

**BEFORE
THE TENNESSEE REGULATORY AUTHORITY**

PETITION OF BERRY'S CHAPEL
UTILITY, INC. TO CHANGE AND
INCREASE RATES AND CHARGES

Docket No. 11-00198

SUPPLEMENTAL TESTIMONY
of
WILLIAM H. NOVAK

ON BEHALF OF
THE CONSUMER ADVOCATE AND PROTECTION DIVISION
OF THE
TENNESSEE ATTORNEY GENERAL'S OFFICE

June 5, 2012

1 **Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND**
2 **OCCUPATION FOR THE RECORD.**

3 A1. My name is William H. Novak. My business address is 19 Morning Arbor Place,
4 The Woodlands, TX, 77381. I am the President of WHN Consulting, a utility
5 consulting and expert witness services company.
6

7 **Q2. ARE YOU THE SAME WILLIAM H. NOVAK THAT PREVIOUSLY**
8 **PRESENTED PRE-FILED DIRECT TESTIMONY IN THIS SAME**
9 **DOCKET?**

10 A2. Yes.
11

12 **Q3. ON WHOSE BEHALF ARE YOU TESTIFYING?**

13 A3. I am testifying on behalf of the Consumer Advocate & Protection Division
14 ("CAPD" or "the Consumer Advocate") of the Tennessee Attorney General's
15 Office.
16

17 **Q4. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY IN**
18 **THIS PROCEEDING?**

19 A4. My supplemental testimony will address revisions to the CAPD's Gross Revenue
20 Conversion Factor. In addition, I will also address the CAPD's new revenue
21 requirement calculation based upon revisions to our original exhibits. Finally, I
22 will address the CAPD's revised rate design resulting from changes to the
23 CAPD's revenue requirement calculation.

1 ***Q5. WHAT CHANGES HAVE BEEN MADE TO THE CAPD'S GROSS***
2 ***REVENUE CONVERSION FACTOR?***

3 A5. On page 4 of his rebuttal testimony, Company witness Ford correctly points out
4 that the allocation of the CAPD's gross revenue conversion factor is based upon
5 the average number of customers instead of projected revenues. Mr. Ford is
6 correct, and I have recalculated this factor based upon the CAPD's forecasted
7 attrition period revenue. As shown at the bottom of CAPD Exhibit, Revised
8 Schedule 13 the corrected gross revenue conversion factor calculation is now
9 1.0604, and this factor is carried forward to CAPD Exhibit, Revised Schedule 1 to
10 correctly calculate the revenue deficiency. This change increased the overall
11 revenue requirement by \$1,129.

12
13 ***Q6. WERE THERE ANY OTHER ADJUSTMENTS RESULTING FROM THE***
14 ***CHANGE IN THE GROSS REVENUE COVERSION FACTOR?***

15 A6. Yes. In addition to the gross revenue conversion factor, we discovered that we
16 had also incorrectly allocated the usage volumes for the non-residential
17 (Commercial and Special Contract) customers to the different proposed usage
18 steps based upon the same average allocation factors that we used for residential
19 customers. We have now corrected this error as shown on CAPD Exhibit,
20 Revised Schedule 13. This change decreased the overall revenue requirement by
21 approximately \$7,500.

1 **Q7. WHAT OTHER CHANGES HAS THE CAPD MADE TO THEIR**
2 **ORIGINAL FILING?**

3 A7. As shown on CAPD Exhibit, Revised Schedule 3, the CAPD increased various
4 expenses by approximately \$15,000 from our original filing. These particular
5 changes are discussed in more detail in the supplemental testimony of CAPD
6 witness Peters.

7
8 **Q8. WHAT IS THE IMPACT ON THE COMPANY'S REVENUE**
9 **DEFICIENCY FROM THE CAPD'S CHANGES TO THEIR ORIGINAL**
10 **FILING?**

11 A8. As shown on CAPD Exhibit, Revised Schedule 1, the CAPD's revenue deficiency
12 forecast has increased by approximately \$17,000 from \$152,064 as originally
13 filed to a revised \$169,263. This amount includes \$30,115 for amortization of
14 flood control costs as shown on CAPD Exhibit, Revised Schedule 3.

15
16 **Q9. HAVE YOU ADJUSTED THE CAPD'S PROPOSED RATE DESIGN TO**
17 **RECOVER THIS NEW REVENUE DEFICIENCY?**

18 A9. Yes. As shown on CAPD Exhibit, Revised Schedule 6 we are now proposing a
19 monthly customer charge of \$17.50 while retaining the same usage charges that
20 we originally proposed.¹

21

¹ \$5.00 per 1,000 gallons for the first 6,000 gallons used per month; \$10.00 per 1,000 gallons for the next 6,000 gallons used per month; and \$15.00 per 1,000 gallons for all usage over 12,000 gallons per month.

1 ***Q10. DO YOU HAVE ANY OTHER CHANGES TO YOUR ORIGINAL***
2 ***PREFILED TESTIMONY?***

3 A10. No. My position remains the same on all other issues except the ones specifically
4 described above.

5

6 ***Q11. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?***

7 A11. Yes it does. However I reserve the right to incorporate any new information that
8 may subsequently become available.

**Lynwood Utility
Results of Operations**

CAPD Exhibit
Revised Schedule 1

Line No.	Item	Company	CAPD As Filed	CAPD Revised
1	Rate Base	\$1,135,068 A/	\$1,135,068 A/	\$1,135,068 A/
2	Operating Income at Present Rates	-260,585 B/	-59,331 B/	-74,485 B/
3	Earned Rate of Return	-22.96%	-5.23%	-6.56%
4	Fair Rate of Return	8.90% C/	7.50% D/	7.50% D/
5	Fair Return	<u>\$101,175</u>	<u>\$85,130</u>	<u>\$85,130</u>
6	Operating Income Deficiency	-\$361,760	-\$144,461	-\$159,615
7	Revenue Conversion Factor	1.1025 C/	1.0526 E/	1.0604 F/
8	Revenue Deficiency	<u>-\$398,853</u>	<u>-\$152,064</u>	<u>-\$169,263</u>

A/ CAPD Exhibit, Revised Schedule 2.

B/ CAPD Exhibit, Revised Schedule 3.

C/ Company Exhibit, Schedule A.

D/ Klein Testimony and Exhibits.

E/ Billing expense of 3.2% (Franklin portion only) + 1.8% bad debt expense = 5.0%. $1/(1 - 0.05) = 1.0526$.

F/ CAPD Exhibit, Revised Schedule 13.

**Lynwood Utility
Rate Base**

CAPD Exhibit
Revised Schedule 2

Line No.	Item	Company	CAPD As Filed	CAPD Revised
Additions:				
1	Utility Plant in Service	\$3,403,038	\$3,403,038	\$3,403,038
2	Deferred Debits & Deposits	297,358	297,358	297,358
3	Working Capital	95,148	95,148	95,148
4	Total Additions	\$3,795,544	\$3,795,544	\$3,795,544
Deductions:				
5	Accumulated Depreciation	\$2,144,174	\$2,144,174	\$2,144,174
6	Contributions in Aid of Construction	516,302	516,302	516,302
7	Total Deductions	\$2,660,476	\$2,660,476	\$2,660,476
8	Rate Base	\$1,135,068	\$1,135,068	\$1,135,068

SOURCE: Company Exhibit, Schedule B.

Lynwood Utility
Operating Income at Present Rates

CAPD Exhibit
Revised Schedule 3

Line No.	Item	Company A/	CAPD As Filed	CAPD Revised
1	Revenues	<u>\$593,409</u>	<u>\$596,258</u> B/	<u>\$596,258</u> B/
	Operating Expenses:			
2	Purchased Wastewater	\$6,620	\$7,462 C/	\$7,462 C/
3	Sludge Removal	55,269	39,691 C/	39,691 C/
4	Purchased Power	70,405	62,171 C/	62,171 C/
5	Chemicals	45,709	44,093 C/	44,093 C/
6	Materials & Supplies	58,379	21,731 C/	23,379 C/
7	Engineering Inspections	2,846	4,027 C/	4,027 C/
8	Testing	31,258	14,326 C/	14,326 C/
9	Repairs & Maintenance	53,396	49,404 C/	49,404 C/
10	Operations Management	64,644	56,001 C/	56,001 C/
11	Billing and Collection Fees	43,509	35,559 C/	35,559 C/
12	Bad Debt Expenses	10,681	6,868 C/	6,868 C/
13	Accounting and Bookkeeping	19,499	16,274 C/	16,274 C/
14	Tax Accounting	9,979	857 C/	857 C/
15	Accounting - Other	11,494	8,670 C/	8,670 C/
16	Legal	33,235	12,695 C/	12,695 C/
17	Management	0	0 C/	0 C/
18	Rent	12,000	10,000 C/	10,344 C/
19	Insurance	31,042	16,547 C/	27,380 C/
20	Other Misc. Expenses	48,613	18,409 C/	18,409 C/
21	Taxes Other Than Income Taxes	29,902	41,040 C/	41,040 C/
22	Regulatory Expenses	70,398	14,333 C/	16,862 C/
23	Depreciation & Amortization, Net	145,116	145,116 C/	145,116 C/
24	Amortization of Flood Control Costs	0	30,315 C/	30,115 C/
25	Total Operating Expenses	<u>\$853,994</u>	<u>\$655,589</u>	<u>\$670,743</u>
26	Net Operating Income	<u>-\$260,585</u>	<u>-\$59,331</u>	<u>-\$74,485</u>

A/ Company Exhibit, Schedule R/E.
B/ CAPD Exhibit, Schedule 5.
C/ Peters Testimony & Exhibits.

Lynwood Utility
Operating Income at Proposed Rates

CAPD Exhibit
Revised Schedule 4

Line No.	Item	Company	CAPD Revised	Difference
1	Revenues	\$992,262	\$765,521	-\$226,741
	Operating Expenses:			
2	Purchased Wastewater	\$6,620	\$7,462	\$842
3	Sludge Removal	55,269	39,691	-15,578
4	Purchased Power	70,405	62,171	-8,234
5	Chemicals	45,709	44,093	-1,616
6	Materials & Supplies	58,379	23,379	-35,000
7	Engineering Inspections	2,846	4,027	1,181
8	Testing	31,258	14,326	-16,932
9	Repairs & Maintenance	53,396	49,404	-3,992
10	Operations Management	64,644	56,001	-8,643
11	Billing and Collection Fees	73,423	42,160 A/	-31,263
12	Bad Debt Expenses	17,860	9,915 B/	-7,946
13	Accounting and Bookkeeping	19,499	16,274	-3,225
14	Tax Accounting	9,979	857	-9,122
15	Accounting - Other	11,494	8,670	-2,824
16	Legal	33,235	12,695	-20,540
17	Management	0	0	0
18	Rent	12,000	10,344	-1,656
19	Insurance	31,042	27,380	-3,662
20	Other Misc. Expenses	48,613	18,409	-30,204
21	Taxes Other Than Income Taxes	29,902	41,040	11,138
22	Regulatory Expenses	70,398	16,862	-53,536
23	Depreciation & Amortization, Net	145,116	145,116	0
24	Amortization of Flood Control Costs	0	30,115	30,115
25	Total Operating Expenses	\$891,087	\$680,391	-\$210,696
26	Net Operating Income	\$101,175	\$85,130	-\$16,045

A/ Includes an incremental 3.9% of revenue deficiency for increased bad debt expense.

B/ Includes an incremental 1.8% of revenue deficiency for increased billing and collecting expense.

SOURCE: CAPD Exhibit, Schedules 1 and 3.

Lynwood Utility
CAPD Revenue Calculation at Current Rates

CAPD Exhibit
Revised Schedule 5

Line No.	Item	Determinant	Current Rates	Current Revenues
Residential:				
Customer Charges:				
1	Minimum Bill Customer Charges	473	\$15.00	\$7,095
2	Non-Minimum Bill Customer Charges	9,690	0.00	0
3	Total Residential Customer Charges	10,163		\$7,095
Consumption Charges:				
4	Minimum Bill Consumption Charges (Gallons)	363,970	\$0.00	\$0
5	Non-Minimum Bill Consumption Charges (Gallons)	72,058,075	7.97	574,303
6	Total Residential Consumption Charges	72,422,045		\$574,303
7	Total Residential Revenues			\$581,398
Non-Residential:				
Customer Charges:				
8	Minimum Bill Customer Charges	0	\$20.00	\$0
9	Non-Minimum Bill Customer Charges	12	0.00	0
10	Total Non-Residential Customer Charges	12		\$0
Consumption Charges:				
11	Minimum Bill Consumption Charges (Gallons)	0	\$0.00	\$0
12	Non-Minimum Bill Consumption Charges (Gallons)	42,000	9.96	418
13	Total Non-Residential Consumption Charges	42,000		\$418
14	Total Non-Residential Revenues			\$418
Special Contract:				
15	Customer Charge	12	\$891.00	\$10,692
16	Consumption Charge	1,189,000	0.00	0
17	Total Special Contract Revenues			\$10,692
Other Revenue:				
18	Inspection Fees & Tap Fees			\$3,750
19	Late Charges			0
20	Total Special Contract Revenues			\$3,750
21	Total Revenues at Current Rates			\$596,258
22	Total Bills	10,187		
23	Total Consumption (Gallons)	73,653,045		

SOURCE: CAPD Revenue Workpaper R-1-1.00.

Lynwood Utility
CAPD Revenue Calculation at Proposed Rates

CAPD Exhibit
Revised Schedule 6

Line No.	Item	Determinant	Proposed Rates	Proposed Revenues
1	Customer Charge Revenue (All Customer Classes)	10,187 A/	\$17.50	\$178,273
	Consumption Charge Revenue (Residential)			
2	First 6,000 Gallons/Month	47,074,329 A/	\$5.00	\$235,372
3	Next 6,000 Gallons/Month	11,616,496 A/	10.00	116,165
4	Over 12,000 Gallons/Month	13,731,220 A/	15.00	205,968
5	Total Consumption Charge Revenue	72,422,045		\$557,505
	Consumption Charge Revenue (Non-Residential)			
6	First 6,000 Gallons/Month	42,000 A/	\$5.00	\$210
7	Next 6,000 Gallons/Month	0 A/	10.00	0
8	Over 12,000 Gallons/Month	0 A/	15.00	0
9	Total Consumption Charge Revenue	42,000		\$210
	Consumption Charge Revenue (Special Contract)			
10	First 6,000 Gallons/Month	72,000 A/	\$5.00	\$360
11	Next 6,000 Gallons/Month	72,000 A/	10.00	720
12	Over 12,000 Gallons/Month	1,045,000 A/	15.00	15,675
13	Total Consumption Charge Revenue	1,189,000		\$16,755
	Total Consumption Revenue	73,653,045		\$574,470
	Other Revenue:			
	Inspection Fees & Tap Fees			\$3,750 B/
	Late Charges			9,394 B/
	Total Other Revenue			\$13,144
	Total Proposed Revenues			\$765,886
	Total Revenue Requirement			\$765,521
	Difference			\$365

A/ CAPD Exhibit, Schedule 5.
B/ Company Exhibit, Schedule R/E.

Lynwood Utility
CAPD Calculation of Company's Late Fee Billing Charges

CAPD Exhibit
Revised Schedule 7

Line No.	Month	City of Franklin	HB&TS	Total
1	January 2010	\$272.72	\$384.30	\$657.02
2	February	174.24	291.48	465.72
3	March	233.91	380.08	613.99
4	April	275.01	374.06	649.07
5	May	157.56	361.90	519.46
6	June	307.37	229.64	537.01
7	July	351.99	384.09	736.08
8	August	355.12	412.93	768.05
9	September	677.41	348.51	1,025.92
10	October	602.11	332.02	934.13
11	November	455.87	474.23	930.10
12	December	423.61	314.68	738.29
13	January 2011	465.45	206.90	672.35
14	February	390.74	57.78	448.52
15	March	350.88	244.99	595.87
16	April	241.25	0.00	241.25
17	May	284.79	0.00	284.79
18	June	196.73	0.00	196.73
19	July	234.19	0.00	234.19
20	August	412.50	0.00	412.50
21	September	479.94	0.00	479.94
22	October	523.78	0.00	523.78
23	November	555.76	0.00	555.76
24	December	679.99	0.00	679.99
25	Total	\$9,102.92	\$4,797.59	\$13,900.51

SOURCE: Company response in Attachment #7 to CAPD follow-up data request.

Lynwood Utility
CAPD Calculation of Unauthorized \$20 & \$30 monthly rate charge

CAPD Exhibit
Revised Schedule 8

Line No.	Item	Customers Billed			Total
		HB&TS	Franklin	MVUD	
Residential:					
1	December 2010	482	350	7	839
2	January 2011	483	352	7	842
3	February	483	352	7	842
4	March	484	353	7	844
5	April	484	352	7	843
6	Total Residential Bills Overcharged	2,416	1,759	35	4,210
7	Residential Overcharge Rate	\$20	\$20	\$20	\$20
8	Residential Overcharge Amount	\$48,320	\$35,180	\$700	\$84,200
Non-Residential:					
9	December 2010	0	1	0	1
10	January 2011	0	1	0	1
11	February	0	1	0	1
12	March	0	1	0	1
13	April	0	1	0	1
14	Total Non-Residential Overcharge	0	5	0	5
15	Non-Residential Overcharge Rate	\$30	\$30	\$30	\$30
16	Non-Residential Overcharge Amount	\$0	\$150	\$0	\$150
17	Total Overcharge Amount	\$48,320	\$35,330	\$700	\$84,350

SOURCE: Company Billing Summaries.

Lynwood Utility

CAPD Calculation of Unauthorized Minimum Bill Increase from \$15 to \$25

CAPD Exhibit

Revised Schedule 9

Line No.	Item	Customers Billed			Total
		HB&TS	Franklin	MVUD	
1	December 2010	\$90	\$210	\$0	\$300
2	January 2011	150	310	0	460
3	February	110	180	0	290
4	March	160	430	0	590
5	April	120	270	0	390
6	May	110	320	0	430
7	June	130	350	0	480
8	July	90	340	0	430
9	August	90	230	0	320
10	September	90	170	0	260
11	October	90	370	0	460
12	November	80	260	0	340
13	December	100	180	0	280
14	Total Minimum Bill Overcharge	\$1,410	\$3,620	\$0	\$5,030

SOURCE: Company Billing Summaries.

Lynwood Utility

CAPD Calculation of Unauthorized Odorization Surcharge of \$0.38/1,000 Gallons

CAPD Exhibit

Revised Schedule 10

Line No.	Item	Usage ('000 Gallons)			
		HB&TS	Franklin	MVUD	Total
Authorized Surcharge Period:					
1	June 2009	2,714	2,490	74	5,278
2	July	3,103	3,482	74	6,658
3	August	3,005	5,980	83	9,068
4	September	3,096	3,943	54	7,092
5	October	2,352	4,012	51	6,415
6	November	2,321	2,493	40	4,854
7	December	2,376	2,291	123	4,790
8	January 2010	2,935	2,176	46	5,158
9	February	2,822	2,104	37	4,963
10	March	2,194	2,051	40	4,285
11	April	2,493	1,486	40	4,019
12	May	2,818	2,640	40	5,498
13	Total Surcharge Period Usage	32,228	35,148	702	68,079
14	Surcharge Rate	\$0.38	\$0.38	\$0.38	\$0.38
15	Authorized Surcharge Collection	\$12,247	\$13,356	\$267	\$25,870
Unauthorized Surcharge Period:					
16	June 2010	2,482	2,780	43	5,304
17	July	3,208	3,906	56	7,170
18	August	2,925	4,892	81	7,899
19	September	2,745	4,739	80	7,565
20	October	3,299	3,672	68	7,039
21	November	2,511	4,698	96	7,304
22	December	2,462	3,076	46	5,584
23	January 2011	2,082	1,933	46	4,061
24	February	2,733	2,572	47	5,352
25	March	1,917	1,565	43	3,524
26	April	2,755	1,776	48	4,579
27	May	2,548	2,102	55	4,705
28	June	2,880	2,209	68	5,158
29	July	2,549	4,468	24	7,041
30	August	2,987	5,078	110	8,175
31	September	3,651	5,323	64	9,038
32	October	2,858	5,231	75	8,164
33	November	2,635	4,243	41	6,919
34	December	2,660	2,981	36	5,677
35	Total Surcharge Period Usage	51,886	67,243	1,127	120,256
36	Surcharge Rate	\$0.38	\$0.38	\$0.38	\$0.38
37	Unauthorized Surcharge Collection	\$19,717	\$25,552	\$428	\$45,697

SOURCE: Company Billing Summaries.

Lynwood Utility
CAPD Calculation of Unauthorized Surcharge of \$0.68/1,000 Gallons

CAPD Exhibit
Revised Schedule 11

Line No.	Item	Franklin Usage
	Residential & Non-Residential Usage ('000 Gallons):	
1	July 2009	3,482
2	August	5,980
3	September	3,943
4	October	4,012
5	Total Usage	17,417
6	Surcharge Rate	\$0.68
7	Unauthorized Surcharge Collection	\$11,843

SOURCE: Company Billing Summaries.

Lynwood Utility
CAPD Calculation of Proposed Rate Design Impact

CAPD Exhibit
Revised Schedule 12

Line No.	Item	Current Rates	Proposed Rates	Difference	Percentage Change
Rate Structure:					
1	Minimum Bill	\$15.00 A/	N/A		
2	Customer Charge	N/A	\$17.50 B/		
3	Special Contract Rate	\$891.00 A/	N/A		
4	First 6,000 Gallons per Month per 1,000 Gallons	\$7.97 A/	\$5.00 B/		
5	Next 6,000 Gallons per Month per 1,000 Gallons	7.97 A/	10.00 B/		
6	Over 12,000 Gallons per Month per 1,000 Gallons	7.97 A/	15.00 B/		
Rate Change Impact:					
Small Usage Customer:					
7	1,000 Gallons per Month	\$15.00	\$22.50	\$7.50	50.00%
Medium Usage Customer:					
8	6,000 Gallons per Month	\$47.82	\$47.50	-\$0.32	-0.67%
Large Usage Customer:					
9	15,000 Gallons per Month	\$119.55	\$152.50	\$32.95	27.56%
Special Contract Customer:					
10	Walnut Grove Elementary School (Avg Usage = 103,146 Gallons per Month)	\$891.00	\$1,472.50	\$581.50	65.26%

A/ CAPD Exhibit, Schedule 5.

B/ CAPD Exhibit, Schedule 6.

Lynwood Utility
CAPD Revenue Calculation at Proposed Rates by Area

CAPD Exhibit
Revised Schedule 13

Line No.	Item	Determinant	Proposed Rates	Proposed Revenues
Customer Charge Revenue				
Residential				
1	HB&TS	5,854	\$17.50	\$102,445
2	City of Franklin	4,225	17.50	73,938
3	Mallory Valley Utility District	84	17.50	1,470
4	Total Residential	10,163		\$177,853
Non-Residential				
5	HB&TS	0	\$17.50	\$0
6	City of Franklin	24	17.50	420
7	Mallory Valley Utility District	0	17.50	0
8	Total Non-Residential	24		\$420
9	Total Customer Charge Revenue	10,187		\$178,273
Consumption Charge Revenue				
HB&TS				
10	First 6,000 Gallons/Month	20,965,230	\$5.00	\$104,826
11	Next 6,000 Gallons/Month	5,173,574	10.00	51,736
12	Over 12,000 Gallons/Month	6,115,396	15.00	91,731
13	Total HB&TS	32,254,200		\$248,293
City of Franklin				
14	First 6,000 Gallons/Month	25,682,054	\$5.00	\$128,410
15	Next 6,000 Gallons/Month	6,337,541	10.00	63,375
16	Over 12,000 Gallons/Month	7,491,258	15.00	112,369
17	Total City of Franklin	39,510,853		\$304,155
Mallory Valley Utility District				
18	First 6,000 Gallons/Month	427,045	\$5.00	\$2,135
19	Next 6,000 Gallons/Month	105,382	10.00	1,054
20	Over 12,000 Gallons/Month	124,566	15.00	1,868
21	Total Mallory Valley Utility District	656,992		\$5,058
Church				
22	First 6,000 Gallons/Month	42,000	\$5.00	\$210
23	Next 6,000 Gallons/Month	0	10.00	0
24	Over 12,000 Gallons/Month	0	15.00	0
25	Total Church	42,000		\$210
School				
26	First 6,000 Gallons/Month	0	\$5.00	\$360
27	Next 6,000 Gallons/Month	72,000	10.00	720
28	Over 12,000 Gallons/Month	1,045,000	15.00	15,675
29	Total School	1,117,000		\$16,755
Total				
30	First 6,000 Gallons/Month	47,188,329		\$235,942
31	Next 6,000 Gallons/Month	11,688,496		116,885
32	Over 12,000 Gallons/Month	14,776,220		221,643
33	Total Consumption Revenue	73,653,045		\$574,470
34	Total Wastewater Revenue			\$752,742
Other Revenue				
35	Inspection Fees & Tap Fees			\$3,750
36	Late Charges			9,394
37	Total Other Revenue			\$13,144
38	Total Proposed Revenues			\$765,886
Revenue Percentage by Source:				
39	HB&TS		\$350,738	46%
40	City of Franklin		395,477	52%
41	Mallory Valley Utility District		6,528	1%
42	Other		13,144	2%
43	Total Revenue		\$765,886	100%
Revenue Conversion Factor				
44	Franklin Portion of 7.5% Billing & Collecting Fee		7.5%	3.9%
45	Bad Debt Expense			1.8%
46	Total			5.7%
47	Revenue Conversion Factor			1.0604
48	Revenue Requirement Impact			-\$1,129