

**Rochester Public Utilities**  
**Water Cost of Service Study**

Fiscal Year	Projected Rate Adjustments	Projected Operating Revenues	Projected Expenses	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2016	5.95%	\$ 9,060,198	\$ 8,854,749	\$ 205,449	\$ 3,291,898	\$ 4,398,039	\$ 5,189,120
2017	5.97%	9,623,059	9,083,764	539,295	3,248,077	4,398,085	5,557,083
2018	5.94%	10,218,531	9,316,407	902,124	3,192,194	4,942,006	5,808,854

**Rate Design**

**Monthly Customer Charge:**

Meter Size	Units	Cost of Service	Current Charge	2016	2017	2018
5/8 BY 1/2	125,105	\$ 9.73	\$ 5.53	\$ 6.26	\$ 6.84	\$ 7.50
5/8 BY 3/4	300,010	9.73	5.53	6.26	6.84	7.50
3/4	10,934	10.86	7.86	8.89	9.72	10.66
1	11,788	16.33	12.63	14.29	15.62	17.14
1-1/2	6,035	30.90	24.38	27.58	30.14	33.07
2	3,879	50.46	38.48	43.54	47.59	52.21
3	1,033	153.55	71.59	81.00	88.53	97.13
4	423	274.04	118.78	134.39	146.88	161.15
6	204	583.97	236.75	267.86	292.76	321.20
8	24	1,002.05	423.40	479.03	523.56	574.42
Revenue		\$ 5,246,420	\$ 3,064,762	\$ 3,468,871	\$ 3,790,560	\$ 4,156,878
<b>Outside</b>						
5/8 BY 1/2	288	\$ 26.03	\$ 11.06	\$ 12.52	\$ 13.68	\$ 15.00
5/8 BY 3/4	1168	26.03	11.06	12.52	13.68	15.00
3/4	24	26.33	15.72	17.78	19.44	21.32
Revenue		\$ 38,531	\$ 16,481	\$ 18,656	\$ 20,385	\$ 22,352
<b>Total Customer Charge Revenue</b>		\$ 5,284,951	\$ 3,081,243	\$ 3,487,527	\$ 3,810,945	\$ 4,179,230

**Monthly Hydrant Charge:**

Customer Type	Units	Cost of Service	Current Charge	2016	2017	2018
Residential	416,860	\$ 0.84	\$ 1.22	\$ 0.90	\$ 0.90	\$ 0.90
Commercial/Industrial	36,898	3.71	2.43	3.50	3.70	3.70
<b>Total Hydrant Revenue</b>		\$ 486,702	\$ 598,231	\$ 504,317	\$ 511,697	\$ 511,697

**Commodity Charge:**

Customer Type	Units	Cost of Service	Current Charge	2016	2017	2018
<b>Residential:</b>						
0-7 CCF	2,032,176	\$ 1.060	\$ 0.727	\$ 0.755	\$ 0.785	\$ 0.813
7.01-12CCF	357,241	1.060	0.799	0.827	0.857	0.885
12.01 and Over CCF	404,089	1.060	0.919	0.947	0.977	1.005
Commercial	1,770,449	0.916	0.727	0.755	0.785	0.813
Industrial	654,292	1.038	0.727	0.755	0.785	0.813
Interdepartmental	18,908	0.873	0.727	0.755	0.785	0.813
Irrigation	254,777	1.235	0.919	0.947	0.977	1.005
Revenue		\$ 5,593,368	\$ 4,144,858	\$ 4,298,632	\$ 4,463,390	\$ 4,617,164
<b>Outside</b>						
<b>Residential:</b>						
0-7 CCF	6,847	\$ 5.888	\$ 1.454	\$ 1.510	\$ 1.570	\$ 1.626
7.01-12CCF	965	5.888	1.598	1.654	1.714	1.770
12.01 and Over CCF	1,247	5.888	1.838	1.894	1.954	2.010
Revenue		\$ 53,345	\$ 13,790	\$ 14,297	\$ 14,841	\$ 15,348
<b>Total Usage Revenue</b>		\$ 5,646,712	\$ 4,158,648	\$ 4,312,929	\$ 4,478,231	\$ 4,632,512

<b>Total Retail Revenue</b>	\$ 7,838,122	\$ 8,304,773	\$ 8,800,873	\$ 9,323,439
<b>Retail Revenue % Change from Prior</b>		5.95%	5.97%	5.94%