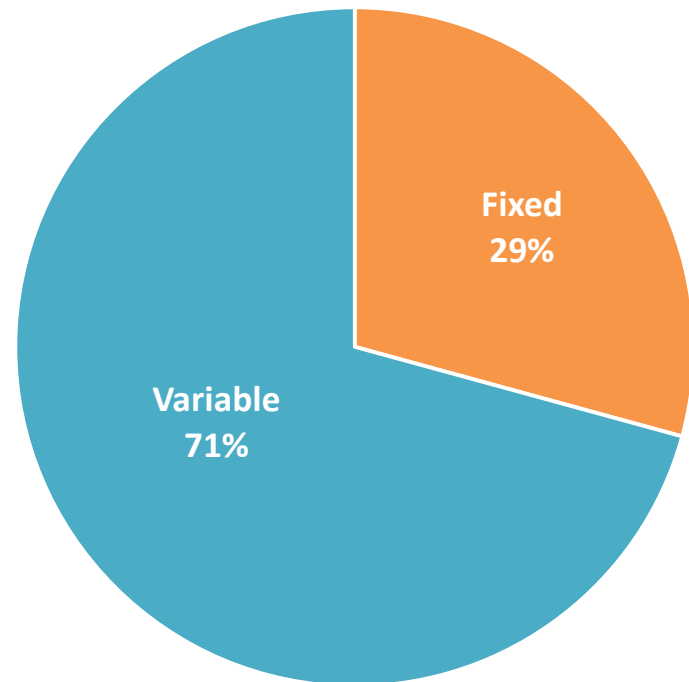
1. Requires rates to be proportional to cost of service
2. Previously proportionality by classes was sufficient
3. Now we need proportionality by tiers as well
4. Board has discretion to use property taxes to meet its objectives – conservation incentives

FIXED/VARIABLE O&M COSTS & REVENUES

FYE 2016 Projected Expenses



Overall FYE 2016 Projected Revenues

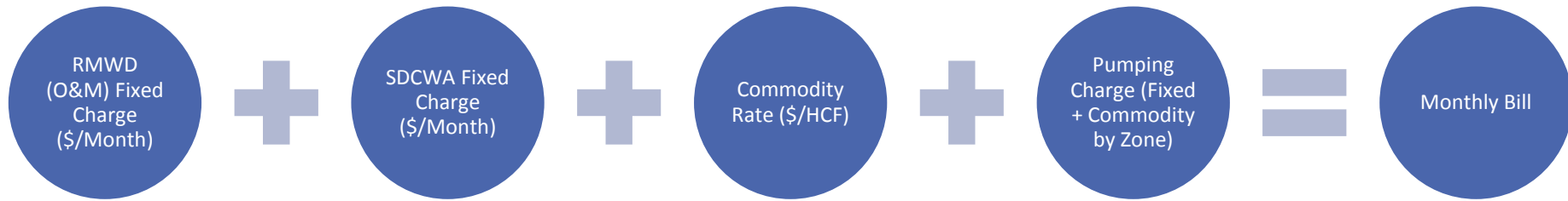


Current Fixed/Variable is 26% 74%

PROPOSED WATER RATES

PROPOSED STRUCTURE

- Same basic structure



FIXED RATES / METER CHARGES

- Recommend
 - **RMWD O&M Fixed Charges**
 - RMWD O&M Fixed Charge (applicable to SFR, MFR, Commercial, and Institutional)
 - Based on District direction, separate Agriculture O&M Fixed charge (applicable to Agriculture, TSAWR Domestic, and TSAWR Commercial)
 - **SDCWA Fixed Charges (pass-through)**
 - All Customer Classes (except TSAWR)
 - Charge based on Readiness-to-Serve Charge, Infrastructure Access Charge, Customer Service Charge, Capacity Reservation Charge, Emergency Storage Charge, and the Supply Reliability Charge
 - TSAWR SDCWA Fixed Charges
 - TSAWR customers will not be charged the Emergency Storage Charge and the new Supply Reliability Charge

PROPOSED RMWD O&M FIXED CHARGES

SCENARIO 1 – DISTRICT ANTICIPATED GROWTH

SFR, MFR, Commercial, and Institutional

Meter Size	AWWA Capacity Ratio	Meter Component	Customer Component	Proposed RMWD O&M Fixed Charge	Current RMWD O&M Charge	Difference (\$)	Difference (%)
5/8"	1.00	\$19.69	\$3.67	\$23.36	\$28.35	(\$4.99)	-18%
3/4"	1.00	\$19.69	\$3.67	\$23.36	\$35.45	(\$12.09)	-34%
1"	1.67	\$32.81	\$3.67	\$36.49	\$46.10	(\$9.61)	-21%
1-1/2"	3.33	\$65.62	\$3.67	\$69.30	\$70.90	(\$1.60)	-2%
2"	5.33	\$104.99	\$3.67	\$108.67	\$124.05	(\$15.38)	-12%
3"	11.67	\$229.67	\$3.67	\$233.35	\$212.70	\$20.65	10%
4"	21.00	\$413.41	\$3.67	\$417.09	\$354.50	\$62.59	18%
6"	43.33	\$853.08	\$3.67	\$856.75	\$602.60	\$254.15	42%

PROPOSED RMWD O&M FIXED CHARGES

SCENARIO 1 - DISTRICT ANTICIPATED GROWTH

Agriculture, TSAWR Domestic, and TSAWR Commercial

Meter Size	AWWA Capacity Ratio	Meter Component	Customer Component	Proposed RMWD AG O&M Fixed	Current RMWD O&M Charge	Difference (\$)	Difference (%)
5/8"	1.00	\$38.76	\$3.67	\$42.43	\$28.35	\$14.08	50%
3/4"	1.00	\$38.76	\$3.67	\$42.43	\$35.45	\$6.98	20%
1"	1.67	\$64.59	\$3.67	\$68.27	\$46.10	\$22.17	48%
1-1/2"	3.33	\$129.19	\$3.67	\$132.86	\$70.90	\$61.96	87%
2"	5.33	\$206.70	\$3.67	\$210.38	\$124.05	\$86.33	70%
3"	11.67	\$452.16	\$3.67	\$455.84	\$212.70	\$243.14	114%
4"	21.00	\$813.89	\$3.67	\$817.57	\$354.50	\$463.07	131%
6"	43.33	\$1,679.46	\$3.67	\$1,683.13	\$602.60	\$1,080.53	179%

PROPOSED SDCWA FIXED PASS-THROUGH CHARGES

Meter Size	AWWA Capacity Ratio	SDCWA Fixed Charges (applicable to all customers)	SDCWA Fixed Charges (applicable to all but TSAWR customers)	Pass-Through Fixed Charge (applicable to all but TSAWR customers)	Current SDCWA Fixed (Domestic)	Difference (\$)	Difference (%)
5/8"	1.00	\$17.05	\$17.97	\$35.02	\$30.48	\$4.54	14.9%
3/4"	1.00	\$17.05	\$17.97	\$35.02	\$30.48	\$4.54	14.9%
1"	1.67	\$28.42	\$29.95	\$58.37	\$48.77	\$9.60	19.7%
1-1/2"	3.33	\$56.84	\$59.91	\$116.75	\$91.44	\$25.31	27.7%
2"	5.33	\$90.94	\$95.85	\$186.79	\$158.49	\$28.30	17.9%
3"	11.67	\$198.93	\$209.68	\$408.61	\$274.31	\$134.30	49.0%
4"	21.00	\$358.08	\$377.42	\$735.50	\$487.66	\$247.84	50.8%
6"	43.33	\$738.90	\$778.81	\$1,517.71	\$1,097.24	\$420.47	38.3%

Readiness-to-Serve Charge, Infrastructure Access Charge, Customer Service Charge, and the Capacity Reservation Charge

Emergency Storage Charge and Supply Reliability Charge

The current fee does not include the charge for the new Supply Reliability Charge (~\$740K per yr)

PROPOSED SDCWA FIXED PASS-THROUGH CHARGES

Meter Size	AWWA Capacity Ratio	Pass-Through Fixed Charge (applicable to TSAWR)	Current SDCWA Fixed (TSAWR Dom)	Current SDCWA Fixed (TSAWR Com)	Difference TSAWR Dom (\$)	Difference TSAWR Dom (%)	Difference TSAWR Com (\$)	Difference TSAWR Com (%)
5/8"	1.00	\$17.05	30.48	16.17	-\$13.43	-44.1%	\$0.88	5.5%
3/4"	1.00	\$17.05	30.48	16.17	-\$13.43	-44.1%	\$0.88	5.5%
1"	1.67	\$28.42	48.77	25.87	-\$20.35	-41.7%	\$2.55	9.9%
1-1/2"	3.33	\$56.84	91.44	48.5	-\$34.60	-37.8%	\$8.34	17.2%
2"	5.33	\$90.94	91.44	84.07	-\$0.50	-0.5%	\$6.87	8.2%
3"	11.67	\$198.93	91.44	145.5	\$107.49	117.6%	\$53.43	36.7%
4"	21.00	\$358.08	91.44	258.66	\$266.64	291.6%	\$99.42	38.4%
6"	43.33	\$738.90	91.44	581.99	\$647.46	708.1%	\$156.91	27.0%

The current rate appeared to be set at 53% of the current SDCWA Fixed Domestic Rate. RFC would recommend TSAWR Commercial recover their fair share of the SDCWA charges

TSAWR customers do not pay the Emergency Storage Charge or the Supply Reliability Charge

The current fee was held constant for meters over 1". RFC recommends using the AWWA Capacity Ratios

RATE STRUCTURE OPTIONS

- 3 - Tiered Rates for Single Family Residence (SFR)
- 3 - Tiered Rates for TSAWR Domestic
- 3 – Tiered Rates for Agriculture with Residence
- Uniform
 - MFR
 - Commercial
 - Agriculture w/o Residence
 - TSAWR Commercial
 - Institutional

WATER RATES – SFR

SCENARIO 1

Customer Class	Tier Width	Supply	TSAWR Supply	Peaking	Revenue Offsets	Proposed Rate (\$/hcf)	Current Rate	Difference (\$)	Difference (%)
Single Family Residential									
Tier 1	10	\$3.28	\$0.00	\$0.10	(\$0.10)	\$3.28	\$3.00	\$0.28	9%
Tier 2	26	\$3.28	\$0.00	\$0.26	(\$0.10)	\$3.45	\$3.15	\$0.30	10%
Tier 3	27+	\$3.28	\$0.00	\$0.59	(\$0.10)	\$3.78	\$3.15	\$0.63	20%

Existing rate structure consists of two tiers:

- 0-6 hcf
- 7 hcf and above

*hcf is short for hundred cubic feet. Equivalent to 748 gallons.

WATER RATES – TSAWR DOMESTIC

SCENARIO 1

Customer Class	Tier Width	Supply	TSAWR Supply	Peaking	Revenue Offsets	Proposed Rate (\$/hcf)	Current Rate	Difference (\$)	Difference (%)
TSAWR Domestic									
Tier 1	10	\$3.28	\$0.00	\$0.10	(\$0.10)	\$3.28	\$3.00	\$0.28	9%
Tier 2	26	\$3.28	\$0.00	\$0.26	(\$0.10)	\$3.45	\$3.15	\$0.30	10%
Tier 3	27+	\$3.28	(\$0.47)	\$0.03	(\$0.10)	\$2.74	\$2.83	-\$0.09	-3%

Existing rate structure consists of three tiers:

- 0-6 hcf
- 7- 26 hcf
- 27 hcf and above

WATER RATES – AGRICULTURE W/ RESIDENCE

SCENARIO 1

Customer Class	Tier Width	Supply	TSAWR Supply	Peaking	Revenue Offsets	Proposed Rate (\$/hcf)	Current Rate	Difference (\$)	Difference (%)
Agriculture w/ Residence									
Tier 1	10	\$3.28	\$0.00	\$0.10	(\$0.10)	\$3.28	\$3.00	\$0.28	9%
Tier 2	26	\$3.28	\$0.00	\$0.26	(\$0.10)	\$3.45	\$3.15	\$0.30	10%
Tier 3	27+	\$3.28	\$0.00	\$0.03	(\$0.10)	\$3.21	\$3.15	\$0.06	2%

Existing rate structure consists of two tiers:

- 0-6 hcf
- 7 hcf and above

WATER RATES— NON-SFR

SCENARIO 1

Customer Class	Supply	TSAWR Supply	Peaking	Revenue Offsets	Proposed		Difference (\$)	Difference (%)
					Rate (\$/hcf)	Current Rate		
MFR	\$3.28	\$0.00	\$0.19	(\$0.10)	\$3.37	\$3.15*	\$0.22	7%
Commercial	\$3.28	\$0.00	\$0.29	(\$0.10)	\$3.47	\$3.15	\$0.32	10%
Agriculture	\$3.28	\$0.00	\$0.03	(\$0.10)	\$3.21	\$3.15*	\$0.06	2%
TSAWR Commercial	\$3.28	(\$0.47)	\$0.03	(\$0.10)	\$2.74	\$2.83	-\$0.09	-3%
Institutional	\$3.28	\$0.00	\$0.37	(\$0.10)	\$3.55	\$3.15*	\$0.40	13%
Construction	\$3.28	\$0.00	\$0.97	\$0.00	\$4.26	\$3.15	\$1.11	35%

* MFR, Agriculture, and Institutional customers were grouped with the Domestic class in the existing rate structure

- Therefore, 6 hcf were billed at the Domestic Tier 1 rate of \$3.00 per hcf

PUMPING CHARGES

Fixed Pumping Charge (\$/Account)

	Revenue Requirement (Annual)	Number of Pumping Bills (Annually)	Proposed Fixed Pumping Charge (\$/Pumping Bill)	Current Fixed Pumping Charge	Difference (\$)	Difference (%)
Salaries and Benefits - Pumping	\$96,576	14,484	\$6.67			
Services and Supplies - Pumping	\$41,223	14,484	\$2.85			
Total Fixed Pumping Cost (\$/Bill)			\$9.51	\$8.77	\$0.74	8%

Variable Pumping Rate (\$/hcf)

Pump Zone	Total Annual Consumption (hcf)	Revenue Requirement	Proposed Rate (\$/hcf)	Current Charge	Difference (\$)	Difference (%)
01 Rainbow Heights	222,402	\$170,290	\$0.77	\$0.43	\$0.34	78%
02 Improvement District U-1	57,353	\$27,574	\$0.48	\$0.27	\$0.21	78%
03 Vallecitos	110,437	\$29,498	\$0.27	\$0.15	\$0.12	78%
04 Northside	471,649	\$41,992	\$0.09	\$0.05	\$0.04	78%
05 Morro Tank	178,983	\$25,497	\$0.14	\$0.08	\$0.06	78%
06 Huntley	269,828	\$148,947	\$0.55	\$0.31	\$0.24	78%
07 Magee Tank	14,549	\$36,789	\$2.53	\$1.42	\$1.11	78%

SCENARIO COMPARISON

No changes to growth assumptions

Changes to growth assumptions

Customer Class	Current Rate	Scenario 1	Scenario 2
		Proposed Rates (\$/hcf)	Proposed Rates (\$/hcf)
Single Family Residential			
Tier 1	10	\$3.00	\$3.28
Tier 2	26	\$3.15	\$3.45
Tier 3	27+	\$3.15	\$3.78
MFR		\$3.15	\$3.37
Commercial		\$3.15	\$3.47
Agriculture with Residence			
Tier 1	10	\$3.00	\$3.28
Tier 2	26	\$3.15	\$3.45
Tier 3	27+	\$3.15	\$3.21
Agriculture		\$3.15	\$3.21
TSAWR Domestic			
Tier 1	10	\$3.00	\$3.28
Tier 2	26	\$3.15	\$3.45
Tier 3	27+	\$2.83	\$2.74
TSAWR Commercial		\$2.83	\$2.74
Institutional		\$3.15	\$3.55
Construction		\$3.15	\$4.26

SCENARIO COMPARISON

SFR, MFR, Commercial, and Institutional

Meter Size	AWWA Capacity Ratio	Current RMWD O&M Fixed Charge	Scenario 1 Proposed RMWD O&M Fixed	Scenario 2 Proposed RMWD O&M Fixed
5/8"	1.00	\$28.35	\$23.36	23.82
3/4"	1.00	\$35.45	\$23.36	23.82
1"	1.67	\$46.10	\$36.49	37.2
1-1/2"	3.33	\$70.90	\$69.30	70.64
2"	5.33	\$124.05	\$108.67	110.78
3"	11.67	\$212.70	\$233.35	237.86
4"	21.00	\$354.50	\$417.09	425.15
6"	43.33	\$602.60	\$856.75	873.31

SCENARIO COMPARISON

Agriculture, TSAWR Domestic, and TSAWR Commercial

Meter Size	AWWA Capacity Ratio	Current RMWD O&M Fixed Charge	Scenario 1 Proposed RMWD AG O&M Fixed Charge	Scenario 2 Proposed RMWD AG O&M Fixed Charge
5/8"	1.00	\$28.35	\$42.43	\$43.26
3/4"	1.00	\$35.45	\$42.43	\$43.26
1"	1.67	\$46.10	\$68.27	\$69.59
1-1/2"	3.33	\$70.90	\$132.86	\$135.44
2"	5.33	\$124.05	\$210.38	\$214.45
3"	11.67	\$212.70	\$455.84	\$464.64
4"	21.00	\$354.50	\$817.57	\$833.36
6"	43.33	\$602.60	\$1,683.13	\$1,715.63

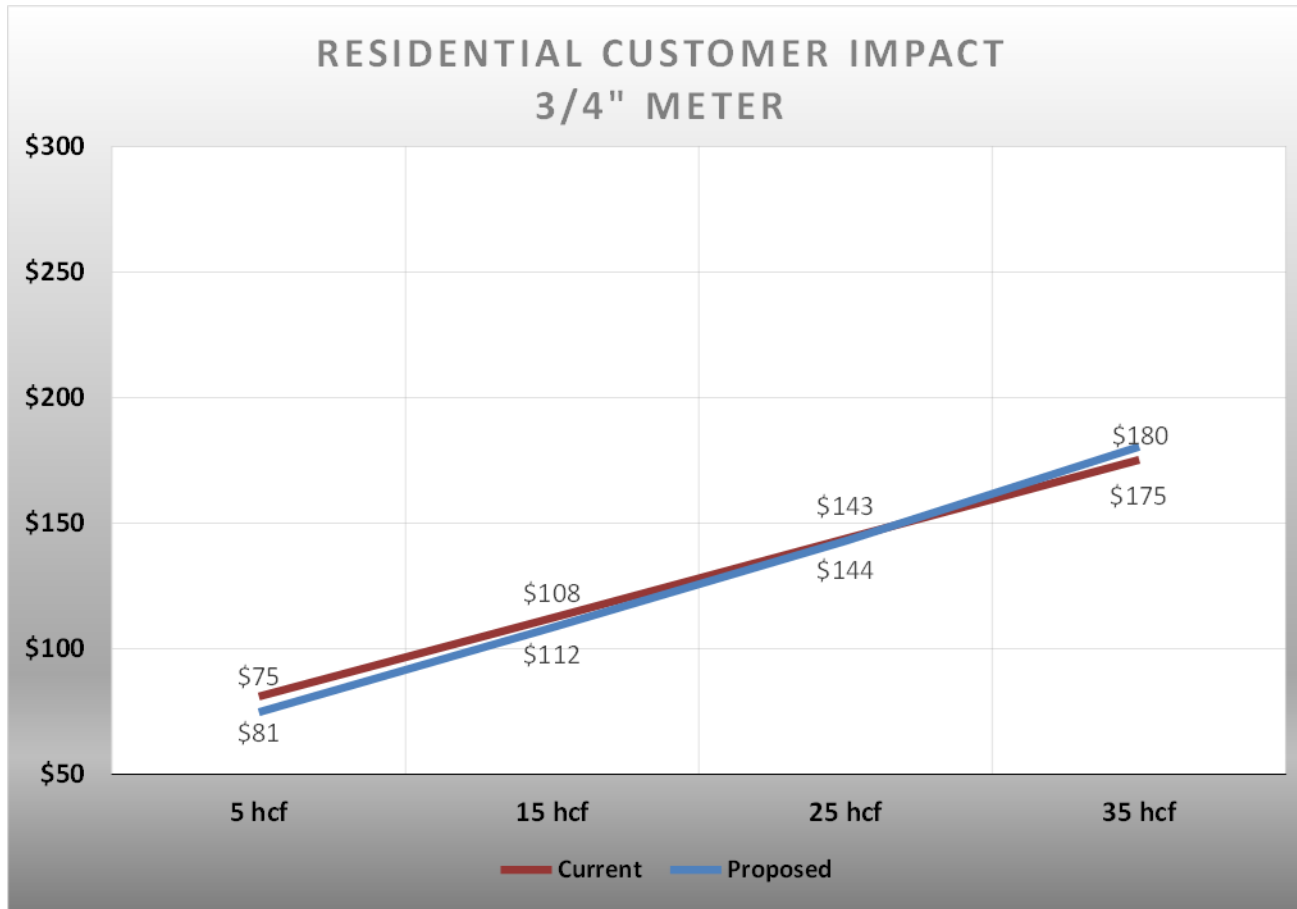
WATER USAGE REDUCTION RATES

15% represents the overall reduction.

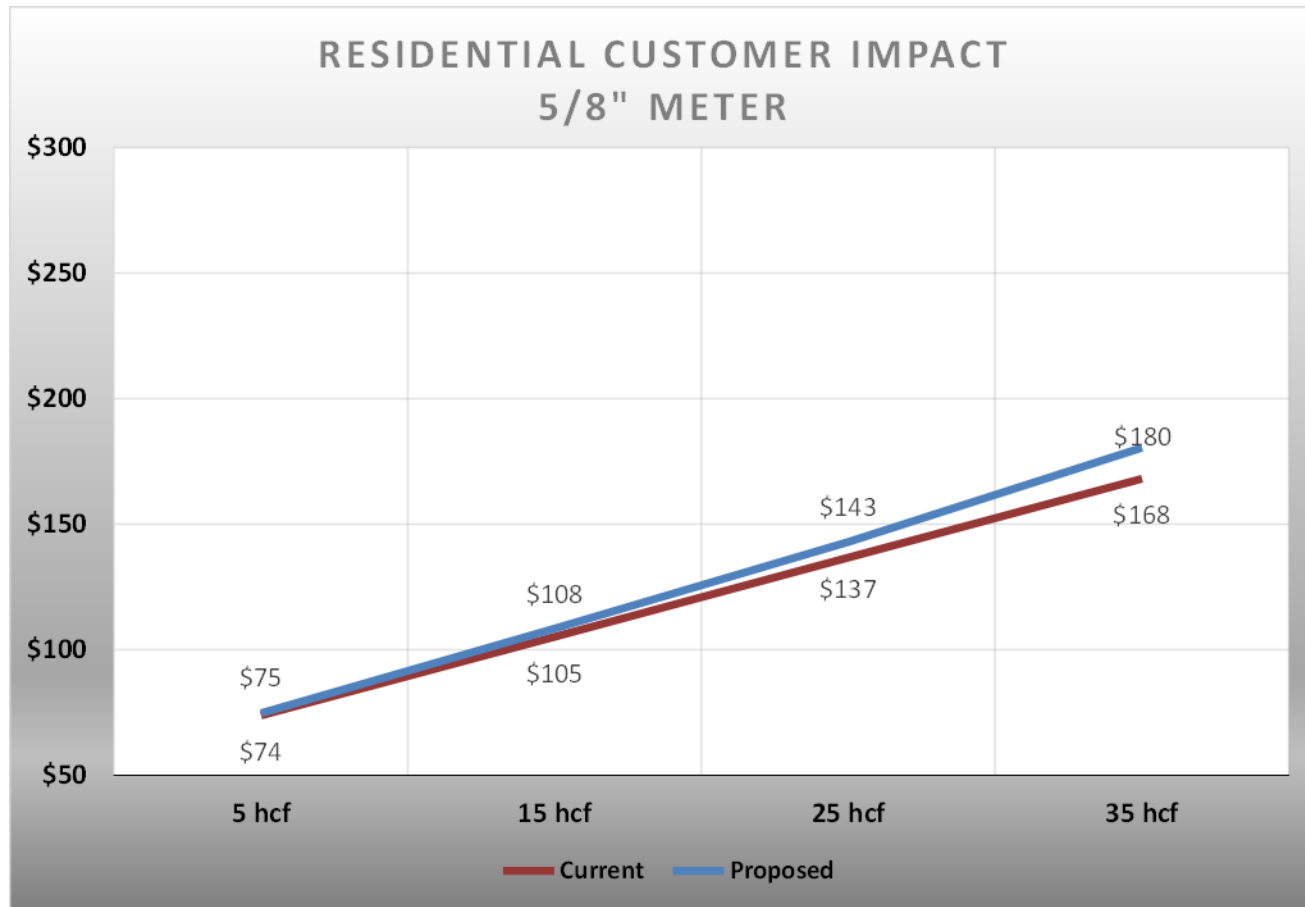
Customer Class	Normal Rate (FYE 2016 Proposed Rates)	Proposed Rates (15% Reduction)	Proposed Rates (25% Reduction)	Proposed Rates (30% Reduction)	Proposed Rates (35% Reduction)
Single Family Residential					
Tier 1	\$3.28	\$3.36	\$3.44	\$3.48	\$3.53
Tier 2	\$3.45	\$3.53	\$3.62	\$3.66	\$3.71
Tier 3	\$3.78	\$3.87	\$3.96	\$4.01	\$4.07
MFR	\$3.37	\$3.45	\$3.53	\$3.57	\$3.63
Commercial	\$3.47	\$3.55	\$3.64	\$3.68	\$3.73
Agriculture	\$3.21	\$3.29	\$3.37	\$3.40	\$3.45
TSAWR Dom					
Tier 1	\$3.28	\$3.36	\$3.44	\$3.48	\$3.53
Tier 2	\$3.45	\$3.53	\$3.62	\$3.66	\$3.71
Tier 3	\$2.74	\$2.80	\$2.87	\$2.90	\$2.95
TSAWR Com	\$2.74	\$2.80	\$2.87	\$2.90	\$2.95
Institutional	\$3.55	\$3.63	\$3.72	\$3.76	\$3.82
Construction	\$4.26	\$4.36	\$4.46	\$4.51	\$4.58

- Reductions for Agriculture customers occur only at the 30% and 35% reduction levels

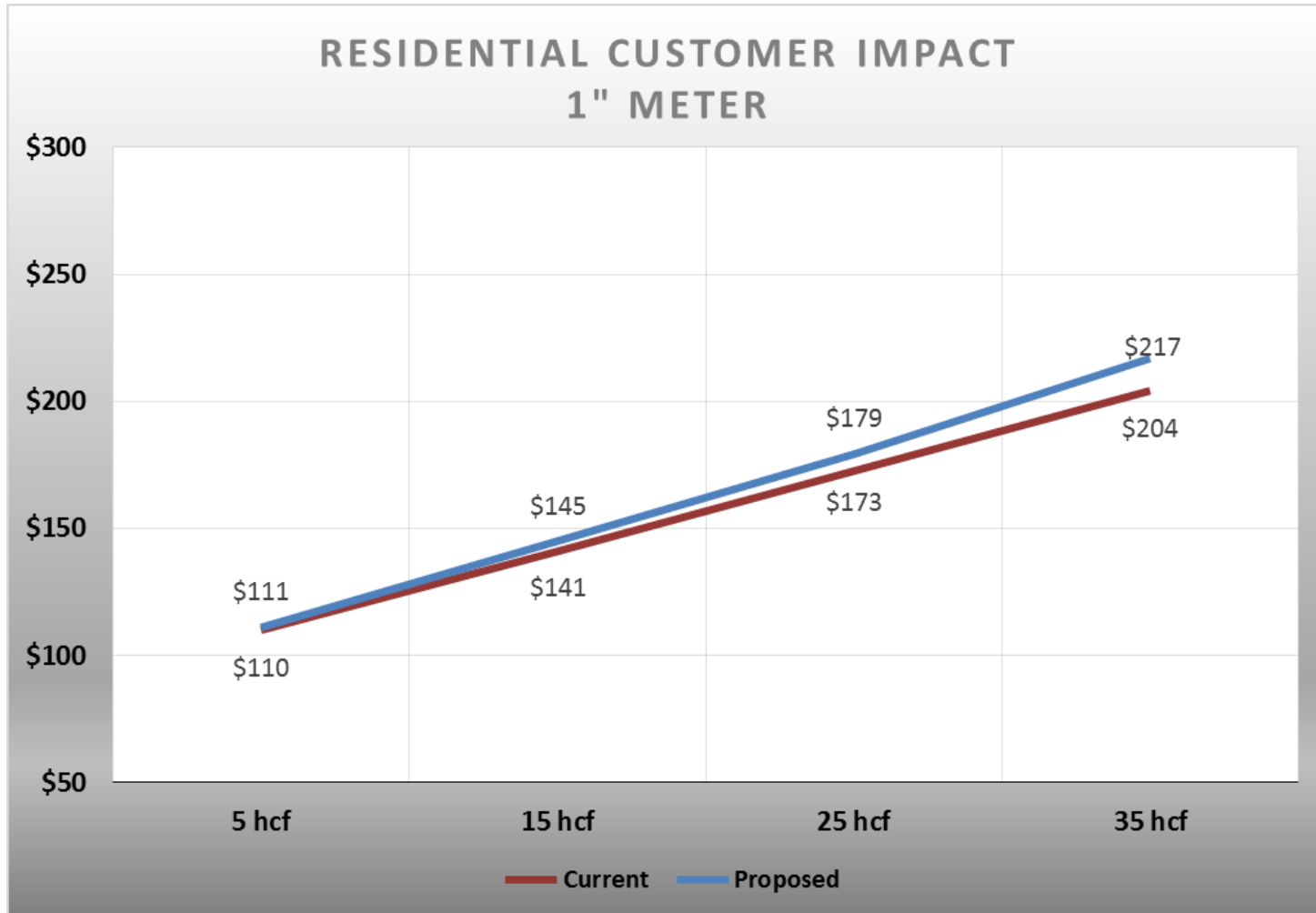
RESIDENTIAL CUSTOMER IMPACT



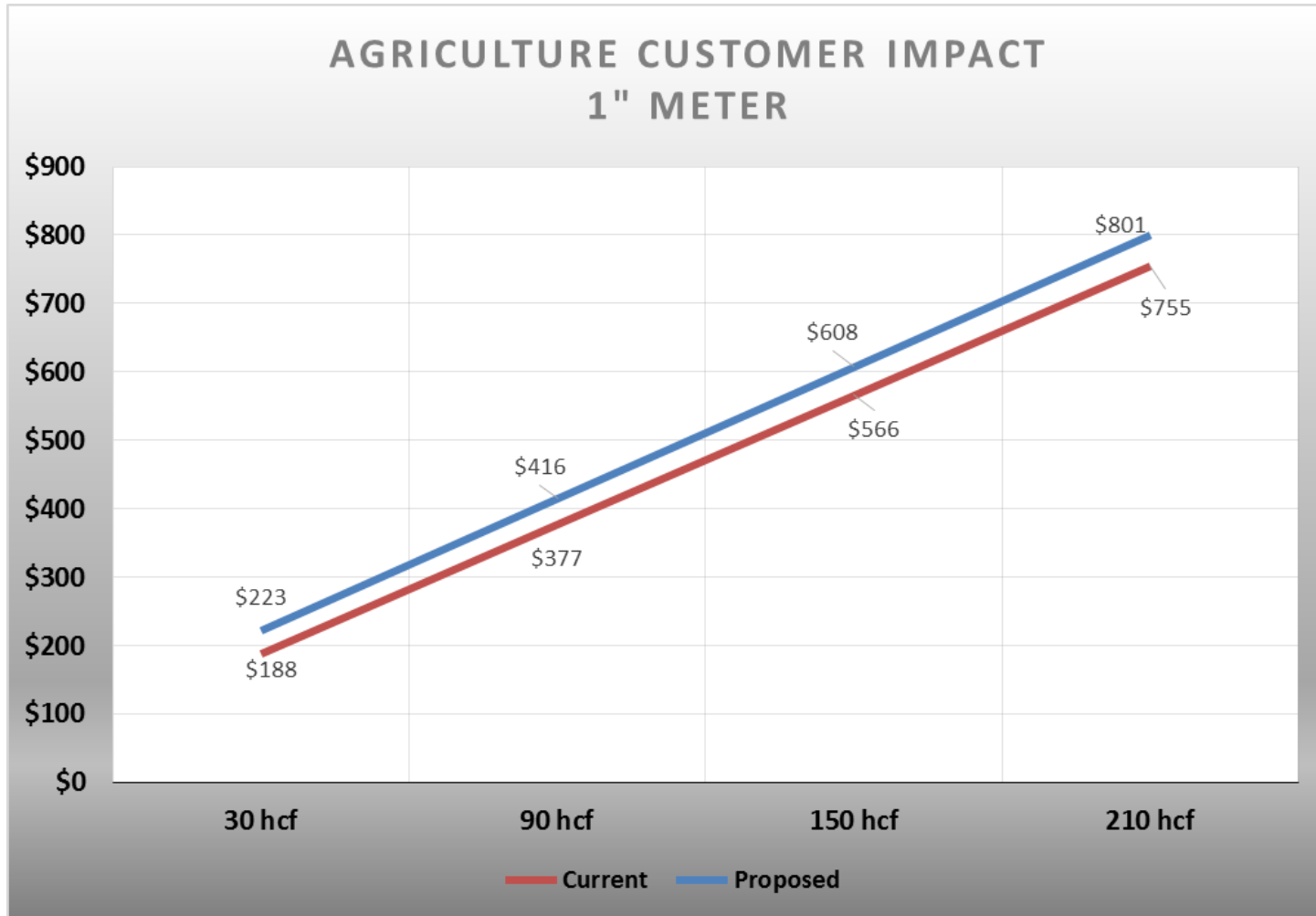
RESIDENTIAL CUSTOMER IMPACT



RESIDENTIAL CUSTOMER IMPACT



AGRICULTURE CUSTOMER IMPACT



DISCUSSION/Q&A