

Option #27
Residential New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Results Summary

Minimum Charge: All Retail Classes	
Meter Size	Minimum Charge
5/8"	\$ 7.10
3/4"	\$ 10.00
1"	\$ 11.80
1 1/2"	\$ 17.80
2"	\$ 25.80
3"	\$ 55.00
4"	\$ 95.00
6"	\$ 190.00
8"	\$ 840.00
10"	\$ 890.00
12"	\$ 940.00

Residential Water Rates					
New Tiered Fixed Fee: Total Water Use Ending in Tier			Volumetric Rates Rates Per 1,000 Gallons		
Tier 1	0 - 2,000	\$ 1.50	Block 1	0 - 2,000	\$ 1.25
Tier 2	2,001 - 6,000	\$ 2.50	Block 2	2,001 - 6,000	\$ 2.50
Tier 3	6,001 - 11,000	\$ 4.40	Block 3	6,001 - 11,000	\$ 5.00
Tier 4	11,001 - 20,000	\$ 10.00	Block 4	11,001 - 20,000	\$ 9.50
Tier 5	Over 20,000	\$ 10.00	Block 5	Over 20,000	\$ 12.25

Volatility Measure	
Revenue Losses at 2010 Consumption Levels	
Approved Rates	\$ (38.20) Million
Option Rates	\$ (35.06) Million
Volatility Measure	\$ 3.14 Million

Positive equals less volatility and lower potential revenue losses

Negative equals more volatility and higher potential revenue losses

Residential Breakeven Point	
Consumption level where bill at option rates equal bill at average cost of service volume rate of \$4.36 per 1,000 gallons	
13,100 gallons	

Residential Bill Comparisons

Monthly Usage Gallons 5/8" Meter	2012 Approved Rates				Projected Water Rates				Revenue Stability Fee	Total Bill With RSF	Variances	
	Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Tiered Fixed Fee	Volumetric	Total Bill w/o RSF			Total Bill \$ Variance	Total Bill % Variance
0	\$ 7.10	\$ 4.40	\$ -	\$ 11.50	\$ 7.10	\$ 1.50	\$ -	\$ 8.60	\$ -	\$ 8.60	\$ (2.90)	-25.2%
1,000	\$ 7.10	\$ 4.40	\$ 1.17	\$ 12.67	\$ 7.10	\$ 1.50	\$ 1.25	\$ 9.85	\$ 0.22	\$ 10.07	\$ (2.60)	-20.5%
2,000	\$ 7.10	\$ 4.40	\$ 2.34	\$ 13.84	\$ 7.10	\$ 1.50	\$ 2.50	\$ 11.10	\$ 0.44	\$ 11.54	\$ (2.30)	-16.6%
5,000	\$ 7.10	\$ 4.40	\$ 11.58	\$ 23.08	\$ 7.10	\$ 2.50	\$ 10.00	\$ 19.60	\$ 1.10	\$ 20.70	\$ (2.38)	-10.3%
6,000	\$ 7.10	\$ 4.40	\$ 12.58	\$ 24.08	\$ 7.10	\$ 2.50	\$ 12.50	\$ 22.10	\$ 1.32	\$ 23.42	\$ (0.66)	-2.7%
7,727	\$ 7.10	\$ 4.40	\$ 21.72	\$ 33.22	\$ 7.10	\$ 4.08	\$ 20.17	\$ 31.35	\$ 1.70	\$ 33.05	\$ (0.17)	-0.5%
9,000	\$ 7.10	\$ 4.40	\$ 23.90	\$ 35.40	\$ 7.10	\$ 4.40	\$ 27.50	\$ 39.00	\$ 1.98	\$ 40.98	\$ 5.58	15.8%
15,000	\$ 7.10	\$ 4.40	\$ 71.42	\$ 82.92	\$ 7.10	\$ 10.00	\$ 75.50	\$ 92.60	\$ 3.30	\$ 95.90	\$ 12.98	15.7%
25,000	\$ 7.10	\$ 4.40	\$ 180.92	\$ 192.42	\$ 7.10	\$ 10.00	\$ 184.25	\$ 201.35	\$ 5.50	\$ 206.85	\$ 14.43	7.5%
30,000	\$ 7.10	\$ 4.40	\$ 241.87	\$ 253.37	\$ 7.10	\$ 10.00	\$ 245.50	\$ 262.60	\$ 6.60	\$ 269.20	\$ 15.83	6.2%
60,000	\$ 7.10	\$ 4.40	\$ 607.57	\$ 619.07	\$ 7.10	\$ 10.00	\$ 613.00	\$ 630.10	\$ 13.20	\$ 643.30	\$ 24.23	3.9%

Residential Bill Comparisons - Customer Assistance Program Customers

Monthly Usage Gallons 5/8" Meter	2012 Approved Rates				Projected Water Rates				Revenue Stability Fee	Total Bill With RSF	Variances	
	Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Tiered Fixed Fee	Volumetric	Total Bill w/o RSF			Total Bill \$ Variance	Total Bill % Variance
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ -	0.0%
1,000	\$ -	\$ -	\$ 1.17	\$ 1.17	\$ -	\$ -	\$ 1.25	\$ 1.25	\$ 0.22	\$ 1.47	\$ 0.08	6.8%
2,000	\$ -	\$ -	\$ 2.34	\$ 2.34	\$ -	\$ -	\$ 2.50	\$ 2.50	\$ 0.44	\$ 2.94	\$ 0.16	6.8%
5,000	\$ -	\$ -	\$ 11.58	\$ 11.58	\$ -	\$ -	\$ 10.00	\$ 10.00	\$ 1.10	\$ 11.10	\$ (1.58)	-13.6%
6,000	\$ -	\$ -	\$ 12.58	\$ 12.58	\$ -	\$ -	\$ 12.50	\$ 12.50	\$ 1.32	\$ 13.82	\$ (0.08)	-0.6%
7,727	\$ -	\$ -	\$ 21.72	\$ 21.72	\$ -	\$ -	\$ 20.17	\$ 20.17	\$ 1.70	\$ 21.87	\$ (1.55)	-7.2%
9,000	\$ -	\$ -	\$ 23.90	\$ 23.90	\$ -	\$ -	\$ 27.50	\$ 27.50	\$ 1.98	\$ 29.48	\$ 3.60	15.1%
15,000	\$ -	\$ -	\$ 71.42	\$ 71.42	\$ -	\$ -	\$ 75.50	\$ 75.50	\$ 3.30	\$ 78.80	\$ 4.08	5.7%
25,000	\$ -	\$ -	\$ 180.92	\$ 180.92	\$ -	\$ -	\$ 184.25	\$ 184.25	\$ 5.50	\$ 189.75	\$ 3.33	1.8%
30,000	\$ -	\$ -	\$ 241.87	\$ 241.87	\$ -	\$ -	\$ 245.50	\$ 245.50	\$ 6.60	\$ 252.10	\$ 3.63	1.5%
60,000	\$ -	\$ -	\$ 607.57	\$ 607.57	\$ -	\$ -	\$ 613.00	\$ 613.00	\$ 13.20	\$ 626.20	\$ 5.43	0.9%

Assumptions	Red indicates major change within option.
2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Rev.	
-	New rate blocks based on rate consultant's Karen Keese general recommendations on block design
-	0 - 2,000 gals, 2,001 - 6,000 gals, 6,001 - 11,000 gals, 11,001 - 20,000 gals, 20,001 and over
-	Residential volume rates maintain approximate \$11.00 spread between blocks 1 and 5
-	Residential RSF transformed into NTFF with 5 tiers that are same as the current volume rate blocks
-	Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation
-	\$22.3M revenue from NTFF to meet 20% fixed revenue goal
-	Customer class fixed revenue goals based on cost of service based allocation:
	Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0%
-	Residential NTFF set at block 1 of \$1.50, block 2 at \$2.50, block 3 at \$5.00 and block 4-5 at \$10.00
-	\$46.9 M revenue stability reserve fund goal which is 20% of total revenue and 163 days of O&M, with 5 year goal to reach target
-	Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation
-	Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals
-	Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee

	Fixed & Volume Revenue % by Class	
	% Fixed Revenue	% Volumetric Revenue
Residential	25.3%	74.7%
Multifamily	17.8%	82.2%
Commercial	16.3%	83.7%
Large Volume	11.5%	88.5%
Wholesale	11.0%	89.0%
Total	20.0%	80.0%

Revenue Stability Fee For Reserve Fund		
Rate Per 1,000 Gallons	\$ 0.22	Total Water Revenue: FY12 \$ 234,390,000
		Reserve Fund Goal: % of Total Water Revenue 20.0%
		Reserve Fund Goal (\$) \$ 46,900,000
		Water O&M \$ 105,096,990
		Days of O&M Coverage 163
		Years to Achieve Goal 5

Approved 2012 Water Rates

Minimum Charge - All Retail Classes		
Meter Size	Minimum Charge	
5/8"	\$	7.10
3/4"	\$	10.00
1"	\$	11.80
1 1/2"	\$	17.80
2"	\$	25.80
3"	\$	55.00
4"	\$	95.00
6"	\$	190.00
8"	\$	840.00
10"	\$	890.00
12"	\$	940.00

Revenue Stability Fee All Retail Classes		
Meter Size	Minimum Charge	
5/8"	\$	4.40
3/4"	\$	6.60
1"	\$	9.70
1 1/2"	\$	18.20
2"	\$	27.20
3"	\$	66.00
4"	\$	110.00
6"	\$	220.00
8"	\$	330.00
10"	\$	440.00
12"	\$	506.00

Minimum Charge - Wholesale		
Meter Size	Minimum Charge	
5/8"	\$	8.00
3/4"	\$	9.00
1"	\$	10.00
1 1/2"	\$	15.00
2"	\$	20.00
3"	\$	40.00
4"	\$	60.00
6"	\$	120.00
8"	\$	150.00
10"	\$	200.00
12"	\$	250.00

**Non-Residential Water Rates
Rate per 1,000 Gallons**

Multifamily		
Off-Peak Rates	\$	3.93
Peak Rates	\$	4.32
Commercial		
Off-Peak Rates	\$	4.69
Peak Rates	\$	5.15
Large Volume		
Freescale		
Off-Peak Rates	\$	4.41
Peak Rates	\$	4.86
Hospira		
Off-Peak Rates	\$	4.69
Peak Rates	\$	5.15
Samsung		
Off-Peak Rates	\$	4.56
Peak Rates	\$	5.02
Sematech		
Off-Peak Rates	\$	4.45
Peak Rates	\$	4.90
Spansion		
Off-Peak Rates	\$	4.54
Peak Rates	\$	5.00
University of Texas		
Off-Peak Rates	\$	4.69
Peak Rates	\$	5.15
Peak	July through October	
Off-Peak	November through June	

Wholesale		
Creedmore-Maha WSC	\$	3.42
High Valley WSC	\$	3.56
Lost Creek MUD	\$	4.01
Manor, City of	\$	2.99
Manville WSC	\$	4.74
Marsha WSC	\$	3.58
Morningside Subd.	\$	3.99
Night Hawk WSC	\$	3.52
North Austin MUD #1	\$	3.71
Northtown MUD	\$	3.57
Rivercrest WSC	\$	4.25
Rollingwood, City of	\$	4.13
Shady Hollow MUD	\$	4.14
Sunset Valley, City of	\$	3.57
Village of San Leanna	\$	3.91
Travis Co. WCID #10	\$	3.97
Wells Branch MUD	\$	3.46
Windermere Utility Co.	\$	8.24

Residential Volumetric Water Rates Rate per 1,000 Gallons		
Block 1	0 - 2,000	\$ 1.17
Block 2	2,001 - 9,000	\$ 3.08
Block 3	9,001 - 15,000	\$ 7.92
Block 4	15,001 - 25,000	\$ 10.95
Block 5	25,000 - over	\$ 12.19

Option #27
Residential New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Rate Summary - Residential

Minimum Charge - All Retail Classes	
Meter Size	Minimum Charge
5/8"	\$ 7.10
3/4"	\$ 10.00
1"	\$ 11.80
1 1/2"	\$ 17.80
2"	\$ 25.80
3"	\$ 55.00
4"	\$ 95.00
6"	\$ 190.00
8"	\$ 840.00
10"	\$ 890.00
12"	\$ 940.00

Revenue Stability Fee for Reserve Fund - All Classes	
Rate per 1,000 Gallons	
Rate / 1,000 Gallons	\$ 0.22

Residential Water Rates					
New Tiered Fixed Fee			Volumetric Rates		
Charge for Total Water Use Ending in Tier			Rate per 1,000 Gallons		
Tier 1	0 - 2,000	\$ 1.50	Block 1	0 - 2,000	\$ 1.25
Tier 2	2,001 - 6,000	\$ 2.50	Block 2	2,001 - 6,000	\$ 2.50
Tier 3	6,001 - 11,000	\$ 4.40	Block 3	6,001 - 11,000	\$ 5.00
Tier 4	11,001 - 20,000	\$ 10.00	Block 4	11,001 - 20,000	\$ 9.50
Tier 5	Over 20,000	\$ 10.00	Block 5	Over 20,000	\$ 12.25

Option #27
Residential New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Rate Summary - Non-Residential

Minimum Charge - All Classes	
Meter Size	Minimum Charge
5/8"	\$ 7.10
3/4"	\$ 10.00
1"	\$ 11.80
1 1/2"	\$ 17.80
2"	\$ 25.80
3"	\$ 55.00
4"	\$ 95.00
6"	\$ 190.00
8"	\$ 840.00
10"	\$ 890.00
12"	\$ 940.00

Minimum Charge - All Wholesale Classes	
Meter Size	Minimum Charge
5/8"	\$ 8.00
3/4"	\$ 9.00
1"	\$ 10.00
1 1/2"	\$ 15.00
2"	\$ 20.00
3"	\$ 40.00
4"	\$ 60.00
6"	\$ 120.00
8"	\$ 150.00
10"	\$ 200.00
12"	\$ 250.00

Revenue Stability Fee for Reserve Fund - All Classes	
Rate per 1,000 Gallons	
Rate / 1,000 Gallons	\$ 0.22

Multifamily and Commercial Classes					
Multifamily New Meter Based Fixed Fee Charge by Meter Size			Commercial New Meter Based Fixed Fee Charge by Meter Size		
Meter Size	Minimum Charge		Meter Size	Minimum Charge	
5/8"	\$	8.05	5/8"	\$	7.25
3/4"	\$	12.08	3/4"	\$	10.88
1"	\$	17.71	1"	\$	15.95
1 1/2"	\$	33.81	1 1/2"	\$	30.45
2"	\$	49.91	2"	\$	44.95
3"	\$	120.75	3"	\$	108.75
4"	\$	201.25	4"	\$	181.25
6"	\$	402.50	6"	\$	362.50
8"	\$	603.75	8"	\$	543.75
10"	\$	805.00	10"	\$	725.00
12"	\$	925.75	12"	\$	833.75

Volumetric Rates Rate Per 1,000 Gallons	
Multifamily	
Off-Peak Rates	\$ 3.71
Peak Rates	\$ 4.08
Commercial	
Off-Peak Rates	\$ 4.46
Peak Rates	\$ 4.92
Off-Peak	November through June
Peak	July through October

Large Volume Customers			
New Customer Based Fixed Fee Charge per Month		Volumetric Rates Rate Per 1,000 Gallons	
Meter Size	Minimum Charge		
Freescale	\$ 28,063.41	Freescale	
Hospira	\$ 2,886.48	Off-Peak Rates	\$ 3.91
Samsung	\$ 50,648.23	Peak Rates	\$ 4.30
Sematech	\$ 2,936.70	Hospira	
Spanson	\$ 17,566.71	Off-Peak Rates	\$ 4.28
Univ. of Tx	\$ 7,143.37	Peak Rates	\$ 4.71
		Samsung	
		Off-Peak Rates	\$ 4.03
		Peak Rates	\$ 4.43
		Sematech	
		Off-Peak Rates	\$ 4.06
		Peak Rates	\$ 4.47
Off-Peak	November through June	Spanson	
Peak	July through October	Off-Peak Rates	\$ 4.04
		Peak Rates	\$ 4.44
		University of Texas	
		Off-Peak Rates	\$ 4.46
		Peak Rates	\$ 4.91

Wholesale Customers			
	New Fixed Fee Per Month	Volumetric Rates Rate Per 1,000 Gallons	
Creedmore-Maha WSC	\$ 2,919.27	\$	3.03
High Valley WSC	\$ 213.71	\$	3.17
Lost Creek MUD	\$ 11,434.08	\$	3.53
Manor, City of	\$ -	\$	2.99
Manville WSC	\$ 1,352.28	\$	4.20
Marsha WSC	\$ 343.90	\$	3.19
Morningside Subd.	\$ 8.10	\$	3.85
Night Hawk WSC	\$ 341.96	\$	3.15
North Austin MUD #1	\$ 13,053.17	\$	3.30
Northtown MUD	\$ 9,050.28	\$	3.19
Rivercrest WSC	\$ 3,833.13	\$	3.80
Rollingwood, City of	\$ 5,085.90	\$	3.66
Shady Hollow MUD	\$ 9,222.73	\$	3.65
Sunset Valley, City of	\$ 3,034.64	\$	3.22
Village of San Leanna	\$ 157.70	\$	3.54
Travis Co. WCID #10	\$ 33,434.95	\$	3.50
Wells Branch MUD	\$ 17,308.60	\$	3.06
Windermere Utility Co.	\$ 387.91	\$	7.48

**Option #27
 Residential New Tiered Fixed Fee and
 Fixed Revenue at 20% of Total Revenue**

Option Revenue Summary

FY 2012 Cost of Service Revenue Requirements

	Minimum Charge	Revenue Stability Fee	Total Fixed Revenue	Volumetric Rate Revenue	Total Revenue	% Fixed Revenue	% Volumetric Revenue
Residential	\$ 16.6	\$ 9.7	\$ 26.3	\$ 77.4	\$ 103.7	25.4%	74.6%
Multifamily	3.5	2.2	5.7	37.1	42.8	13.3%	86.7%
Commercial	4.3	3.6	7.9	55.1	63.0	12.5%	87.5%
Large Volume	0.2	0.1	0.3	12.7	13.0	2.3%	97.7%
Wholesale	0.1	-	0.1	11.7	11.8	0.8%	99.2%
Total	\$ 24.7	\$ 15.6	\$ 40.3	\$ 194.0	\$ 234.3	17.2%	82.8%

**Option #27
 Revenue Summary**

	Minimum Charge	New Fixed Fee	Total Fixed Revenue	Volumetric Rate Revenue	Total Revenue	% Fixed Revenue	% Volumetric Revenue
Residential	\$ 16.6	\$ 9.7	\$ 26.3	\$ 77.5	\$ 103.8	25.3%	74.7%
Multifamily	3.5	4.2	7.6	35.2	42.8	17.8%	82.2%
Commercial	4.3	6.0	10.3	52.8	63.1	16.3%	83.7%
Large Volume	0.3	1.2	1.5	11.5	13.0	11.5%	88.5%
Wholesale	0.1	1.2	1.3	10.4	11.7	11.0%	89.0%
Total	\$ 24.7	\$ 22.3	\$ 47.0	\$ 187.4	\$ 234.4	20.0%	80.0%

**New Volumetric Revenue Stability Fee
 For Reserve Fund**

Volumetric Revenue
\$ 3.9
2.0
2.5
0.6
0.7
\$ 9.7

Option #27
Residential New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Bill Comparisons - Residential

Residential Bill Comparisons

Monthly Usage Gallons 5/8" Meter	2012 Approved Rates			
	Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill
0	\$ 7.10	\$ 4.40	\$ -	\$ 11.50
1,000	\$ 7.10	\$ 4.40	\$ 1.17	\$ 12.67
2,000	\$ 7.10	\$ 4.40	\$ 2.34	\$ 13.84
5,000	\$ 7.10	\$ 4.40	\$ 11.58	\$ 23.08
7,727	\$ 7.10	\$ 4.40	\$ 21.72	\$ 33.22
9,000	\$ 7.10	\$ 4.40	\$ 23.90	\$ 35.40
15,000	\$ 7.10	\$ 4.40	\$ 71.42	\$ 82.92
25,000	\$ 7.10	\$ 4.40	\$ 180.92	\$ 192.42
30,000	\$ 7.10	\$ 4.40	\$ 241.87	\$ 253.37
60,000	\$ 7.10	\$ 4.40	\$ 607.57	\$ 619.07

Monthly Usage Gallons 5/8" Meter	Option #27 Projected Water Rates			
	Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill
0	\$ 7.10	\$ 1.50	\$ -	\$ 8.60
1,000	\$ 7.10	\$ 1.50	\$ 1.25	\$ 9.85
2,000	\$ 7.10	\$ 1.50	\$ 2.50	\$ 11.10
5,000	\$ 7.10	\$ 2.50	\$ 10.00	\$ 19.60
7,727	\$ 7.10	\$ 4.08	\$ 20.17	\$ 31.35
9,000	\$ 7.10	\$ 4.40	\$ 27.50	\$ 39.00
15,000	\$ 7.10	\$ 10.00	\$ 75.50	\$ 92.60
25,000	\$ 7.10	\$ 10.00	\$ 184.25	\$ 201.35
30,000	\$ 7.10	\$ 10.00	\$ 245.50	\$ 262.60
60,000	\$ 7.10	\$ 10.00	\$ 613.00	\$ 630.10

Option #27 Variances	
Total Bill \$ Variance	Total Bill % Variance
\$ (2.90)	-25.2%
\$ (2.82)	-22.3%
\$ (2.74)	-19.8%
\$ (3.48)	-15.1%
\$ (1.87)	-5.6%
\$ 3.60	10.2%
\$ 9.68	11.7%
\$ 8.93	4.6%
\$ 9.23	3.6%
\$ 11.03	1.8%

Residential Bill Comparisons CAP Customers

Monthly Usage Gallons 5/8" Meter	2012 Approved Rates			
	Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill
0	\$ -	\$ -	\$ -	\$ -
1,000	\$ -	\$ -	\$ 1.17	\$ 1.17
2,000	\$ -	\$ -	\$ 2.34	\$ 2.34
5,000	\$ -	\$ -	\$ 11.58	\$ 11.58
7,727	\$ -	\$ -	\$ 21.72	\$ 21.72
9,000	\$ -	\$ -	\$ 23.90	\$ 23.90
15,000	\$ -	\$ -	\$ 71.42	\$ 71.42
25,000	\$ -	\$ -	\$ 180.92	\$ 180.92
30,000	\$ -	\$ -	\$ 241.87	\$ 241.87
60,000	\$ -	\$ -	\$ 607.57	\$ 607.57

Monthly Usage Gallons 5/8" Meter	Option #27 Projected Water Rates			
	Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill
0	\$ -	\$ -	\$ -	\$ -
1,000	\$ -	\$ -	\$ 1.25	\$ 1.25
2,000	\$ -	\$ -	\$ 2.50	\$ 2.50
5,000	\$ -	\$ -	\$ 10.00	\$ 10.00
7,727	\$ -	\$ -	\$ 20.17	\$ 20.17
9,000	\$ -	\$ -	\$ 27.50	\$ 27.50
15,000	\$ -	\$ -	\$ 75.50	\$ 75.50
25,000	\$ -	\$ -	\$ 184.25	\$ 184.25
30,000	\$ -	\$ -	\$ 245.50	\$ 245.50
60,000	\$ -	\$ -	\$ 613.00	\$ 613.00

Option #27 Variances	
Total Bill \$ Variance	Total Bill % Variance
\$ -	0.0%
\$ 0.08	6.8%
\$ 0.16	6.8%
\$ (1.58)	-13.6%
\$ (1.55)	-7.1%
\$ 3.60	15.1%
\$ 4.08	5.7%
\$ 3.33	1.8%
\$ 3.63	1.5%
\$ 5.43	0.9%

Option #27
Residential New Tiered Fixed Fee and
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Cost of Service Breakeven Bill Analysis - Residential

Volume Gallons	Option #27 Projected Rates										Residential Average Cost of Service Block Rates									
	Minimum Charge 5/8" Meter	Revenue Stability Fee	New Tiered Fixed Fee	Block 1 0 - 2 \$1.25	Block 2 2 - 6 \$2.50	Block 3 6 -11 \$5.00	Block 4 11 - 20 \$9.50	Block 5 20 + \$12.25	Total Bill	Minimum Charge 5/8" Meter	Revenue Stability Fee	New Tiered Fixed Fee	Block 1 0 - 2 \$4.36	Block 2 2 - 6 \$4.36	Block 3 6 -11 \$4.36	Block 4 11 - 20 \$4.36	Block 5 20 + \$4.36	Total Bill		
0	\$ 7.10	\$ -	\$ 1.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.60	\$ 7.10	\$ -	\$ 1.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.60		
1,000	\$ 7.10	\$ -	\$ 1.50	\$ 1.25	\$ -	\$ -	\$ -	\$ -	\$ 9.85	\$ 7.10	\$ -	\$ 1.50	\$ 4.36	\$ -	\$ -	\$ -	\$ -	\$ 12.96		
2,000	\$ 7.10	\$ -	\$ 1.50	\$ 2.50	\$ -	\$ -	\$ -	\$ -	\$ 11.10	\$ 7.10	\$ -	\$ 1.50	\$ 8.72	\$ -	\$ -	\$ -	\$ -	\$ 17.32		
3,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 2.50	\$ -	\$ -	\$ -	\$ 14.60	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 4.36	\$ -	\$ -	\$ -	\$ 22.68		
4,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 5.00	\$ -	\$ -	\$ -	\$ 17.10	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 8.72	\$ -	\$ -	\$ -	\$ 27.04		
5,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 7.50	\$ -	\$ -	\$ -	\$ 19.60	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 13.08	\$ -	\$ -	\$ -	\$ 31.40		
6,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 10.00	\$ -	\$ -	\$ -	\$ 22.10	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 17.44	\$ -	\$ -	\$ -	\$ 35.76		
7,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 10.00	\$ 5.00	\$ -	\$ -	\$ 27.10	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 17.44	\$ 4.36	\$ -	\$ -	\$ 40.12		
8,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 10.00	\$ 10.00	\$ -	\$ -	\$ 32.10	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 17.44	\$ 8.72	\$ -	\$ -	\$ 44.48		
9,000	\$ 7.10	\$ -	\$ 2.50	\$ 2.50	\$ 10.00	\$ 15.00	\$ -	\$ -	\$ 37.10	\$ 7.10	\$ -	\$ 2.50	\$ 8.72	\$ 17.44	\$ 13.08	\$ -	\$ -	\$ 48.84		
10,000	\$ 7.10	\$ -	\$ 4.40	\$ 2.50	\$ 10.00	\$ 20.00	\$ -	\$ -	\$ 44.00	\$ 7.10	\$ -	\$ 4.40	\$ 8.72	\$ 17.44	\$ 17.44	\$ -	\$ -	\$ 55.10		
11,000	\$ 7.10	\$ -	\$ 4.40	\$ 2.50	\$ 10.00	\$ 25.00	\$ -	\$ -	\$ 49.00	\$ 7.10	\$ -	\$ 4.40	\$ 8.72	\$ 17.44	\$ 21.80	\$ -	\$ -	\$ 59.46		
12,000	\$ 7.10	\$ -	\$ 4.40	\$ 2.50	\$ 10.00	\$ 25.00	\$ 9.50	\$ -	\$ 58.50	\$ 7.10	\$ -	\$ 4.40	\$ 8.72	\$ 17.44	\$ 21.80	\$ 4.36	\$ -	\$ 63.82		
13,000	\$ 7.10	\$ -	\$ 4.40	\$ 2.50	\$ 10.00	\$ 25.00	\$ 19.00	\$ -	\$ 68.00	\$ 7.10	\$ -	\$ 4.40	\$ 8.72	\$ 17.44	\$ 21.80	\$ 8.72	\$ -	\$ 68.18		
14,000	\$ 7.10	\$ -	\$ 4.40	\$ 2.50	\$ 10.00	\$ 25.00	\$ 28.50	\$ -	\$ 77.50	\$ 7.10	\$ -	\$ 4.40	\$ 8.72	\$ 17.44	\$ 21.80	\$ 13.08	\$ -	\$ 72.54		
15,000	\$ 7.10	\$ -	\$ 4.40	\$ 2.50	\$ 10.00	\$ 25.00	\$ 38.00	\$ -	\$ 87.00	\$ 7.10	\$ -	\$ 4.40	\$ 8.72	\$ 17.44	\$ 21.80	\$ 17.44	\$ -	\$ 76.90		

Option #27
Residential New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Bill Comparisons - Multifamily & Commercial

Non - Residential Bill Comparisons

Multifamily Customers

Meter Size	Monthly Usage Gallons	2012 Approved Rates				Option #27 Projected Water Rates				Option #27 Variances	
		Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Fixed Fee	Volumetric	Total Bill	Total Bill \$ Variance	Total Bill % Variance
5/8"	30,000	\$ 7.10	\$ 4.40	\$ 121.80	\$ 133.30	\$ 7.10	\$ 8.05	\$ 115.01	\$ 130.16	\$ (3.14)	-2.4%
1 1/2"	50,000	\$ 17.80	\$ 18.20	\$ 203.00	\$ 239.00	\$ 17.80	\$ 33.81	\$ 191.68	\$ 243.29	\$ 4.29	1.8%
3"	100,000	\$ 55.00	\$ 66.00	\$ 406.00	\$ 527.00	\$ 55.00	\$ 120.75	\$ 383.37	\$ 559.12	\$ 32.12	6.1%
6"	400,000	\$ 190.00	\$ 220.00	\$ 1,624.00	\$ 2,034.00	\$ 190.00	\$ 402.50	\$ 1,533.47	\$ 2,125.97	\$ 91.97	4.5%
10"	800,000	\$ 890.00	\$ 440.00	\$ 3,248.00	\$ 4,578.00	\$ 890.00	\$ 805.00	\$ 3,066.93	\$ 4,761.93	\$ 183.93	4.0%

Commercial Customers

Meter Size	Monthly Usage Gallons	2012 Approved Rates				Option #27 Projected Water Rates				Option #27 Variances	
		Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Fixed Fee	Volumetric	Total Bill	Total Bill \$ Variance	Total Bill % Variance
5/8"	30,000	\$ 7.10	\$ 4.40	\$ 145.30	\$ 156.80	\$ 7.10	\$ 7.25	\$ 138.40	\$ 152.75	\$ (4.05)	-2.6%
1 1/2"	70,000	\$ 17.80	\$ 18.20	\$ 339.03	\$ 375.03	\$ 17.80	\$ 30.45	\$ 322.93	\$ 371.18	\$ (3.85)	-1.0%
3"	150,000	\$ 55.00	\$ 66.00	\$ 726.50	\$ 847.50	\$ 55.00	\$ 108.75	\$ 692.00	\$ 855.75	\$ 8.25	1.0%
6"	400,000	\$ 190.00	\$ 220.00	\$ 1,937.33	\$ 2,347.33	\$ 190.00	\$ 362.50	\$ 1,845.33	\$ 2,397.83	\$ 50.50	2.2%
10"	750,000	\$ 890.00	\$ 440.00	\$ 3,632.50	\$ 4,962.50	\$ 890.00	\$ 725.00	\$ 3,460.00	\$ 5,075.00	\$ 112.50	2.3%

Churches (Actual Customers)

Meter Size	Annualized Monthly Usage Gallons	2012 Approved Rates				Option #27 Projected Water Rates				Option #27 Variances	
		Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Fixed Fee	Volumetric	Total Bill	Total Bill \$ Variance	Total Bill % Variance
5/8"	2,158	\$ 7.10	\$ 4.40	\$ 167.10	\$ 178.60	\$ 7.10	\$ 7.25	\$ 158.94	\$ 173.29	\$ (5.31)	-3.0%
3/4" and 1"	4,467	\$ 21.80	\$ 16.30	\$ 338.73	\$ 376.83	\$ 21.80	\$ 26.83	\$ 322.19	\$ 370.82	\$ (6.02)	-1.6%
2 x 1 1/2"	77,417	\$ 35.60	\$ 36.40	\$ 6,884.42	\$ 6,956.42	\$ 35.60	\$ 60.90	\$ 6,547.61	\$ 6,644.11	\$ (312.31)	-4.5%
5/8" and 1 1/2"	16,192	\$ 24.90	\$ 22.60	\$ 1,234.11	\$ 1,281.61	\$ 24.90	\$ 37.70	\$ 1,173.85	\$ 1,236.45	\$ (45.16)	-3.5%
4 x 2" and 1 1/2"	584,700	\$ 121.00	\$ 127.00	\$ 46,461.13	\$ 46,709.13	\$ 121.00	\$ 210.25	\$ 44,191.19	\$ 44,522.44	\$ (2,186.69)	-4.7%
2" and 3"	819,650	\$ 80.80	\$ 93.20	\$ 62,782.08	\$ 62,956.08	\$ 80.80	\$ 153.70	\$ 59,716.22	\$ 59,950.72	\$ (3,005.36)	-4.8%

Schools (Actual Customers)

Meter Size	Annualized Monthly Usage Gallons	2012 Approved Rates				Option #27 Projected Water Rates				Option #27 Variances	
		Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Fixed Fee	Volumetric	Total Bill	Total Bill \$ Variance	Total Bill % Variance
2"	79,408	\$ 25.80	\$ 27.20	\$ 5,816.29	\$ 5,869.29	\$ 25.80	\$ 44.95	\$ 5,816.29	\$ 5,887.04	\$ 17.75	0.3%
1 1/2" and 3"	110,733	\$ 72.80	\$ 84.20	\$ 8,070.37	\$ 8,227.37	\$ 72.80	\$ 139.20	\$ 8,070.37	\$ 8,282.37	\$ 55.00	0.7%
4"	177,383	\$ 95.00	\$ 110.00	\$ 13,529.85	\$ 13,734.85	\$ 95.00	\$ 181.25	\$ 13,529.85	\$ 13,806.10	\$ 71.25	0.5%
1" and 3"	208,792	\$ 66.80	\$ 75.70	\$ 16,355.75	\$ 16,498.25	\$ 66.80	\$ 124.70	\$ 16,355.75	\$ 16,547.25	\$ 49.00	0.3%
2 x 2" and 6"	1,345,375	\$ 241.60	\$ 274.40	\$ 105,007.67	\$ 105,523.67	\$ 241.60	\$ 452.40	\$ 105,007.67	\$ 105,701.67	\$ 178.00	0.2%
6"	1,660,750	\$ 190.00	\$ 220.00	\$ 130,154.16	\$ 130,564.16	\$ 190.00	\$ 108.75	\$ 130,154.16	\$ 130,317.91	\$ (246.25)	-0.2%

Option #27
Residential New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Bill Comparisons - Large Volume & Wholesale

Non - Residential Bill Comparisons

Large Volume Customers

Customer	Monthly Usage Gallons (1,000s)	2012 Approved Rates				Option #27 Projected Water Rates				Option #27 Variances	
		Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Fixed Fee	Volumetric	Total Bill	Total Bill \$ Variance	Total Bill % Variance
Freescal	54,000	\$ 2,719.83	\$ -	\$ 246,240.00	\$ 248,959.83	\$ 2,719.83	\$ 28,063.41	\$ 218,178.00	\$ 248,961.25	\$ 1.41	0.0%
Hospira	6,803	\$ 1,290.00	\$ -	\$ 32,950.21	\$ 34,240.21	\$ 1,290.00	\$ 2,886.48	\$ 30,088.32	\$ 34,264.80	\$ 24.60	0.1%
Samsung	93,000	\$ 3,870.00	\$ -	\$ 438,340.00	\$ 442,210.00	\$ 3,870.00	\$ 50,648.23	\$ 387,283.00	\$ 441,801.23	\$ (408.77)	-0.1%
Sematech	7,222	\$ 1,290.00	\$ -	\$ 33,219.25	\$ 34,509.25	\$ 1,290.00	\$ 2,936.70	\$ 30,296.91	\$ 34,523.62	\$ 14.37	0.0%
Spanion	34,059	\$ 2,429.17	\$ -	\$ 159,851.26	\$ 162,280.42	\$ 2,429.17	\$ 17,566.71	\$ 142,185.88	\$ 162,181.75	\$ (98.67)	-0.1%
University of Texas	31,486	\$ 12,949.27	\$ -	\$ 152,499.17	\$ 165,448.44	\$ 12,949.27	\$ 7,143.37	\$ 145,110.36	\$ 165,203.00	\$ (245.44)	-0.1%

Wholesale Customers

Customer	Monthly Usage Gallons (1,000s)	2012 Approved Rates				Option #27 Projected Water Rates				Option #27 Variances	
		Minimum Charge	Revenue Stability Fee	Volumetric	Total Bill	Minimum Charge	New Fixed Fee	Volumetric	Total Bill	Total Bill \$ Variance	Total Bill % Variance
Creedmore-Maha WSC	7,397	\$ 97.58	\$ -	\$ 25,296.94	\$ 25,394.53	\$ 97.58	\$ 2,919.27	\$ 22,412.20	\$ 25,429.06	\$ 34.53	0.1%
High Valley WSC	548	\$ 19.50	\$ -	\$ 1,949.25	\$ 1,968.75	\$ 19.50	\$ 213.71	\$ 1,735.71	\$ 1,968.92	\$ 0.17	0.0%
Lost Creek MUD	24,541	\$ 196.67	\$ -	\$ 98,407.57	\$ 98,604.24	\$ 196.67	\$ 11,434.08	\$ 86,628.11	\$ 98,258.86	\$ (345.38)	-0.4%
Manor, City of	10	\$ 39.00	\$ -	\$ 29.90	\$ 68.90	\$ 39.00	\$ -	\$ 29.90	\$ 68.90	\$ -	0.0%
Manville WSC	2,500	\$ 58.58	\$ -	\$ 11,850.00	\$ 11,908.58	\$ 58.58	\$ 1,352.28	\$ 10,500.00	\$ 11,910.86	\$ 2.28	0.0%
Marsha WSC	847	\$ 19.50	\$ -	\$ 3,030.92	\$ 3,050.42	\$ 19.50	\$ 343.90	\$ 2,700.73	\$ 3,064.13	\$ 13.72	0.4%
Morningside Subd.	55	\$ 19.50	\$ -	\$ 217.79	\$ 237.29	\$ 19.50	\$ 8.10	\$ 210.15	\$ 237.74	\$ 0.45	0.2%
Night Hawk WSC	901	\$ 39.00	\$ -	\$ 3,172.52	\$ 3,211.52	\$ 39.00	\$ 341.96	\$ 2,839.04	\$ 3,220.00	\$ 8.48	0.3%
North Austin MUD #1	32,233	\$ 1,296.75	\$ -	\$ 119,585.17	\$ 120,881.92	\$ 1,296.75	\$ 13,053.17	\$ 106,369.56	\$ 120,719.48	\$ (162.44)	-0.1%
Northtown MUD	23,485	\$ 1,032.50	\$ -	\$ 83,842.40	\$ 84,874.90	\$ 1,032.50	\$ 9,050.28	\$ 74,918.00	\$ 85,000.78	\$ 125.88	0.1%
Rivercrest WSC	8,373	\$ 412.83	\$ -	\$ 35,585.11	\$ 35,997.94	\$ 412.83	\$ 3,833.13	\$ 31,817.27	\$ 36,063.23	\$ 65.29	0.2%
Rollingwood, City of	11,053	\$ 350.25	\$ -	\$ 45,650.85	\$ 46,001.10	\$ 350.25	\$ 5,085.90	\$ 40,455.72	\$ 45,891.87	\$ (109.24)	-0.2%
Shady Hollow MUD	19,255	\$ 233.50	\$ -	\$ 79,713.94	\$ 79,947.44	\$ 233.50	\$ 9,222.73	\$ 70,279.20	\$ 79,735.43	\$ (212.01)	-0.3%
Sunset Valley, City of	8,855	\$ 827.63	\$ -	\$ 31,612.80	\$ 32,440.42	\$ 827.63	\$ 3,034.64	\$ 28,513.50	\$ 32,375.77	\$ (64.65)	-0.2%
Village of San Leanna	417	\$ 39.00	\$ -	\$ 1,629.17	\$ 1,668.17	\$ 39.00	\$ 157.70	\$ 1,475.00	\$ 1,671.70	\$ 3.53	0.2%
Travis Co. WCID #10	72,209	\$ 557.58	\$ -	\$ 286,668.21	\$ 287,225.79	\$ 557.58	\$ 33,434.95	\$ 252,730.16	\$ 286,722.69	\$ (503.10)	-0.2%
Wells Branch MUD	43,757	\$ 731.33	\$ -	\$ 151,400.83	\$ 152,132.17	\$ 731.33	\$ 17,308.60	\$ 133,897.85	\$ 151,937.78	\$ (194.39)	-0.1%
Windermere Utility Co.	500	\$ 116.75	\$ -	\$ 4,120.00	\$ 4,236.75	\$ 116.75	\$ 387.91	\$ 3,740.00	\$ 4,244.66	\$ 7.91	0.2%

**Option #27
 Residential New Tiered Fixed Fee and
 Fixed Revenue at 20% of Total Revenue**

Volatility Comparison

2012 Approved Rates & Revenue Requirements

	Minimum Charge	Revenue Stability Fee	Total Fixed Revenue	Volumetric Rate Revenue	Total Revenue
Residential	\$ 16.6	\$ 9.7	\$ 26.3	\$ 77.4	\$ 103.7
Multifamily	3.5	2.2	5.7	37.1	42.8
Commercial	4.3	3.6	7.9	55.1	63.0
Large Volume	0.2	0.1	0.3	12.7	13.0
Wholesale	0.1	-	0.1	11.7	11.8
Total	\$ 24.7	\$ 15.6	\$ 40.3	\$ 194.0	\$ 234.3

**2012 Approved Rates
 Possible Revenue Losses Based on 2010 Consumption Reductions**

	Minimum Charge	Revenue Stability Fee	Total Fixed Revenue	Volumetric Rate Revenue	Total Revenue
Residential	\$ 16.6	\$ 9.7	\$ 26.3	\$ 57.7	\$ 84.0
Multifamily	3.5	2.2	5.7	35.5	41.2
Commercial	4.3	3.6	7.9	41.5	49.4
Large Volume	0.2	0.1	0.3	10.5	10.8
Wholesale	0.1	-	0.1	10.6	10.7
Total	\$ 24.7	\$ 15.6	\$ 40.3	\$ 155.8	\$ 196.1

Potential Revenue Losses Based On 2010 Consumption Reductions \$ (38.2)

**Option #27
 Rates & Revenue Requirements**

	Minimum Charge	New Fixed Fee	Total Fixed Revenue	Volumetric Rate Revenue	Total Revenue
Residential	\$ 16.6	\$ 9.7	\$ 26.3	\$ 77.5	\$ 103.8
Multifamily	3.5	4.2	7.6	35.2	42.8
Commercial	4.3	6.0	10.3	52.8	63.1
Large Volume	0.3	1.2	1.5	11.5	13.0
Wholesale	0.1	1.2	1.3	10.4	11.7
Total	\$ 24.7	\$ 22.3	\$ 47.0	\$ 187.4	\$ 234.4

**Option #27
 Projected Rates - Possible Revenue Losses
 Possible Revenue Losses Based on 2010 Consumption Losses**

	Minimum Charge	New Fixed Fee	Total Fixed Revenue	Volumetric Rate Revenue	Total Revenue
Residential	\$ 16.6	\$ 10.6	\$ 27.2	\$ 59.0	\$ 86.2
Multifamily	3.5	4.2	7.6	33.7	41.4
Commercial	4.3	6.0	10.3	39.8	50.1
Large Volume	0.3	1.2	1.5	9.5	11.0
Wholesale	0.1	1.2	1.3	9.4	10.7
Total	\$ 24.7	\$ 23.2	\$ 47.9	\$ 151.5	\$ 199.3

Potential Revenue Losses Based On 2010 Consumption Losses \$ (35.1)

Change in Potential Revenue Losses Compared to Approved 2012 Rates \$ 3.1

Positive equals less volatility and lower potential revenue losses
 Negative equals more volatility and higher potential revenue losses

2010 Projected Consumption & Actual Losses (1000 Gallons)

	Projected Consumption	Actual Consumption	Lost Consumption	% Lost Consumption
Residential	18,642,980	15,290,504	3,352,476	18.0%
Multifamily	9,115,285	8,727,335	387,951	4.3%
Commercial	13,284,235	10,020,054	3,264,181	24.6%
Large Volume	2,966,368	2,475,124	491,244	16.6%
Wholesale	3,085,948	2,749,027	336,921	10.9%
Total	47,094,816	39,262,043	7,832,773	16.6%