IOWA UTILITIES BOARD

Docket No.: RPU-2009-0004
Utility: Iowa-American Water Co.
Memo Date: September 22, 2009

TO: The Board

FROM: Steve Zimmerman
John Pearce
Chancy Bittner
Rosemary Tate
Barb Oswalt
Bob LaRocca
Gary Stump

SUBJECT: Proposed Settlement Agreement

I. Background

On April 30, 2009, Iowa-American Water Company (Iowa-American) filed to increase its total revenue by approximately $9.4 million (34.8%). Iowa-American serves customers in two districts, the Quad Cities District and the Clinton District. The Clinton District serves 10,100 customers. The Quad Cities District serves 50,600 customers. On May 29, 2009, the Office of Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an Answer, Objection and Response to Iowa-American's Rate Application. No other parties intervened.

On July 27, 2009, the Board issued an order allowing Iowa-American to increase its total revenue on a temporary basis by $6,817,952 (25.2%). The increase relating to the Quad Cities District was approximately $4,529,909 (20.1%). The increase relating to the Clinton District was approximately $2,288,043 (50.3%). The Board required Iowa-American to develop temporary rates using the Board's previously established principles on temporary rate design, rather than developing the rates based solely on the separate percentages above. The principles were first articulated in Docket No. RPU-95-8 and have been applied previously to natural gas and electric utilities. Application of the principles levelized the rate impact between the two districts. The increase in the Clinton District rates was approximately 25 percent rather than the 50 percent. The increase in the Quad Cities District rates was approximately 25 percent rather than 24 percent. Temporary rates were approved effective July 27, 2009.

On August 21, 2009, less than a month after Iowa-American's temporary rates became effective, Iowa-American and the Office of Consumer Advocate filed a proposed Settlement Agreement (Settlement). According to the Settlement, Iowa-American would increase its total revenue by $6,060,000 (22.41%), $757,952 less than the approved temporary revenue. The Quad Cities district's increase would be $4,110,000 (18%), $419,909 less than the approved temporary revenue. The Clinton district's increase would be $1,950,000 (42%), $338,043 less than the approved temporary revenue.

II. Settlement Agreement

The parties request that tariff sheets reflecting rates derived as a result of the Settlement be approved effective for service on or after the date the Board approves the Settlement. The parties state that the Settlement has been executed for the sole purpose of settling on a mutually exclusive acceptable outcome *without* resolving specific issues of law or fact other than those set out explicitly and that the Settlement resolves all issues in the proceeding. The parties state that the Settlement should not become effective unless the Board approves it without condition or modification in its entirety and that no party to the Settlement has agreed to any ratemaking principle, method of cost of service determination, cost allocation method, or any other specific issue. No party should refer to the Settlement or part of any order referring to the Settlement in any other rate proceeding before the Board.

Return on Equity (Chancy Bittner)

The Settlement does not provide information about how the parties came up with the agreed revenue increase of $6,060,000. That is to say, no Settlement numbers were provided for rate base, operating income, or specific return allowance. Therefore, staff is not able to ascertain exactly what return on equity is implied by the Settlement.

However, Staff notes that the 10.5 percent return on equity granted for temporary rates, together with other decisions made for temporary rates, provided for a revenue increase of $6,817,952 a number slightly above the Settlement request. Staff also notes the 10.5 percent allowed on temporary rates was based upon significant review of cost of equity data and analysis in the record. Although not known for certain, it is reasonable to assume that the parties accepted the 10.5 percent return on equity, or something close to it, as basis for their negotiations and Settlement.

Therefore, Staff does not recommend that this Settlement be rejected on rate of return considerations.

Davenport Plant Floodwall (Zimmerman)

On January 5, 2009, Iowa-American and Consumer Advocate filed a joint motion asking the Board to approve an Amendment to Iowa-American's last rate case, Docket No. RPU-07-3. The Amendment pertains to the method Iowa-American uses to account for costs related to a Mississippi River floodwall project built to protect the Davenport plant.

Iowa-American, the City of Davenport, and the U. S. Army Corps of Engineers (USACE) entered into an agreement whereby Davenport would pay for 25% of the project cost and the USACE would pay 75% of the costs. Iowa-American would reimburse Davenport the full 25% on a dollar for dollar basis. Under terms of the Agreement and the applicable law, Davenport will ultimately take over legal ownership of the floodwall and cannot assign that ownership. Where specific ownership is not obtained by Iowa-American, generally accepted accounting principles might not allow costs incurred for the floodwall to be included on Iowa-American's books and records as an asset, unless authorized by the Iowa Utilities Board. If the Board had not authorized Iowa-American to include the costs as an asset, Iowa-American could have been forced to write-off the floodwall costs as an expense. If the floodwall costs are recorded as an asset on its books, Iowa-American is allowed the opportunity to earn a return on those costs. Iowa-American does not have the opportunity to earn a return on the costs if they are written off as an expense. Iowa-American's share of the costs as of January 15, 2009 was $492,092.

According to both parties, the costs should be included in the asset account "Construction Work in Progress" (CWIP). On January 15, 2009, the Board issued an order approving the Joint Amendment to the Settlement associated with Docket No. RPU-07-3, thereby allowing Iowa-American to record floodwall related costs in the asset account CWIP.

Staff has no issues with the inclusion of the terms of the Amendment in the Settlement allowing Iowa-American to book flood related cost into the asset account CWIP.

Pension Costs Accounting Method (Zimmerman)

In the Settlement the parties agree to an annual $200,000 amortization of the pension regulatory asset associated with and attributable to the transition from the Employee Retirement Income Security Act (ERISA) to the Federal Accounting Standard 87 (FAS 87) for rate recovery purposes.

As of December 20, 2007, the pension regulatory asset reflected a balance of $1,673,698.

This issue was also included in the Settlement pertaining to Iowa-American's last rate case Docket No. RPU-07-3. Prior to that, Iowa-American derived the annual amortization amount of the pension regulatory asset based on the amount required by the ERISA.

In the Board approved Settlement for Docket No. RPU-07-3, Iowa-American and Consumer Advocate proposed to reflect the same annual amount of $200,000 amortization of the pension regulatory asset associated with the use of FAS 87. The Board's order approving the Settlement of Docket No. RPU-07-3 states that the difference between FAS 87 and ERISA is that using the method required by FAS 87 results in a long-term measure and is stable from year-to-year ($200,000 annually) while the ERISA results in an amount that is a short-term measure that may fluctuate significantly from year to year.

Staff has no issues with including in the Settlement the annual $200,000 amortization of the pension account based on FAS 87.

Rate Case Expense (Zimmerman)

The parties state that the $6,060,000 increase includes an amount reflecting all regulatory costs associated with Docket No. RPU-2009-0004 incurred or to be incurred by Iowa-American.

Staff has no issues with including regulatory costs in the Settlement amount.

Conclusion Regarding the Settlement (Zimmerman)

Iowa-American presents evidence that it has experienced substantial increases in costs due to increases in utility plant, associated depreciation expenses, and increases in operating and maintenance expenses. Additionally, Iowa-American will not likely earn an excessive return on its investment because the Settlement specifies that Iowa-American's revenue increase will be 9 percent less than the 34 percent requested for final rates and almost 3 percent less than the approved temporary revenue. **Therefore, Staff believes the Settlement should be approved**.

In the Settlement, the parties state the increase is designed to become effective for service on or after the date the Board approves tariffs implementing the Agreement. The parties request the effective date be no later than September 15, 2009.

Finally, temporary rates developed, based on the approved temporary revenue increase, were approved effective July 27, 2009. The approved temporary revenue increase is greater than the revenue increase proposed in the Settlement. Therefore, if the Board approves the Settlement, Iowa-American should be ordered to refund any amount collected in excess of what would have been collected had the Board approved rates developed based on the Settlement amount and rates based on the Settlement amount had been used to calculate customer's bills on or after July 27, 2009, rather than rates based on the temporary increase.

III. Rate Design (John Pearce)

In its order setting temporary rates issued July 27, 2009 (page 17), the Board asked Iowa-American and Consumer Advocate to submit comments on whether or not rate equalization should be required for Iowa-American, including the pros and cons for customers in each district, and how Iowa-American's separate Clinton and Quad Cities water systems might be significantly different from the separate distribution systems of a gas utility. The parties were also asked to comment on how rate equalization should proceed, if adopted. That is, whether it should be implemented immediately in the current proceeding or phased-in over time, and what methods should be used.

The proposed Settlement, filed August 21, 2009, assumes Iowa-American's current rate design based on separate revenue requirements and rate structures for the Clinton and Quad Cities Districts. However, **the Settlement allows for re-design of the Settlement rates if the Board orders Iowa-American to equalize its Clinton and Quad Cities District rates. The Settlement states that the final rates shall be designed in accordance with any such Board order.** Iowa-American and Consumer Advocate filed their responsive comments on rate equalization on August 28, 2009. Consumer Advocate filed reply comments on September 16, 2009, and Iowa American filed additional information concerning rate design on September 17, 2009.

Iowa-American Position

Iowa-American believes rate equalization to be in the best interests of its customers. Iowa-American explains that the main reason separate rate structures have been maintained over time is that the water supply sources for each district are different. Clinton is supplied by aquifers and wells, whereas the Quad Cities District is supplied by the Mississippi River. This difference results in different costs for serving each district;

and separate rates ensure that the customers in each district pay only for the costs of serving their district. For example, in the current proceeding, Clinton rates include the cost of the Clinton radium treatment facility, which is used only to treat well water in the Clinton District. However, rates are never precisely cost-based for each individual customer but, rather, are aggregated by larger customer groups such as districts and customer classes. The boundary lines that separate the different customer groups should be based on whether the cost of serving each group is sufficiently different to justify the additional effort and administrative expense necessary to maintain them as separate groups.[1] Iowa-American believes the long-term costs of serving the Clinton and Quad Cities Districts are not sufficiently different to justify their continuation as separately priced districts. Iowa-American notes the additional expense of administering separate cost and rate structures for each district, and the additional rate case expense of preparing and presenting two separate class cost-of-service studies.

Iowa-American believes that a single rate structure would be more understandable and viewed as more fair by customers, who continually question why rates are so different between the two districts. Iowa-American also believes that lessening the rate impact of new plant additions by spreading the costs over a broader customer base would be more acceptable to customers.

Regarding questions about how rate equalization should proceed, Iowa-American believes it can be completed in the current proceeding with minimal adverse rate impacts. Iowa-American estimates that its method for full equalization would result in the following final Settlement increases by customer class:

[1] Regarding the question of how Iowa-American's separate water distribution systems might be different from the separate distribution systems of a gas utility, Iowa-American responds that it largely depends on the characteristics of the gas utility being compared with Iowa-American. Iowa-American's water supply sources can be broadly analogous to a gas utility's gas supply sources, and Iowa-American's water main distribution systems can be broadly analogous to a gas utility's pipeline distribution systems. Beyond this, however, a number of factors might be different. For example, one set of factors might be whether the distribution systems are served by a single source or multiple sources of supply; and, if there are multiple sources, whether they can be intermixed or moved interchangeably. Another set of factors might be whether the distribution systems serve different customer densities (e.g., urban versus rural), or traverse different geographical terrains.

	Clinton	Quad Cities
Residential	21.5%	26.1%
Commercial	21.7%	18.7%
Industrial	21.8%	8.8%
Other Public Authorities	21.8%	20.3%
Private Fire	0.0%	36.1%

Alternatively, if General Metered Service rates were equalized in this proceeding, and Private Fire rates were set at levels originally proposed for final rates, the Settlement increases would be as follows:

	Clinton	Quad Cities
Residential	21.9%	26.5%
Commercial	22.1%	19.1%
Industrial	22.2%	9.1%
Other Public Authorities	22.2%	20.7%
Private Fire	7.5%	20.0%

Iowa-American asks that the Board determine its refund liability based on the company as a whole rather than by district. If the refund liability were determined by district, and the final Settlement rates were higher than temporary rates in one district, but lower than temporary rates in the second district, the refund obligation in the first district could not be offset by the under collections in the second (and the under collections could not be recouped from second district customers retroactively), which would unfairly make the total refund liability greater than it would have been if determined for the company as a whole.

Consumer Advocate Position

Consumer Advocate does not take a definite position on whether to equalize Iowa-American's rates, but recommends caution. Consumer Advocate notes that in the gas rate case cited by the Board as precedent for its temporary rate design decision (Docket No.RPU-95-8), the Board later postponed the decision of whether to equalize rates in its Final Decision and Order, citing cost differences between the two gas districts.[2] Consumer Advocate notes that the Clinton and Quad Cities distribution systems are not interconnected and are 18 miles apart at their closest

[2] Staff Note: The gas utility, Interstate Power Company, was later merged with IES Utilities to form Interstate Power & Light, and the gas rates for the merged utility were later equalized. The Board's policy on temporary rate design is separate from its policy on rate equalization.

point. Gas utilities also have separate distribution systems, but the largest part of a gas customer's bill is the cost of natural gas. The natural gas is provided by one or more interstate pipelines, which obtain all or part of their supply from the same natural gas fields. Iowa gas utilities have consolidated their Purchased Gas Adjustment (PGA) clauses for recovering natural gas costs.

Consumer Advocate notes that in its Order Setting Temporary Rates issued July 27, 2009, the Board stated its long-standing policy had been to eliminate geographic rate differences within a utility's service territory, so that similarly situated customers would pay the same rates for the same service regardless of their location in the utility's service territory. Consumer Advocate states the essential question is whether customers in the Clinton and Quad Cities Districts are similarly situated. They are not similarly situated in terms of their sources of water supply. Clinton's water comes from wells, and the Quad Cities' water comes from the Mississippi River. But they are similarly situated in their allocation of common overhead costs.

As the Board has recognized, equalization would eliminate situations where the Clinton District receives significantly higher increases than the Quad Cities District; but later, if Quad Cities costs are the source of a large increase, Clinton customers will share in it. This would have happened in 1990, when Quad Cities costs indicated a 65 percent increase, but Clinton's stand-alone costs indicated a much smaller increase. Consumer Advocate notes that in the Board's Order Setting Temporary Rates issued July 27, 2009, the Board indicated that Iowa-American's future construction plans might be relevant in determining whether to equalize rates. Consumer Advocate presents confidential data responses from Iowa-American indicating substantial scheduled construction for both the Clinton and Quad Cities Districts over the next 5 years, and notes that the Quad Cities District has 83 percent of Iowa American's customers and the Clinton District has 17 percent.

Consumer Advocate recommends the Board carefully consider the applicability of its cost-based rate rule (199 IAC 20.10) in deciding whether to equalize Iowa-American's rates. Consumer Advocate states that the rule clearly requires recognition of material differences in costs when setting rates for different customer groups; and customers served from wells in Clinton have cost characteristics very different from customers in the Quad Cities served from the Mississippi River.

Regarding Iowa-American's refund liability, Consumer Advocate notes that it generally believes refunds should be determined by district and by rate schedule. However, given the difference between the rate changes proposed in this case, which were separate and by district, and the

Board's decision to levelize the separate district increases in temporary rates, Consumer Advocate believes the Board should consider determining the refunds on a levelized basis for both districts, especially if the Board decides to equalize Iowa-American's final rates.

Staff Discussion and Recommendation

The Iowa Utilities Board has a long-standing policy of eliminating geographic rate differences within the service territories of Iowa gas and electric utilities, so that similarly situated customers pay the same rates for the same service, regardless of their location within the utility's Iowa service territory. Application of this policy has included gas utilities with separate distribution systems and separate class cost-of-service studies. Consumer Advocate points out significant differences between the separate water districts of Iowa-American and the separate districts of a gas utility. However, Iowa American suggests that in terms of costs, the Clinton and Quad Cities Districts are not sufficiently different over the long term to justify the continuation of separate rate structures.[3] Iowa-American adds that a single equalized rate structure would be easier to administer, and more understandable and acceptable to customers. Consumer Advocate nonetheless recommends caution in approaching this issue.

For Iowa-American, rate equalization would eliminate situations where the Clinton District receives significantly higher rate increases than the Quad Cities District. Because of their disproportionate sizes, large cost increases in the smaller Clinton District can be spread to the much larger Quad Cities District, with significant mitigating effects for Clinton rates and relatively moderate increases for Quad Cities rates. However, if the situation is reversed, and the large cost increases are in the Quad Cities District, much of the rate impact will also be experienced in the Clinton District with little mitigation. Over the last five Iowa-American rate cases,[4] the Clinton and Quad Cities increases have been roughly similar, averaging 12.5 percent per case for the Clinton District and 11.3 percent for the Quad Cities. However, in Docket No. RPU-90-10, the Quad Cities

[3] [redacted]

[4] That is, Docket Nos. RPU-93-5, RPU-95-2, RPU-98-3, RPU-04-1, and RPU-07-3.

District received an increase of more than 50 percent, while the Clinton District received an increase of 11.5 percent (which would have been 41.5 percent for both districts if rates had been equalized).[5]

The Clinton and Quad Cities rates could be fully equalized in this proceeding, with the resulting Clinton and Quad Cities Settlement rates generally being less than the final rates originally proposed by Iowa-American. However, one group of customers, Quad Cities Private Fire Service, would receive a larger increase than originally proposed for final rates. **The Board might not want to implement an equalization increase for Quad Cities Private Fire customers larger than the final increase originally indicated in their customer notice. Equalization could be implemented separately for General Metered Service, and postponed for Private Fire Service.** In its current and previous rate cases, Iowa-American has been reducing Private Fire rate differentials between the two districts. In the current case, Private Fire rates would be increased by a uniform 7.5 percent in the Clinton District, and by a uniform 20 percent in the Quad Cities District (i.e., the increases implemented in temporary rates). Private Fire equalization could reasonably be completed in Iowa-American's next rate case.[6]

In its previous memo on temporary rates, staff suggested that full equalization for General Metered Service could be implemented by applying the final rates for the predominant Quad Cities District to the Clinton District, and increasing both sets of rates by a uniform percentage until they produce the combined final revenue increase for General Metered Service. This approach would produce the following Settlement increases by customer class:

	Clinton	Quad Cities
Residential	18.5%	23.0%
Commercial	25.6%	23.0%
Industrial	***37.0%***	21.1%
Other Public Authorities	23.4%	23.0%

5 [redacted]

6 For example, if Private Fire equalization were completed in this proceeding, the largest Quad Cities Private Fire customers would pay about 2.7 percent or $7 per month more than the final Settlement rates. Similar equalization impacts could reasonably be postponed until Iowa-American's next rate case.

Under this approach, all customer classes except Clinton Industrial would receive final increases lower than their 26 percent temporary increase. The Clinton Industrial increase would be 37 percent.

Iowa American proposes what seems to be the mirror image of the above approach for equalizing General Metered Service rates; that is, applying the Clinton District Settlement rates to the Quad Cities District, and reducing both sets of rates by a generally uniform percentage until they produce the combined final Settlement increase for General Metered Service. This approach ensures that no customer class in either district would receive an increase greater than 26.5 percent:

	Clinton	Quad Cities
Residential	21.9%	***26.5%***
Commercial	22.1%	19.1%
Industrial	22.2%	9.1%
Other Public Authorities	22.2%	20.7%

All customer classes except Quad Cities Residential would receive final increases lower than their 26 percent temporary increase. The Quad Cities Residential increase would be 26.5 percent.

It should be noted that Iowa-American's approach would involve varying percentage impacts for individual customers in the Quad Cities District. This is because Quad Cities customer charges would be increased by about 61 percent, and the Quad Cities volumetric rates would be increased by significantly lower percentages (see **Attachment**).[7] However, customer charges make up the smaller portion of customer bills; and the customer charge percentage increases would be somewhat offset by the significantly lower percentage increases for Quad Cities volumetric rates. The largest percentage impacts would likely involve lower usage amounts and smaller dollar amounts. For example, most Quad Cities Residential customers are billed at the lowest customer charge level. With little or no volumetric usage, a 61 percent customer charge increase for a small customer would equate to about $4.63 per month (or an additional $2.67 above temporary rates). For larger customers, with a 61 percent customer charge increase equating to as much as $231 per month (or an additional $133 above temporary rates),[8] the percentage increase seems

[7] That is, the first block volumetric rate (for the first 30 ccf) would be increased by about 9 percent; the second block rate (for the next 570 ccf) would be increased by about 8 percent; the third block rate (for the next 9,400 ccf) would be increased by about 4 percent; and the fourth block rate (for usage over 10,000 ccf) would be increased by about 26 percent.

[8] This would be the largest customer charge dollar increase for test year customers in the Quad Cities District, based on 6-inch service.

more likely to be offset by volumetric rates with significantly lower percentage increases.

Staff recommends approval of Iowa-American's proposed method for equalizing General Metered Service rates (see Attachment), such that the combined rates for the total company produce no more than the Settlement increase. All other rates, including the Private Fire Service increases of 7.5 percent in the Clinton District and 20 percent in the Quad Cities District (as well as the increases for the Service Activation Charge, NSF Check Charge, and Reconnection Charge) would remain at the levels set in temporary rates.

Alternatively, if the Board chooses not to equalize Iowa-American's rates in this proceeding, Staff recommends reducing the temporary General Metered Service rates by a uniform percentage, such that the combined rates for the total company produce no more than the Settlement increase. This would reduce the 26 percent temporary increase for General Metered Service to a final increase of about 23 percent. All other rates, including the Private Fire Service increases of 7.5 percent in the Clinton District and 20 percent in the Quad Cities District (as well as the increases for the Service Activation Charge, NSF Check Charge, and Reconnection Charge) would remain at temporary rate levels.

Regarding Iowa-American's concerns about refund methodology, previous Board policy has been to determine the utility's refund liability for the utility as a whole, rather than determining separate refund liabilities for each district or customer group. **Staff recommends the Board reaffirm this previous policy and direct Iowa-American to determine its total refund liability based on the company as a whole, rather than by district or customer class.**

IV. Recommendation

Option 1: Staff's Recommendation

Direct General Counsel to draft, for the Board's consideration, an order:

a) Approving the Settlement;

b) Approving Iowa-American's proposed method for equalizing its General Metered Service rates, leaving all other rates at temporary rate levels (i.e., as shown in Exhibit B, attached to Iowa-American's Additional Rate Design Information filed September 17, 2009);

c) Requiring Iowa-American to include in its next rate case, a proposal for equalizing its Clinton and Quad Cities Private Fire Service rates; and

d) Requiring Iowa-American to file compliance tariff sheets within 20 days, consistent with the terms of the Settlement and the Board's determinations on rate equalization, reflecting rates that produce additional revenues of no more than $6,060,000.

Because rates developed from the approved temporary increase will be greater than rates developed from the Settlement amount, Iowa-American should be ordered to refund any amount collected in excess of what would have been collected if Board approved rates developed based on the Settlement amount had been used to calculate customer's bills rather than the temporary rates approved effective July 27, 2009. The refund liability should be determined for Iowa-American as a whole rather than separately for each district or customer class.

RECOMMENDATION APPROVED

IOWA UTILITIES BOARD

/s/ Robert B. Berntsen 9/22/09
Date

/s/ Krista K. Tanner 9/25/09
Date

/s/ Darrell Hanson 9/25/09
Date

Option 2: Alternative Recommendation on Rate Design

Direct General Counsel to draft, for the Board's consideration, an order:

a) Approving the Settlement;

b) Declining to equalize Iowa-American's rates in this proceeding;

c) Requiring Iowa-American's to reduce its temporary General Metered Service rates in Tariff Sheet No. 4 by a uniform percentage, leaving all other rates at temporary rate levels;

d) Requiring Iowa-American to include in its next rate case, a proposal for equalizing its Clinton and Quad Cities rates; and

e) Requiring Iowa-American to file compliance tariff sheets within 20 days, consistent with the terms of the Settlement and the Board's determinations on rate equalization, reflecting rates that produce additional revenues of no more than $6,060,000.

Because rates developed from the approved temporary increase will be greater than rates developed from the Settlement amount, Iowa-American should be ordered to refund any amount collected in excess of what would have been collected if Board approved rates developed based on the Settlement amount had been used to calculate customer's bills rather than the temporary rates approved effective July 27, 2009. The refund liability should be determined for Iowa-American as a whole rather than separately for each district or customer class.

RECOMMENDATION APPROVED

IOWA UTILITIES BOARD

____
Date

____
Date

____
Date

Attachment

Iowa-American's Proposed Method for Equalizing General Metered Service Rates

(from Iowa-American's Additional Rate Design Information, Exhibit B, filed 9/17/09)

Docket No. RPU-2009-0004

CLINTON DISTRICT

General Metered Service Rates:

Customer Charges:	Present Rates	Settlement Rates	Percent Change
Monthly			
5/8 inch	$ 9.90	$ 12.16	22.8%
3/4 inch	14.85	18.23	22.8%
1 inch	24.75	30.39	22.8%
1 1/2 inch	49.50	60.78	22.8%
2 inch	79.20	97.24	22.8%
3 inch	148.49	182.31	22.8%
4 inch	247.49	303.86	22.8%
6 inch	494.98	607.73	22.8%
8 inch	791.97	972.36	22.8%
10 inch	1,138.50	1,397.83	22.8%
Quarterly			
5/8 inch	$ 29.70	$ 36.48	22.8%
3/4 inch	44.55	54.69	22.8%
1 inch	74.25	91.17	22.8%
1 1/2 inch	148.50	182.34	22.8%
2 inch	237.60	291.72	22.8%
3 inch	445.47	546.93	22.8%
4 inch	742.47	911.58	22.8%
6 inch	1,484.94	1,823.19	22.8%
8 inch	2,375.91	2,917.08	22.8%
10 inch	3,415.50	4,193.49	22.8%

Volumetric Rates:	Present Rates	Settlement Rates	Percent Change
Monthly CCF			
1st block	$ 2.4800	$ 3.0049	21.2%
2nd block	1.8300	2.2368	22.2%
3rd block	1.6180	1.9765	22.2%
4th block	1.2490	1.5215	21.8%
Quarterly CCF			
1st block	$ 2.4800	$ 3.0049	21.2%
2nd block	1.8300	2.2368	22.2%
3rd block	1.6180	1.9765	22.2%
4th block	1.2490	1.5215	21.8%

QUAD CITIES DISTRICT

General Metered Service Rates:

Customer Charges:	Present Rates	Settlement Rates	Percent Change
Monthly			
5/8 inch	$ 7.53	$ 12.16	61.5%
3/4 inch	11.30	18.23	61.3%
1 inch	18.84	30.39	61.3%
1 1/2 inch	37.66	60.78	61.4%
2 inch	60.25	97.24	61.4%
3 inch	112.98	182.31	61.4%
4 inch	188.29	303.86	61.4%
6 inch	376.59	607.73	61.4%
8 inch	602.54	972.36	61.4%
10 inch	865.95	1,397.83	61.4%
Quarterly			
5/8 inch	$ 22.59	$ 36.48	61.5%
3/4 inch	33.90	54.69	61.3%
1 inch	56.52	91.17	61.3%
1 1/2 inch	112.98	182.34	61.4%
2 inch	180.75	291.72	61.4%
3 inch	338.94	546.93	61.4%
4 inch	564.87	911.58	61.4%
6 inch	1,129.77	1,823.19	61.4%
8 inch	1,807.62	2,917.08	61.4%
10 inch	2,597.85	4,193.49	61.4%

Volumetric Rates:	Present Rates	Settlement Rates	Percent Change
Monthly CCF			
1st block	$ 2.7500	$ 3.0049	9.3%
2nd block	2.0660	2.2368	8.3%
3rd block	1.9040	1.9765	3.8%
4th block	1.2050	1.5215	26.3%
Quarterly CCF			
1st block	$ 2.7500	$ 3.0049	9.3%
2nd block	2.0660	2.2368	8.3%
3rd block	1.9040	1.9765	3.8%
4th block	1.2050	1.5215	26.3%