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TESTIMONY OF FRANK SEIDMAN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
REGARDING THE APPLICATION FOR INCREASED RATES FOR
PALM COAST UTILITY CORPORATION
IN FLAGLER COUNTY
DOCKET NO. 951056-WS

Q. Please state your name, profession and address.

A. My name is Frank Seidman. I am President of Management and Regulatory Consultants, Inc., consultants in the utility regulatory field. My mailing address is P.O. Box 13427, Tallahassee, FL 32317-3427.

Q. What is the nature of your engagement with the Applicant, Palm Coast Utility Corporation (PCUC)?

A. I was engaged by PCUC to work with the staff of PCUC to prepare the financial and rate schedules of the Minimum Filing Requirements, to prepare an analysis of the operating departments for used and useful, and to assist with any facets of the rate case, as may be required, and to present testimony in support of the application.

1 **Q. State briefly your educational background and**
2 **experience.**

3 **A.** I am a graduate of the University of Miami. I hold
4 the degree of Bachelor of Science in Electrical
5 Engineering. I have also completed several
6 graduate level courses in economics, including
7 public utility economics. I am a Professional
8 Engineer, registered to practice in the state of
9 Florida. I have over 30 years experience in
10 utility regulation, management and consulting.
11 This experience includes nine years as a staff
12 member of the Florida Public Service Commission,
13 two years as a planning engineer for a Florida
14 telephone company, four years as Manager of Rates
15 and Research for a water and sewer holding company
16 with operations in six states, and three years as
17 Director of Technical Affairs for a national
18 association of industrial users of electricity. I
19 have either supervised or prepared rate cases,
20 rates studies, certificate applications and
21 original cost studies or testified as an expert
22 witness with regard to water and wastewater
23 utilities in Florida, California, Indiana,
24 Michigan, Missouri, North Carolina and Ohio.
25

1 Q. Would you please identify the exhibits you prepared
2 and are sponsoring in support of this rate
3 application?

4 A. With the assistance of the PCUC staff and its
5 consulting engineer, I prepared or supervised the
6 preparation of the minimum filing requirements of
7 the application. This consists of the following:

8 Exhibit ____ (FS-1), Volume I, Financial, Rate
9 and Engineering Minimum Filing Requirements

10 Exhibit ____ (FS-2), Volume II, Billing
11 Analysis Schedule E-14 Minimum Filing Requirements

12 Exhibit ____ (FS-3), Volume III, Additional
13 Engineering Information, the latest Developer
14 Offering Statement and Parent and Related Party
15 Charges.

16 I also prepared Exhibit ____ (FS-4), Analysis of
17 Operating Departments Used & Useful and Exhibit
18 ____ (FS-5) Application to Change Service
19 Availability Charges.

20

21 Q. What is the source of the historical data utilized
22 in preparing this filing?

23 A. The source is the books and records of the utility,
24 kept in the normal course of business, and in
25 accordance with the Uniform System of Accounts as

1 prescribed by this Commission. In preparing this
2 filing, I reviewed this information and had
3 numerous discussions with utility personnel with
4 regard thereto.

5

6 **Q. Please summarize the major conclusions of this**
7 **filing.**

8 **A. PCUC is seeking an increase in its water and**
9 **wastewater rates and charges. It is seeking**
10 **approval of a new customer class for the sale of**
11 **effluent reuse and for the elimination of the**
12 **public fire hydrant charge. And it is requesting**
13 **approval of an increase in its Service Availability**
14 **Charges.**

15

16 The request is based on the adjusted operating
17 information for the partially projected test year
18 ending December 31, 1995. The data for the first
19 six months is actual. The data for the last six
20 months is projected. The basis for the rate
21 increase is a year end rate base, adjusted for
22 known changes.

23

24 As shown in (Exhibit ____ (FS-1), the year end rate
25 base for the adjusted test year ending December 31,

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1995 is \$ 21,328,433 for the water system and \$ 16,031,209 for the wastewater system. (Exhibit ____ (FS-1), Schedules A-1 and A-2).

The adjusted operating income for the test year, without the requested increase, is \$ 563,072 for the water system and \$567,210 for the wastewater system (Exhibit ____ (FS-1), Schedules B-1 and B-2).

The adjusted operating income produces only a 2.64% rate of return on the water rate base and a 3.54% rate of return on the wastewater rate base. (Exhibit ____ (FS-1), Schedules B-1 and B-2). A fair rate of return on Applicant's rate base is 8.84%. (Exhibit ____ (FS-1), Schedule D-1).

This application indicates that an increase in test year annual water revenues of \$ 1,479,626 and wastewater revenues of \$1,575,817 is required to produce a fair rate of return. (Exhibit ____ (FS-1), Schedules B-1 and B-2).

1 **THE TEST PERIOD**

2 **Q. I would now like you to take us through the major**
3 **components of the rate case. First, what is the**
4 **test period for this rate application?**

5 **A. This application is based on a partially projected**
6 **test year ending December 31, 1995, with**
7 **appropriate adjustments. This period was chosen**
8 **because it is the period in which substantial plant**
9 **additions necessary to serve current and near term**
10 **customers were completed and placed in service. It**
11 **is also the period which most accurately reflects**
12 **the ongoing costs of providing service.**

13

14 **Q. What is the basis for projecting the last six**
15 **months of the test year?**

16 **A. The projections in this filing were not done**
17 **specifically for this case. PCUC prepares budgets**
18 **and projections annually, each fall, for the coming**
19 **year. Each month, as PCUC updates its general**
20 **ledger, it tracks the actual "to date" amounts**
21 **against the budgeted projections. The projections**
22 **used in this case are the amounts budgeted for**
23 **1995, adjusted for known changes.**

24

1 Q. Why has the company elected to use a year end rate
2 base rather than an average rate base?

3 A. As I have stated, substantial plant additions were
4 completed during 1995. Most of them were not booked
5 until at least the middle of the year. Almost \$7
6 million in additions were made during 1995, yet
7 there is a \$4.8 million dollar difference between
8 the average and year end balances of total water
9 and wastewater plant in service. Unless a year end
10 rate base is utilized, the opportunity to earn a
11 return on the portion of \$4.8 million used to serve
12 the public will be lost.

13

14 **RATE BASE**

15 Q. How was rate base developed?

16 A. The rate base consists of the adjusted year end
17 balance for the period ending December 31, 1995 of
18 the following components: plant in service, less
19 accumulated depreciation, less contributions in aid
20 of construction (CIAC) net of amortization, less
21 advances for construction associated with used
22 plant plus the net balance of deferred taxes and an
23 allowance for working capital. Each of these
24 components is adjusted to reflect ratemaking
25 considerations. And, each of these components is

1 adjusted, where applicable, to reflect only the
2 investment that is used and useful in the public
3 interest.

4
5 **Q. Did you make any adjustments to the book balances**
6 **of these component accounts?**

7 **A.** Yes, I did. First, with regard to Plant in Service,
8 I allocated general plant between the water and
9 wastewater systems. PCUC books all general plant
10 under the NARUC water system accounts. I also
11 transferred, or reclassified, some wastewater plant
12 balances to reflect their current use. This
13 includes transferring some 2.3 MGD oxidation basin
14 trains from Plant in Service to Plant Held for
15 Future Use and transferring advanced sewer mains
16 from Plant Held for Future Use to Plant in
17 Service. The oxidation basin trains are not
18 currently in use but may be reactivated in the
19 future. The advanced sewer mains that were being
20 held for future use have been determined to be
21 necessary, to some degree, to provide service to
22 existing customers. Their used and usefulness has
23 therefore been analyzed in the same manner as all
24 other mains.

25

1 Q. Did you adjust any other rate base components
2 besides Plant in Service?

3 A. Yes. Adjustments associated with the Plant in
4 Service adjustments were made to Accumulated
5 Depreciation. The balance of the Construction Work
6 in Progress account was removed from rate base. In
7 addition the balance of the Advances for
8 Construction account was adjusted for used and
9 useful considerations. This was done because the
10 balance in water rate base is related to advanced
11 property which has been eliminated from rate base
12 as 100% non-used. The balance in the wastewater
13 rate base is related to the advanced mains which I
14 previously indicated has been transferred to Plant
15 in Service for ratemaking purposes. It has been
16 adjusted by the same percentage used and useful as
17 the mains with which it is associated.

18

19 Q. Rate Base includes the line item "Net Debit
20 Deferred Taxes (Used)." Please explain what that
21 item represents.

22 A. Commission Rule 25-30.433(3), F.A.C. requires that
23 the used and useful portions of debit and credit
24 deferred taxes be offset against one another for
25 ratemaking purposes. If the net balance is a

1 credit, it is to be included in the capital
2 structure. If it is a debit, it is to be included
3 in rate base. In this case, the net was a debit.
4 Only the used and useful portion is shown in rate
5 base Schedules A-1 and A-2 of Exhibit ____ (FS-1).
6 The allocation of deferred taxes to the water and
7 wastewater systems and the determination of the
8 used and useful portion is shown in detail in
9 Exhibit ____ (FS-1), Schedule A-3-DTAX. As that
10 schedule indicates, the debit deferred taxes are
11 associated with taxes on CIAC. Credit deferred
12 taxes are primarily associated with timing
13 differences between book and tax depreciation.
14 Therefore, the used and useful adjustment for the
15 debit deferred taxes is proportionate to that for
16 CIAC, while the adjustment for credit deferred
17 taxes is proportionate to used and useful plant.

18

19 **Q. How did you calculate the Working Capital component**
20 **of Rate Base?**

21 **A.** In accordance with Commission Rule 25-30.433(2),
22 F.A.C., working capital was calculated using the
23 balance sheet approach. On that basis, the working
24 capital calculation results in a numerically
25 negative amount. I have therefore included zero

1 working capital in rate base. However, we take the
2 position that the balance sheet method does not
3 reflect the utility's need for working capital, but
4 rather it reflects the level of net current assets
5 and deferred non-tax debits that exists. On the
6 surface, a negative working capital says the
7 utility has no liquidity, that is, it does not
8 have cash to cover current payables. The proper
9 ratemaking treatment should be to provide the
10 working capital that the utility needs. In this
11 case, use of the balance sheet method ignores that
12 need.

13

14 **Q. Were adjustments made to Plant in Service for used**
15 **and useful considerations?**

16 **A.** Yes. The components of the system were analyzed by
17 consulting engineer, Mr. John Guastella (see
18 Exhibit ____ (JFG-1). I have adjusted Plant in
19 Service, Accumulated Depreciation and Depreciation
20 Expense by the used and useful percentages
21 developed by Mr. Guastella. In addition, consistent
22 with ratemaking treatment in previous cases, non-
23 used adjustments were made to CIAC and Accumulated
24 Amortization of CIAC. Basically, the only CIAC
25 considered used is that paid by customers,

1 according to the utility's records, adjusted for
2 year end amounts.
3
4 **Q. Mr. Seidman, you have prepared used and useful**
5 **analyses in several rate applications before this**
6 **Commission, have you not?**
7 **A. That is correct.**
8
9 **Q. Do you agree that it is not proper to impute CIAC**
10 **against the ERC's in margin reserve?**
11 **A. Yes I do. In its last case, PCUC voluntarily**
12 **imputed CIAC to be consistent with the Commission's**
13 **prior treatment and to eliminate one issue in an**
14 **extremely complicated case. But in doing so, it was**
15 **noted by Mr. Guastella that such treatment was**
16 **improper if rates are to be set equal to cost. I**
17 **agree that such treatment is improper and have**
18 **consistently stated so in all testimony I have**
19 **presented before this Commission in rate cases and**
20 **in rulemaking. The costs of plant associated with**
21 **providing a margin reserve is a necessary part of**
22 **used plant, is an investment of the utility**
23 **necessary to meet its statutory obligations and is**
24 **properly recoverable from current ratepayers.**
25

1 Q. What is the net result of the adjustments to Rate
2 Base?

3 A. After all adjustments, the rate base for the test
4 year ended December 31, 1995, on a year end basis,
5 is \$21,328,433 for the water system and \$16,031,209
6 for the wastewater system.

7

8 OPERATING REVENUE

9 Q. What is included in operating revenue?

10 A. Operating revenue includes revenue received and
11 projected for 1995 from the sale of utility
12 services and from miscellaneous charges to the
13 customer such as connection or reconnection
14 charges.

15

16 Q. Were there any adjustments to the 1995 actual and
17 projected operating revenues?

18 A. Yes. I allocated Miscellaneous Revenues between the
19 water and wastewater systems; on its books, PCUC
20 shows all Miscellaneous revenue under the NARUC
21 water account. I adjusted revenues to annualize the
22 effect of a pass-through and rate index adjustment
23 that became effective for service rendered in
24 November, 1995. I also adjusted revenue to reflect

1 year end customers, consistent with our use of a
2 year end rate base. Included in this adjustment is
3 the anticipated decrease in revenues from the
4 Hammock Dunes development. Hammock Dunes purchases
5 bulk water from PCUC and distributes to its
6 residents. Hammock Dunes had engaged in a
7 considerable amount of flushing over the past year.
8 PCUC has been informed that flushing will decrease
9 significantly. The revenue adjustment reflects the
10 anticipated normal level of consumption by Hammock
11 Dunes.

12

13 **OPERATING REVENUE DEDUCTIONS**

14 **Q. What is included in operating revenue deductions?**

15 A. Operating revenue deductions include operation and
16 maintenance expenses, depreciation and amortization
17 expenses and all tax expenses.

18

19 **Q. Did you make any adjustments to test year operating
20 and maintenance expenses?**

21 A. Yes. I adjusted electric and chemical expenses to
22 reflect consumption at year end customer levels.
23 This adjustment includes the effect of the
24 anticipated reduced consumption by Hammock Dunes.

25

1 Q. Did you make any adjustments to O&M expenses for
2 excessive unaccounted-for water or infiltration and
3 inflow?

4 A. No. No such adjustments were necessary. As shown in
5 Exhibit ____ (FS-1), Schedule F-1, Unaccounted-for
6 water for the test year is less than 5% of gallons
7 pumped. This is well within the range considered
8 reasonable for any water distribution system.

9
10 With regard to infiltration and inflow in the
11 wastewater collection system, I measured the
12 gallons treated but not billed-for against the
13 specification allowance for infiltration set out in
14 Water Pollution Control Federation Manual of
15 Practice No. 9 and found it to be well within that
16 specification allowance. Since the total amount not
17 billed-for fell within the specification allowance
18 for infiltration, I did not separately address the
19 amount of inflow.

20
21 Q. Did you adjust O&M expenses for used and useful
22 considerations?

23 A. Yes. Consistent with past filings, an analysis of
24 the operating departments for used and useful was
25 performed (see Exhibit ____ (FS-4)). It is quite

1 unusual for a utility to perform a used and useful
2 analysis of its operating departments. The
3 Commission has always recognized that O&M expenses
4 are composed in general of variable, not sunk costs
5 and that operating costs are typically geared to
6 serve only current customers even though large
7 amounts of plant may be non-used and useful for
8 ratemaking purposes. However, several rate cases
9 ago, PCUC recognized that because it was closely
10 associated with the developer, in the early stages
11 of development some of its employees would be
12 devoting time for planning, record keeping and
13 maintenance associated with developing the
14 community in general and maintaining non-used
15 plant. This is the third rate case in which an
16 analysis has been performed and, judging from its
17 results, it will probably be the last. As the
18 summary of the analysis shows on Schedule B-3-O&M,
19 the amount of "non-used" operating department
20 expenses is now down to less than ten percent. Only
21 the expenses related to maintaining the
22 distribution and collection mains still show non-
23 used amounts of any significance. The analysis
24 methodology is consistent with that used in
25 previous rate cases.

1 Q. Did you compare the adjusted operating expenses
2 with those allowed in the last rate case?

3 A. Yes. That comparison, by departments, is set out,
4 as required in Exhibit ____ (FS-1), Schedules B-7
5 and B-8. In those schedule, the adjusted test year
6 expenses are compared to the expenses allowed in
7 the last rate case after allowing for changes in
8 customer growth and the consumer price index.

9

10 Q. How do adjusted test year expenses compare?

11 A. The adjusted test year expenses compare favorably
12 when consideration is given to increases not
13 directly affected by inflation or growth. One must
14 remember that the expense comparison required in
15 the MFR is a simplified guideline. Its underlying
16 assumption is that, after adjusting for inflation,
17 the unit cost of O&M remains the same. So if it
18 costs \$10.00 to serve one ERC, it will cost \$20.00
19 to serve two ERC's. This is not necessarily the
20 case. For example, the cost of health insurance
21 have changed dramatically over the years. The cost
22 per employee has risen far in excess of the rate of
23 inflation, without even considering the changes in
24 the services offered under a health care package.
25 Another example of changes that cannot necessarily

1 be tied to growth or inflation is the change in the
2 number of employees. At the time of the last rate
3 case, PCUC operated its wastewater treatment plant
4 with the equivalent of 1.5 operators. It now takes
5 six people to operate that plant. The reason is a
6 change in classification of the plant under
7 Department of Environmental Protection rules
8 resulting in a change in staffing requirements. A
9 plant that once required operator attendance for
10 six hours a day, five days a week, now must be
11 staffed 16 hours a day, seven days a week, and the
12 lead operator must have a higher rating. Another
13 factor that results in cost changes not directly
14 related to growth or inflation is when growth must
15 be met by adding a treatment plant rather than
16 expanding an existing one. This requires a second
17 set of personnel, not just a proportional increase
18 in staffing. All of these examples represent
19 changes undergone by PCUC since its last rate case.
20 These and other related changes are outlined in
21 Exhibit ____ (FS-1), Schedules B-7 and B-8. When
22 they are taken into consideration, the level of
23 PCUC's O&M expenses are reasonable.
24

1 Q. Did you adjust operating expenses for the test year
2 to recover the cost of this rate case application?
3 A. Yes. I have estimated the cost of this application
4 to be \$ 301,500 to complete it through the hearing
5 and post hearing process. Exhibit ____ (FS-1),
6 Schedule B-10 details the rate case expense
7 components. Rate case expense is to be amortized
8 over four years at the annual rate of \$ 37,688 each
9 for the water and wastewater systems.
10
11 Q. What adjustments were made to depreciation
12 expenses?
13 A. Consistent with the allocation of general plant, I
14 have allocated the associated depreciation expense.
15 I have added or reduced the expense accordingly
16 that is associated with plant reclassified between
17 Plant in Service and Plant Held for Future Use. I
18 have also adjusted depreciation expense to amounts
19 consistent with year end plant balances. Finally,
20 the used and useful factors developed for Plant in
21 Service have been applied to depreciation expense.
22
23 Q. Did you adjust the CIAC amortization expense also?
24 A. Yes. CIAC amortization was adjusted to recognize
25 year end plant balances.

1 Q. What are the adjustments shown on Exhibit ____ (FS-
2 1), Schedules B-1 and B-2 for Amortization, CIAC
3 Tax Gross-up?
4 A. Those adjustments make the amortization of the CIAC
5 tax consistent with the year end balance of the
6 CIAC tax gross-up account.
7
8 Q. What adjustments were made to Taxes Other than
9 Income?
10 A. I adjusted the Regulatory Assessment Fee (RAF) to
11 equal 4.5% of the adjusted operating revenue. I
12 removed the RAF associated with the Community
13 Development Corporation Revenue Agreement. I
14 reallocated the payroll and other taxes associated
15 with the administrative departments to be
16 consistent with the allocation of those
17 departmental expenses between the water and
18 wastewater systems. And I adjusted the property
19 taxes to reflect the current millage and valuation
20 amounts.
21
22 Q. Have you included an allowance for income taxes?
23 A. Yes. The income tax provision treats PCUC on a
24 stand alone basis, with the required recognition of
25 a parent debt adjustment.

1 **CAPITAL STRUCTURE**

2 **Q. What is the capital structure of the utility?**

3 A. The capital structure, shown in Exhibit ____ (FS-
4 1), Schedules D-1 and D-2, consists of equity, long
5 and short term debt plus customer deposits and
6 accumulated deferred investment tax credits. The
7 capital of the utility has been reconciled to rate
8 base on a prorata basis.

9

10 **Q. Were any adjustments made to the capital structure?**

11 A. No. However, consistent with a year end rate base,
12 year end amounts were used to determine the
13 weighting of the components. The cost used for
14 each debt component is the interest expense for
15 twelve months divided by the average balance of the
16 component. That rate is applied to the year end
17 amounts.

18

19 **Q. What is the rate of return for the Equity component**
20 **of capital?**

21 A. The rate of return for the equity component is
22 11.10%. This is based on the most recent leverage
23 formula adopted by the Commission in Order No. PSC-
24 95-0982-FOF-WS, issued August 10, 1995, applied to
25 PCUC's equity ratio.

1 Q. What is the rate of return which the utility should
2 be allowed to earn on its rate base?

3 A. The rate of return which the utility should be
4 allowed to earn for the test year is 8.84%, which
5 is the weighted cost of debt and equity.
6

7 Q. Are you proposing any change in the rate for
8 Allowance for Funds Used During Construction
9 (AFUDC)?

10 A. Yes. We are requesting that the Commission
11 authorize the AFUDC rate to be changed to the
12 approved weighted cost of capital.
13

14 REVENUE REQUIREMENT

15 Q. What is the revenue requirement necessary to
16 recover the utility's cost of service, including a
17 8.84% return on rate base?

18 A. The revenue requirement is \$ 6,971,647 for the
19 water system and \$4,906,850 for the wastewater
20 system, as shown in Exhibit____ (FS-1), Schedules
21 B-1 and B-2. The increase in revenue required to
22 produce this level of return is \$1,479,626 for the
23 water system and \$1,575,817 for the wastewater
24 system.
25

1 **RATES AND RATE STRUCTURE**

2 **Q. What rates are proposed to produce the revenues**
3 **required?**

4 **A. The rates proposed are summarized in Exhibit _____**
5 **(FS-1), Schedule E-1.**

6

7 **Q. Is PCUC proposing to remove or add any rate**
8 **classes?**

9 **A. Yes. PCUC is proposing to eliminate the Public**
10 **Hydrant Charge. Public hydrants provide for the**
11 **public welfare of all PCUC customers and the cost**
12 **of maintaining hydrants can be absorbed by all**
13 **customers without any discernible impact. Public**
14 **fire hydrant revenues represent approximately 1.8%**
15 **of the requested water revenues.**

16

17 PCUC is also proposing to add a new rate class for
18 effluent reuse customers, as developed in a cost
19 study prepared by Mr. Guastella. The costs
20 associated with providing reuse service have been
21 used to reduce the costs to be recovered from other
22 wastewater customer classes. The proposed charge
23 for effluent reuse service is \$0.67 per 1000
24 gallons and is projected to generate annual revenue
25 of \$195,640 on a proforma basis.

1 Q Have you proposed any change in rate structure?
2 A. The only structural change proposed is that for
3 Private Fire Protection Service (PFPS) customers.
4 Currently, these customers pay a monthly rate equal
5 to one-third of the base facility charge for the
6 equivalent meter size. In accordance with
7 Commission Rule 25-30.465, that charge must be
8 reduced to one-twelfth of the base facility charge.
9 This 75% reduction in the PFPS charge will now be
10 passed on to other water customers.
11
12 The present rate structure for metered services
13 includes a base facilities charge and a gallonage
14 charge as recommended by the Commission. The
15 requested rates maintain that same rate structure,
16 however, the relative portions of costs to be
17 recovered through the base facility charge and the
18 gallonage charge has been changed in accordance
19 with the cost allocations in Exhibit ____ (FS-1),
20 Schedule E-13A. These cost allocations are
21 consistent with those developed as a guideline by
22 the Commission staff.
23
24
25

1 **SERVICE AVAILABILITY CHARGES**

2 **Q. Are you proposing any changes to the service**
3 **availability charges?**

4 **A. Yes. Coincident with the filing of this rate case,**
5 PCUC filed Exhibit ____ (FS-5), an application to
6 change service availability charges. An analysis
7 was prepared of the range of service availability
8 charges that meet the guidelines in Commission Rule
9 25-30.580, F.A.C. The method of determining plant
10 and CIAC balances utilized in this analysis is
11 consistent with that used by the PSC staff in its
12 analysis of fees the last time they were considered
13 for change. The analysis is based on the costs,
14 ERC's and capacities developed for the projected
15 1995 test year. The analysis shows the water charge
16 meets the guideline minimum, but the wastewater
17 charge does not. It also shows that the present
18 fees will result in net CIAC levels of 55% and 71%,
19 for water and wastewater, respectively, at the next
20 treatment buildout level. The proposed charges will
21 bring the level of water and wastewater net CIAC
22 close to the guideline maximum. It will also bring
23 wastewater gross CIAC up to the minimum guideline
24 level. In the case of wastewater, the minimum and
25 maximum levels are nearly the same. The water

1 charge would increase from \$766.00 to \$1,500.00.
2 The wastewater charge would increase from \$1,466.00
3 to \$1,600.00. We do not propose any changes in
4 meter and service installation fees.

5

6 Q. Does that conclude your prefiled direct testimony?

7 A. Yes it does.

8

9

10

11