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IDAHO PUBLIC
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Representative for **Falls Water Co., Inc.**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF	)	
FALLS WATER COMPANY	)	
FOR AN ORDER AUTHORIZING INCREASES IN	)	**CASE NO. FLS-W-20-03**
THE COMPANY'S RATES AND CHARGES FOR	)	
WATER SERVICE IN THE STATE OF IDAHO	)	**APPLICATION**

COMES NOW Falls Water Co., Inc., ("Falls Water", "Applicant" or "Company") and hereby makes application to the Idaho Public Utilities Commission, ("Commission") for an Order approving revisions to Applicant's schedules of rates and charges for water service in the State of Idaho to become effective with service provided on and after August 15, 2020. Applicant is requesting the Commission's authorization to: 1) Change the water rates it charges its customers to produce an increase in the Company's revenues by $344,175, which represents an increase in the Company's revenues of 19.12%. The Company is proposing to increase its metered rates as follows:

Meter Size	Current Rate	Proposed Rate	% Change
¾" or smaller	$17.75 for up to 12,000 gallons	$18.75 for up to 12,000 gallons	5.63% Increase
1"	$25.00 for up to 17,000 gallons	$26.41 for up to 17,000 gallons	5.63% Increase
1 ½"	$32.25 for up to 22,000 gallons	$34.07 for up to 22,000 gallons	5.63% Increase
2"	$41.00 for up to 28,000 gallons	$43.31 for up to 28,000 gallons	5.63% Increase
4"	$73.25 for up to 49,000 gallons	$77.38 for up to 49,000 gallons	5.63% Increase
Commodity Rate per 1,000 gallons	$0.689	$0.957	38.89% Increase

The Company last increased its basic rates and charges pursuant to Commission Order No. 32663 (Case No. FLS-W-12-1) dated October 12, 2012.

Applicant is requesting this Application be processed under the Commission's Rules of Modified Procedure. Applicant further requests an Order of the Commission authorizing the new rates be effective for all water delivered after the first meter reading on and after August 15, 2020.

GENERAL

Applicant is a wholly owned subsidiary of NW Natural Water Company, LLC ("NW Natural Water"), which acquired Applicant in September 2018.[1] Applicant is a public utility water corporation within the meaning of the Idaho Public Utility Law, is duly organized and existing under the laws of the State of Idaho and is engaged in conducting a general water utility business in an area generally north of the City of Ammon and northeast of the City of Idaho Falls in Bonneville County, Idaho, having its principal office and place of business at 2180 North Deborah Drive, Idaho Falls, Idaho. A copy of Applicant's Articles of Incorporation together with all amendments to date is on file with the Commission. Applicant's current Certificate of Convenience and Necessity is Certificate No. 236. As of December 31, 2019, the Company provided water service to 5,545 residential and commercial customers.

Applicant recognizes that these are trying times for our customers due to the COVID-19 pandemic, but these increases are needed for us to be able to continue providing safe, reliable and adequate service. It also recognizes that it has been eight years since the company has requested a rate increase.

GENERAL RATE INCREASE REQUEST

Enclosed, with this Application, are Exhibits Number 1 through Exhibit Number 9 in support of the increase in water revenue requested. Applicant is proposing the year 2019 as the test year in this case adjusted to normalize and proform the test year for known and measurable changes that have or will occur in the near future.

RATE BASE

Exhibit No. 1 presents the Company's calculation of rate base. Column (A) of this exhibit presents the balances of accounts on the books of the Company at December 31, 2019. Columns (B) through (K) are the adjustments to the year-end account balances to include assets to be put into service during 2020. Column (L) line 30 presents Applicant's proforma rate base of $5,015,849.

Column (B) is project A-2 – "Crowley Road from 1st Street to John Adams Parkway (8" Extension)" from the "Drinking Water Capital Facilities Plan". The project connects dead end water mains on John Adams Parkway and Cochise Drive to an arterial

[1] *See* Case No. FLS-W-18-01, Order No. 34103 (dated July 10, 2018).

water main at the intersection of First Street and Crowley Road (45th East). The benefits to customers are improved water quality by removing dead-end lines, improved water flow and pressures in fire event scenarios, and greater redundancy and flexibility in minimizing customer outages during maintenance and repairs to the main lines.[2] The project was put out to bid and awarded. The project should be completed by mid-July 2020. The total project cost is $178,000.

Column (C) is the replacement of a 10" water main. Bonneville County is widening the roadway and the replacement of this section of water main would have been much costlier if it were performed after the County completed its project. The project replaces existing water main that showed signs of improper installation, discovered while making a repair to sections of the line during the winter. The project was put out to bid and awarded. The project should be completed mid-June 2020. The total project cost $125,000.

Column (D) is project A-7 – "25th East and Iona Road Waterline Extension" from the "Drinking Water Capital Facilities Plan". The project creates an increased reliability of water service to customers by providing redundancy if ever the need arises to take a line out of service to perform maintenance. It also provides a needed loop for a more direct flow of water to customers in the northern part of the water system, which improves fire flows, pressures, and water quality by removing a dead end on Hitt Road and Iona Road. The project should be complete mid-June 2020. The total project cost is $975,000. This project was the least cost solution to the problem, as addressed in the water system's master plan.

Column (E) is a project to map and inventory the water system fire hydrants, main line street valves, water meter barrels, and main line joints to provide a more accurate way to locate these assets via GPS coordinates. Coupled with the asset database, maintenance data on the assets will be tracked with more accuracy than in the past. The total project cost is $22,000.

Column (F) is repairs to the interior walls, painting of walls and interior water lines, and other work to improve the interiors of well houses 1, 5, and 8. The repairs to the walls and new paint provide protection for the interior of the buildings.[3] The total project cost is $9,900.

Column (G) is the cost to complete the installation of SCADA at Well #10. The SCADA was not completed at the time the well was put on line. The well is now operable remotely as are the other wells in the system. The total project cost is $1,380.

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[2] The alternative to the project would have been to leave the dead-end lines in place. This alternative was not desirable due to decreased water quality to customers at the end of the lines.

[3] The alternative to the project would have been to do nothing and allow the well house interiors to remain in a state of disrepair.

Column (H) is the cost to rebuild a chlorinator for Well #9. The old chlorinator was not operating properly. Rebuilding the chlorinator was a less costly option than buying a replacement chlorinator at a cost of $15,000. The total project cost is $1,963.

Column (I) is the cost to replace a flow to waste butterfly valve at Well #1. The total project cost is $1,381.

Column (J) is the cost of a 10" miter saw, air compressor, and three nail guns used to make repairs in well houses 1, 5, and 8. The total cost is $353.

Column (K) is the annual depreciation for the rate base projects listed in Columns (B) to (J). This amount is added to the Accumulated Depreciation shown in Column (A) Line 18. The total Accumulated Depreciation is subtracted from the Total Plant in Service. The Net Plant in Service total is $6,762,367 shown in Column (L) on Line 19.

Line 26 is the Net Contributions in Aid of Construction that is subtracted from the Net Plant in Service on Line 19, which results in a Net Plant in Service of $4,850,577 in Column (L) on Line 28.

Line 29 is an allowance for working capital equal to 1/8th of operating expenses shown on Exhibit No. 2.

The total Rate Base for this case of $5,015,849 is shown in Column (L) on Line 30.

RESULTS OF OPERATIONS

Exhibit No. 2 presents the Company's Results of Operations adjusted for known and measurable changes. Column (A) of the exhibit presents the actual recorded results on the Company's books for the year 2019. These actual results are adjusted in Columns (B) through (E) to develop the adjusted results shown in Column (F) that is used to determine the Company's revenue requirement on Exhibit No. 4.

Column (B) of Exhibit No. 2 adjusts the Company's revenues and expenses to recognize the elimination of an $2,554 net loss on the sale of assets or loss on damaged metering equipment, the removal of $293 for interest income, the removal of $9,842 for nonrecurring Non-Utility Income, the removal of $5,408 for nonrecurring Non-Utility Expenses, the removal of $3,680 for nonrecurring Tax Deductible Donations, and the removal of nonrecurring Interest Expense. These adjustments increase the Company's test year income by $28,173.

Column (C) of this exhibit adjusts the Company's labor costs for wage and salary levels which took effect on December 20, 2019. During 2019, the Company lost two (2) of its employees to other companies in the area due to low wages. To provide quality customer service, the Company needs to have quality employees. To retain quality

employees, the wages and benefits for the employee must at least meet the wages and benefits of our peers. This adjustment decreases the Company's test year income by $92,251.

Column (D) of Exhibit No. 2 recognizes the net increases and decreases in various operating expenditures, as follows:

Electrical Power was an average of power usage over a three-year period, 2017 – 2019. The prior year usages were adjusted to 2019 power rates and each year used the average customers for the year to determine the average per customer power rates. The projected 2020 power costs were calculated by multiplying the three-year average annual KWH cost per customer and the three-year average demand cost per customer by the number of customers as of December 31, 2019. The result was an increase in power costs of $3,830.

Chemical costs were calculated using the water production numbers at the wells that have chlorination equipment and calculating the amount of granular chlorine needed to have a system chlorine level of 0.2 ppm. The increase is in part due to the fact that the Company had an amount of granular chlorine on hand at the beginning of 2019 and did not need to purchase as much chlorine during the test year. The result of the calculation is an increase to chemical costs of $2,078.

Postage costs were calculated taking the average cost per mail piece when sending customer billings and multiplying by the number of customers on record as of December 31, 2019. Additional postage for shipping coliform samples to the laboratory, costs for mail returned, and various mailings for collections, new customer information, and Consumer Confidence Reports, are included in the postage calculation. The result is a decrease in postage costs of ($931).

Phone costs were calculated using the costs historically included in the phone expense. The office landline provider is Sparklight, and the cell phone provider is Verizon Wireless. Employees are reimbursed for business use of personal cell phones if not on the Company cell plan. Digline messages are booked to our phone expense. Ansafone is the Company's answering service. The calculated costs are adjusted for cell phone reimbursement to a new employee hired in November 2019. The result is a decrease in phone costs of ($261).

Bank service charges associated with the payment option of credit/debit cards increased in the last half of 2019. The result as shown in the calculation results in an increase of bank service charges of $313.

Testing costs were calculated on a nine-year period and averaged. The result is a decrease to testing costs of ($5,303).

Trash costs were reduced in the latter part of 2019. One trash dumpster was removed which resulted in a lowering of costs. The calculation for trash costs is for one dumpster at a monthly cost of $80.30. The result is a decrease in trash costs of ($515).

Data processing costs were calculated for the support maintenance agreements and website hosting costs. The result in a decrease of ($190).

The property rental cost of $2,200 is the 2020 annual rent of the well site rented from Lincoln Land Company. The difference between 2019 property rental costs results in an increase of $850. $800 of that amount is due to an adjustment in 2019 for an over payment in 2018 for building rent.

Rental of equipment costs are adjusted due to the Company purchasing its own dump truck and no longer renting a dump truck belonging to the prior owner, Brent Johnson. The removal of the dump truck rental from the 2019 rental of equipment costs result in a decrease of ($3,432).

The adjustments to accounts 645 Lease Rent Exp - Interest and 646 - Lease Rent Exp – Depreciation are offsetting: the annual interest for the rent decreases each year but the depreciation of the lease increases each year by the same amount. The resulting net effect of the two adjustments is zero.

The insurance adjustment is the result of a thorough review of the Company's assets that were being insured. The review showed that assets were omitted in prior insurance renewals and newly added items (i.e., a dump truck, a pickup truck, vacuum trailer, and equipment hauling trailer) increased the insurable asset list. The increase of $26,372 also includes the Worker Compensation Insurance for the Company. Note that the worker compensation insurance is adjusted to zero to reflect that it is already accounted for in the increase to insurance expense. The total increase is a combination of worker compensation insurance and auto, general liability, and umbrella liability insurances.

The IDWH Fee costs are paid to DEQ. They are based on the number of connections multiplied by $3.00. The number of connections as of December 31, 2019 was 5,545. The total fee for 2020 will be $16,635. The result is an increase of $749.

Since the acquisition of the Company by NW Natural Water, the corporate departments have performed services for the Applicant. The services include accounting, executive, corporate communications, human resources/payroll, information services, legal, rates/regulation, risk/land, tax, treasury, business development, administrative charges, and other miscellaneous services. Using the Massachusetts method to allocate these shared costs among the water companies owned by NW Natural Water, the amount of shared costs for Falls Water is $79,225. This is an increase in expenses for the Company.

The overall Column (D) adjustment decreases the Company's test year income by $102,785.

Column (E) of Exhibit No. 2 adjusts the Company's depreciation expense and property tax expense. This adjustment decreases the Company's income by $76,932.

Column (F) of Exhibit No. 2 presents the Company's proforma results of operations for use in this case. The proforma results reflect a net income of $116,376.

COST OF CAPITAL

Exhibit No. 3 presents the Company's capital structure and calculation of the weighted cost of capital as of December 31, 2019. The requested return on equity is 10.50%, the same percentage currently authorized by the Commission. Based on balances as of December 31, 2019, Falls Water's actual capital structure was 84.6% equity/ 15.4% debt; as such, the Company decided to calculate its revenue requirement based on a more balanced hypothetical capital structure of 55% equity/45% debt. The overall weighted cost of capital for Falls Water is 7.24%.

REVENUE REQUIREMENT

Exhibit No. 4 presents the calculation of the revenue requirement for Falls Water. Lines 1 through 5 of this exhibit develop the net operating deficiency of $246,646 shown on line 5 utilizing the rate base, rate of return and operating results from Exhibits Nos. 1, 2 and 3. Lines 10 through 12 calculate the revenue increase necessary to overcome the income deficiency. The incremental revenue requirement is $344,175. This represents an increase in the Company's revenues of 19.12%. Without this incremental revenue requirement, the Company's earned return on equity would be 1.2%.

RATE DESIGN

Exhibit 5 presents the Applicant's proposal to develop new rates. The proposed rates are shown in the table below:

Meter Size	Current Rate	Proposed Rate
¾" or smaller	$17.75 for up to 12,000 gallons	$18.75 for up to 12,000 gallons
1"	$25.00 for up to 17,000 gallons	$26.41 for up to 17,000 gallons
1 ½"	$32.25 for up to 22,000 gallons	$34.07 for up to 22,000 gallons
2"	$41.00 for up to 28,000 gallons	$43.31 for up to 28,000 gallons
4"	$73.25 for up to 49,000 gallons	$77.38 for up to 49,000 gallons
Commodity Rate per 1,000 gallons	$0.689	$0.957

The table below shows the average billing increase by rate class.

Rate Class	Current Rate Average Bill	Proposed Rate Average Bill	Percentage Increase	Percentage of Total Customers
Residential 5/8" & ¾" Meters	$25.45	$29.96	17.7%	76.51%
Residential 1" Meters	$27.86	$34.49	23.8%	19.99%
Residential 1 ½" Meters	$52.40	$59.98	14.5%	0.16%
Residential 2" Meters	$51.25	$43.31	-15.5%	0.02%
Commercial 5/8" & ¾" Meters	$24.58	$27.48	11.8%	0.77%
Commercial 1" Meters	$41.98	$50.40	20.1%	0.13%
Commercial 1 ½" Meters	$125.11	$159.32	27.3%	0.16%
Commercial 2" Meters	$77.68	$96.07	23.7%	0.75%
Commercial 4" Meters	$87.85	$97.66	11.2%	0.05%
Multi-Family 5/8" & ¾" Meters	$30.55	$36.43	19.2%	0.72%
Multi-Family 1" Meters	$43.05	$51.47	19.6%	0.50%
Multi-Family 1 ½" Meters	$74.28	$92.44	24.5%	0.02%
Multi-Family 2" Meters	$65.19	$76.91	18.0%	0.22%
Multi-Family 4" Meters	$0.00	$0.00	0%	0%

The proposed rates create a base charge/commodity charge ratio at 64.4%/35.6%.

The proposed commodity charge is a 38.89% increase. Applicant recognizes that the percentage increase is larger than the proposed percentage increase of the base charge. No change is being proposed in the usage allowance for each meter size rate. Conservation of water is one positive outcome of the higher commodity rate.

The proposed rate design will produce $2,144,999 in revenues. The revenue generated is $397 over the revenue requirement of $2,144,602.

CUSTOMER NOTIFICATION & PRESS RELEASE

Exhibit 6 is a copy of the notice mailed to the Company's customers informing them of the rate case.

Exhibit 7 is a copy of the press release e-mailed to the Post Register newspaper in Idaho Falls, Idaho on June 30, 2020.

TARIFFS

Exhibit No. 8, a three (3) page exhibit, is a marked-up copy of the Company's current rate schedules showing the proposed changes in rates for Schedule No. 1 and No.

2. Exhibit No. 9, a three (3) page exhibit, is composed of the Company's new proposed rate schedules.

RECENT BOIL WATER ADVISORY

On April 20, 2020, the water system was affected by low pressure caused by a check valve at a well site that failed to close. The problem was corrected and service was restored in about 30 minutes. The company notified the customers within the 24-hour period that the Idaho Department of Environmental Quality requires. The public was notified of a boil advisory through channel 8 local television news and the East Idaho News. The water system was disinfected and coliform water samples were taken to check if any contaminants were in the system. The results of the samples were received on April 22, 2020. The samples were absent of coliform bacteria. The public was notified that the boil advisory was lifted via channel 8 local television news and the East Idaho News. Copies of the news releases were sent to Idaho Department of Environmental Quality with the necessary certifications. Copies were also sent to the Idaho Public Utilities Commission.

The complaint that most customers made in regard to this event was that they were not notified sooner. The customers expected almost instantaneous notification that there was a problem and that a boil advisory was in place.

In reviewing how the company could meet the customers expectation during future outages, the company decided that it should get a mass notification program that would allow the notification of customers quickly should such outages occur in the future. Currently the company is deciding which provider would best meet the need.

CONTACT INFORMATION

Questions regarding this application should be addressed to:

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Senior Regulatory Attorney
Northwest Natural
250 SW Taylor St
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Telephone: 503.610.7618
eric.nelsen@nwnatural.com

Please provide copies of all correspondence, notices and orders to the above individuals.

Respectfully submitted,

K. Scott Bruce

K. Scott Bruce
General Manager

Exhibit 1

Falls Water Company
Calculation of Rate Base

	Plant in Service	(A) Fiscal Year 1/1/2019 to 12/31/2019	(B) 8" Main on Crowley Rd 1st to John Adam Pkwy	(C) Lincoln Rd 10" Line Replacement Stevens to Deer Valley	(D) Looping Project on Hitt Rd & Iona Rd	(E) GIS Mapping Project	(F) Repairs to Wellhouses 1, 5 & 8 Interiors	(G) Well 10 SCADA Equipment Setup	(H) New Chlorinator Pump for Well #9	(I) Well #1 Flow to Waste Butterfly Valve	(J) 10" Mitre Saw and Air Compressor with 3 Nail Guns	(K) Depreciation of Assets Added in 2020	(L) Total
1	303 - Land & Land Rights	1,190,247											1,190,247
2	304 - Well Structures & Improvements	440,881					9,900						450,781
3	307 - Wells	381,806											381,806
4	310 - Generators	47,123											47,123
5	311 - Pumps & Accessories	305,427						1,380					306,807
6	320 - Purification Systems	26,198							1,963				28,161
7	331 - Water Mains	1,808,826	178,000	125,000	975,000					1,381			3,088,206
8	334 - Meters	1,249,481											1,249,481
9	335 - Hydrants	48,811											48,811
10	339 - Other Plant and Misc Equip	65,704				22,000							87,704
11	340 - Office Equipment	35,731											35,731
12	341 - Transportation Equipment	139,909											139,909
13	343 - Tools & Equipment	63,062									353		63,415
14	345 - Power Operated Equipment	128,571											128,571
15													-
16	Total Plant in Service	5,932,776	178,000	125,000	975,000	22,000	9,900	1,380	1,963	1,381	353		7,247,752
17													
18	Less Accumulated Depreciation	(445,758)										(39,628)	(485,386)
19	Net Plant in Service												6,762,367
20													
21													
22													
23	Less Contributions in Aid of Construction												
24	Gross Contributions (12/31/2019)	2,165,446											
25	Less Accumulated Amortization (12/31/2019)	(253,656)											
26	Net Contributions in Aid of Construction												1,911,790
27													
28	Net Plant in Service												4,850,577
29	Working Capital (1/8 of Operation and Maintenance Expense)												165,272
30	Total Rate Base												5,015,849

Calculation of Annual Depreciation for Assets placed in Service During 2020:

Straight Line Depreciation in Years		39	39	39	5	5	15	7	39	5	
Annual Depreciation on New Assets placed in Service in 2020		4,564	3,205	25,000	4,400	1,980	92	280	35	71	39,628

EXHIBIT 2

Falls Water Co., Inc
Proforma Results of Operations

		(A) Calendar Year January 1, 2019 December 31, 2019	(B) Adjustment for Non-Recurring Items	(C) Increased Labor Costs	(D) Increased/Decreased Miscellaneous Operating Costs	(E) Increased Depreciation/Prop Tax Costs	(F) Adjusted Totals
	Ordinary Income/Expense						
	Income						
	400 - Operating Revenue						
1	401.1 - Metered Residential	1,680,913					1,680,913
2	401.2 - Commercial revenue	72,000					72,000
3	401.6 - Multiple Family Cost Revenue	33,403					33,403
	401.9 - Accrued Revenue	(1,499)					(1,499)
4	470 - Late Payment Fee Revenues	4,518					4,518
5	471 - Misc Service Revenues	5,080					5,080
6	Total 400 - Operating Revenue	1,800,427	-	-	-	-	1,800,427
7	414 - Gain (Loss) on Property	(2,554)	2,554				-
8	Total Income	1,797,873	2,554	-	-	-	1,800,427
9	Expense						
10	601.6 - Labor Field	237,750		128,515			366,265
11	601.8 - Labor Office	59,965		18,302			77,266
12	601.9 - Admin - Labor	178,118		(50,484)			127,635
13	604 - Employee Benefits	86,525		1,154			87,679
14	610 - Purchased Water	3,300					3,300
15	615 - Electrical Power	194,897			3,820		198,717
16	618 - Chemicals	3,849			2,078		5,931
17	620.2 - Source M&S	16,793					16,793
18	620.6 - Distribution M&S	33,676					33,676
19	620.7 - Postage	28,619			(931)		27,688
20	620.8 - Office	41,910					41,910
21	620.88 - Telephone Expense	14,674			(231)		14,443
22	620.89 - Bank service charges	26,036			312		26,348
23	620.88 - Office Utilities Expense	4,720					4,720
24	631.1 - Engineering	11,234					11,234
25	631.2 - Accounting	-					-
26	631.3 - Attorney	-					-
27	631.4 - Payroll Services	636					636
28	635 - Testing	11,180			(5,303)		5,877
29	636.2 - Source Contract Repairs	-					-
30	636.3 - Trash	1,478			(515)		964
31	636.4 - Outsourced Bad Debt Collection	124					124
32	636.6 - Distribution Contract Repairs	600					600
33	636.7 - Data Processing	12,173			(930)		11,243
34	641 - Rental of Property	1,200			800		2,000
35	642 - Rental of Equipment	3,724			(3,432)		292
36	645 - Lease Rent Exp - Interest	3,416			(1,571)		1,845
37	646 - Lease Rent Exp - Depreciation	38,536			1,571		40,107
38	650 - Transportation Expense	35,350					35,350
39	655 - Insurance Expense	29,845			20,372		51,217
40	658.1 - Workers Compensation Ins	8,934		(8,934)			-
41	660 - Advertising Expense	100					100
42	666 - Rate Case Amortization	-					-
43	670 - Bad Debt Expense	5,756					5,756
44	675.1 - Training Expenses	6,984					6,984
45	675.2 - Dues & Memberships	600					600
46	675.4 - DHHV Fee Expense	15,807			749		16,555
47	675.9 - 2019 MMS Proj Bills Reader Lbr	8,348					8,348
	Shared Services Allocation	-			79,725		79,725
48	Total Expense	1,120,836	-	88,954	100,785	-	1,307,175

EXHIBIT 2

Falls Water Co., Inc
Proforma Results of Operations

		(A) Calendar Year January 1, 2018 December 31, 2018	(B) Adjustment for Non-Recurring Items	(C) Increased Labor Costs	(D) Increase/Decrease Miscellaneous Operating Costs	(E) Increase Depreciation/Prop Tax Costs	(F) Adjusted Totals
49	Net Ordinary Income	667,035	2,534	(00,534)	(102,765)	-	476,252
50	Other Income/Expense						
51	Other Income						
52	419 - Interest Earned	253	(253)				-
53	421 - Non-Utility Income	9,842	(9,842)				-
54	Total Other Income	10,095	(10,095)	-	-	-	-
55	Other Expense						
56	403 - Depreciation Expense	194,030				01,000	215,030
57	408 - Taxes						
58	408.11 - Property Taxes	63,554				15,872	79,427
59	408.12 - Payroll Taxes	43,083		3,697			46,779
60	Total 408 - Taxes	106,637	-	3,697	-	15,872	126,206
	Income Taxes						55,601
61	408.10 - Regulatory Fee	4,474					4,474
62	426 - Misc. Non-Utility Expenses	2,400	(2,400)				-
63	426.1 - Donations - Tax Deductible	3,680	(3,680)				-
64	427.3 - Interest Expense	26,665	(26,665)				-
65	Total Other Expense	351,500	(35,754)	3,697	-	76,932	351,876
66	Net Other Income	(341,405)	35,659	(3,697)	-	(76,932)	(351,876)
67	Net Income	325,631	38,193	(82,231)	(102,765)	(76,932)	124,376

Net Income before Inc & Tax	124,377
Interest (cost of debt loan-short - sale loan)	73,357
Net before Tax	55,020
Tax	55,601

EXHIBIT 3

Falls Water Company, Inc.
Capital Structure and Overall Rate of Return
Cost of Capital as of December 31, 2019

Line No.	Description	(A) Amount	(B) Percent of Total Capital	(C) Cost	(D) Component
1	Long Term Debt - Loan # DW-6823	$93,812			
2	Less: Prepayment on principle	$18,764			
3	Outstanding Loan Amount	$75,048	1.14%	3.25%	0.04%
4	Long Term Debt (Well #9 & Water Right)	$666,151			
5	Less: Prepayment on principle	$82,080			
6	Outstanding Loan Amount	$584,081	8.84%	3.25%	0.29%
7	Long Term Debt to adjust Debt/Equity Ratio	$2,314,052	35.02%	3.25%	1.14%
8	Paid in Capital	$1,543,157	23.36%	10.50%	2.45%
9	Common Equity	$2,090,709	31.64%	10.50%	3.32%
10	Total	$6,607,028	100.00%		7.24%
	Total Debt	$2,973,181	45.00%	3.25%	1.46%
	Total Equity	$3,633,867	55.00%	10.50%	5.78%
		$6,607,028			7.24%

Effective cost of debt on rate base 1.46%

EXHIBIT 4

FALLS WATER COMPANY
CALCULATION OF REVENUE REQUIREMENT

1	Rate Base	$	5,015,849
2	Required Rate of Return		7.24%
3	Net Operating Income Requirement	$	363,022
4	Net Operating Income Realized	$	116,376
5	Net Operating Income Deficiency	$	246,646
6			
7			
8			
9			
10	Net Operating Income Deficiency		246,646
11	Gross up Factor		1.395421
12	Total Incremental Revenue Requirement		344,175
13			
14			
15	Revenues at existing rates	$	1,800,427
16	Total Revenue Requirement	$	2,144,602
17			
18	Percent Increase Required		19.12%

Falls Water Company, Inc.
Net to Gross Multiplier

Total Gross Revenues		1.000000	
Less Uncollectibles (percentage)		0.003219	
Less 2019 Regulatory Fees (percentage)		0.002529	
Less Bank Service Charge Fees (percentage)		0.019634	0.025382
Net Revenue		0.974618	
State Income Tax Rate	6.925%	0.067492	
Federal Income Tax Base		0.907126	
Federal Income Tax Rate	21.000%	0.190496	
Net Operating Revenue		0.716630	
Net Income to Gross Revenue Multiplier		1.39542	

Composite Fed and State Tax Rate 26.47%

EXHIBIT 5

Pittsburgh Water Co., Inc.
Calculation of Proposed Rates

Proposed Rates and Usage Allowances	(A) Current Allowed Gallons (in 1,000's)	(B) Current Cycle Minimum Charge	(C) Current Commodity Charge per 1,000 gallons over Allowance	(D) Current Allowance in 1,000's (Cols. A/12)	(E) Usage Conversion Factor	(F) Proposed Allowed Gallons (in 1,000's)	(G) Minimum Charge Conversion Factor	(H) Proposed Cycle Minimum Charge	(I) Proposed Commodity Charge per 1,000 gallons over Allowance	(J) Minimum Charge Percentage Increase	(K) Avg Monthly Bill at the Proposed Rate	(L) Avg Monthly Bill at the Current Rate	(M) Avg Monthly Billing Percentage Increase from Current Rate	(N) Percentage of Total Customers
1 Residential 5/8 In. & 3/4 In. Meters	15	$ 17.70	$ 0.000	15	1.000000000	15	1.000000	$ 17.70	$ 0.007	0.00%	$ 23.00	$ 23.40	-1.71%	78.57%
2 Residential 1 In. Meters	17	$ 20.00	$ 0.000	17	1.000000000	17	1.000000	$ 20.00	$ 0.007	0.00%	$ 26.40	$ 27.00	-2.22%	13.00%
3 Residential 1 1/2 In. Meters	33	$ 33.00	$ 0.000	33	1.000000000	33	1.000000	$ 34.07	$ 0.007	0.00%	$ 50.00	$ 53.40	-6.37%	5.00%
4 Residential 2 In. Meters	35	$ 46.00	$ 0.000	35	1.000000000	35	1.000000	$ 46.00	$ 0.007	0.00%	$ 53.34	$ 64.20	-16.98%	0.00%
5 Commercial 5/8 In. & 3/4 In. Meters	13	$ 17.70	$ 0.000	13	1.000000000	13	1.000000	$ 17.70	$ 0.007	0.00%	$ 37.40	$ 34.80	7.47%	0.77%
6 Commercial 1 In. Meters	17	$ 20.00	$ 0.000	17	1.000000000	17	1.000000	$ 20.00	$ 0.007	0.00%	$ 60.40	$ 49.00	23.18%	0.13%
7 Commercial 1 1/2 In. Meters	33	$ 33.00	$ 0.000	33	1.000000000	33	1.000000	$ 34.07	$ 0.007	0.00%	$ 122.80	$ 98.40	24.79%	0.13%
8 Commercial 2 In. Meters	35	$ 46.00	$ 0.000	35	1.000000000	35	1.000000	$ 46.00	$ 0.007	0.00%	$ 96.07	$ 77.00	24.78%	0.78%
9 Commercial 4 In. Meters	60	$ 73.25	$ 0.000	60	1.000000000	60	1.000000	$ 73.25	$ 0.007	0.00%	$ 97.00	$ 67.00	44.78%	0.00%
10 MultiFam 5/8 & 3/4 In. Meters	12	$ 17.70	$ 0.000	12	1.000000000	12	1.000000	$ 17.70	$ 0.007	0.00%	$ 30.40	$ 30.20	0.67%	0.72%
11 MultiFam 1 In. Meters	17	$ 20.00	$ 0.000	17	1.000000000	17	1.000000	$ 20.00	$ 0.007	0.00%	$ 51.47	$ 43.01	19.70%	0.00%
12 MultiFam 1 1/2 In. Meters	32	$ 32.25	$ 0.000	32	1.000000000	32	1.000000	$ 34.07	$ 0.007	0.00%	$ 92.44	$ 74.28	24.50%	0.03%
13 MultiFam 2 In. Meters	35	$ 46.00	$ 0.000	35	1.000000000	35	1.000000	$ 46.00	$ 0.007	0.00%	$ 78.01	$ 62.17	25.50%	0.27%
14 MultiFam 4 In. Meters	60	$ 73.25	$ 0.000	60	1.000000000	60	1.000000	$ 73.25	$ 0.007	0.00%	$ -	$ -	0.00%	0.00%

Calculation of Revenues using Proposed Rates

Rates	(O) Rates Customers	(P) Proposed Cycle Minimum Charge	(Q) Proposed Monthly Revenues from Minimum Charge	(R) Proposed Revenues from Commodity Charge: January	February	March	April	May	June	July	August	September	October	November	December
15 Residential 5/8 In. & 3/4 In. Meters	8,263	$ 17.70	$ 146,276.10	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
16 Residential 1 In. Meters	6,144	$ 20.00	$ 122,880.00	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
17 Residential 1 1/2 In. Meters	0	$ 34.07	$ 0.00	$ -	$ -	$ -	$ 1.01	$ 71.65	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ 21.00	$ 44.06	$ 43.07
18 Residential 2 In. Meters	1	$ 46.34	$ 46.34	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19 Commercial 5/8 In. & 3/4 In. Meters	43	$ 18.70	$ 803.35	$ 66.00	$ 69.03	$ 44.02	$ 66.97	$ 398.00	$ 634.92	$ 714.90	$ 346.00	$ 637.00	$ 408.90	$ 173.13	$ 97.81
20 Commercial 1 In. Meters	7	$ 20.41	$ 142.88	$ 60.20	$ 64.13	$ 32.24	$ 60.88	$ 112.00	$ 230.04	$ 308.56	$ 172.27	$ 400.00	$ 108.19	$ 60.53	$ 67.06
21 Commercial 1 1/2 In. Meters	9	$ 36.07	$ 324.60	$ 100.02	$ 247.89	$ 223.84	$ 300.86	$ 318.00	$ 588.00	$ 1,303.00	$ 2,604.00	$ 2,002.41	$ 1,078.00	$ 1,091.86	$ 320.48
22 Commercial 2 In. Meters	42	$ 46.34	$ 1,946.21	$ 106.00	$ 221.07	$ 148.34	$ 170.00	$ 1,300.01	$ 3,000.32	$ 6,300.40	$ 6,985.14	$ 5,000.87	$ 1,725.14	$ 633.02	$ 123.40
23 Commercial 4 In. Meters	3	$ 77.36	$ 232.13	$ 8.01	$ 77.52	$ 20.07	$ 43.07	$ 118.07	$ 34.45	$ 22.97	$ -	$ 60.00	$ 191.97	$ 107.01	$ 63.00
24 MultiFam 5/8 & 3/4 In. Meters	40	$ 18.70	$ 748.00	$ 53.20	$ 110.02	$ 67.00	$ 400.00	$ 300.00	$ 1,000.20	$ 1,400.20	$ 1,000.28	$ 1,000.00	$ 600.70	$ 122.24	$ 100.00
25 MultiFam 1 In. Meters	39	$ 20.41	$ 795.94	$ 90.00	$ 140.00	$ 102.00	$ 300.00	$ 500.00	$ 600.32	$ 927.00	$ 1,300.00	$ 1,700.00	$ 1,000.32	$ 800.00	$ 200.00
26 MultiFam 1 1/2 In. Meters	1	$ 36.07	$ 36.07	$ 20.07	$ 45.49	$ 20.00	$ -	$ 14.00	$ 120.49	$ 80.19	$ 91.07	$ 134.00	$ 102.07	$ 21.05	$ 3.00
27 MultiFam 2 In. Meters	12	$ 46.34	$ 556.12	$ 40.00	$ 40.00	$ 32.04	$ 70.00	$ 120.20	$ 160.71	$ 187.17	$ 1,042.97	$ 1,270.00	$ 600.91	$ 100.70	$ 24.00
28 MultiFam 4 In. Meters	*	$ 77.36	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29 Field Collection Fee*				$ 100.00	$ 120.00	$ 45.00	$ 100.00	$ 120.00	$ 30.00	$ 70.00	$ 60.00	$ -	$ 90.00	$ 120.00	$ 45.00
30 Reconnect Fee*				$ 400.00	$ 320.00	$ 140.00	$ 400.00	$ 300.00	$ 140.00	$ 340.00	$ 180.00	$ 100.00	$ 400.00	$ 320.00	$ 30.00
31 Returned Check Fee*				$ 80.00	$ 40.00	$ 60.00	$ 100.00	$ 20.00	$ 120.00	$ 60.00	$ 60.00	$ 80.00	$ 80.00	$ 40.00	$ 100.00
32 Late Payment Fee*				$ 288.46	$ 348.00	$ 308.84	$ 243.90	$ 338.98	$ 384.80	$ 333.48	$ 408.84	$ 384.18	$ 380.88	$ 403.44	$ 443.30
33 Total Monthly Revenue			$ 118,093.38	$ 4,027.88	$ 6,888.40	$ 3,473.30	$ 3,247.03	$ 23,748.00	$ 63,333.83	$ 133,083.33	$ 330,053.67	$ 194,134.29	$ 39,031.83	$ 17,646.60	$ 4,338.63
34 Number of Months in Accounting Monthly Minimum Revenue			12	$ 142,384.43	$ 142,783.43	$ 142,888.94	$ 139,930.70	$ 142,340.84	$ 147,300.43	$ 137,984.88	$ 138,414.03	$ 139,338.83	$ 134,106.78	$ 133,237.00	$ 140,370.88

35 Annual Revenue from Base Charges	$ 1,394,937.04	64.8% Percentage of Proposed Revenue from Base Charge (Fixed)
36 Annual Revenue from Commodity Charges	$ 763,803.03	35.4% Percentage of Proposed Revenue from Commodity Charge (Variable)
37 Total Annual Revenues from Proposed Rates	$ 2,144,000.07	
38 Total Gross Revenue Requested	$ 2,144,000.00	
39 Variance of Gross Revenue from Proposed Rates Over/(Under)	$ 357.05	

* Amounts in table are 2002 actual charges

Excess Use above Allotted based on January 2013 to December 2013 Actuals and adjusted to proposed allocations.

January 2013 to December 2013	2013 January	2013 February	2013 March	2013 April	2013 May	2013 June	2013 July	2013 August	2013 September	2013 October	2013 November	2013 December	Total Annual Usage by Rate Class
40 Residential 5/8 in. & 3/4 in. Meters	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	24,814	[illegible]	[illegible]	[illegible]
41 Residential 1 in. Meters	[illegible]	173	[illegible]	[illegible]	[illegible]	[illegible]	27,368	[illegible]	[illegible]	-4,844	[illegible]	[illegible]	[illegible]
42 Residential 1 1/2 in. Meters	-	-	-	8	78	[illegible]	710	[illegible]	[illegible]	33	-47	[illegible]	[illegible]
43 Residential 2 in. Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Commercial 5/8 in. & 3/4 in. Meters	70	[illegible]	48	[illegible]	370	[illegible]	737	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Commercial 1 in. Meters	63	67	41	73	118	246	343	[illegible]	416	205	104	71	[illegible]
46 Commercial 1 1/2 in. Meters	167	[illegible]	224	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47 Commercial 2 in. Meters	[illegible]	[illegible]	[illegible]	124	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48 Commercial 4 in. Meters	9	[illegible]	31	48	[illegible]	38	34	-	[illegible]	117	144	[illegible]	[illegible]
49 MultiFam 5/8 & 3/4 in. Meters	[illegible]	[illegible]	71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	737	[illegible]	[illegible]	[illegible]
50 MultiFam 1 in. Meters	[illegible]	167	170	272	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 MultiFam 1 1/2 in. Meters	34	42	28	-	95	135	160	58	191	138	22	4	[illegible]
52 MultiFam 2 in. Meters	[illegible]	[illegible]	34	[illegible]	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
53 MultiFam 4 in. Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Number of Active Customers As of December 31, 2013

54 Residential 5/8 in. & 3/4 in. Meters	[illegible]		
55 Residential 1 in. Meters	1114		
56 Residential 1 1/2 in. Meters	[illegible]		
57 Residential 2 in. Meters	1	[illegible]	Residential Customers
58 Commercial 5/8 in. & 3/4 in. Meters	[illegible]		
59 Commercial 1 in. Meters	7		
60 Commercial 1 1/2 in. Meters	[illegible]		
61 Commercial 2 in. Meters	[illegible]		
62 Commercial 4 in. Meters	3	104	Commercial Customers
63 MultiFam 5/8 & 3/4 in. Meters	[illegible]		
64 MultiFam 1 in. Meters	[illegible]		
65 MultiFam 1 1/2 in. Meters	1		
66 MultiFam 2 in. Meters	13		
67 MultiFam 4 in. Meters	[illegible]	[illegible]	MultiFamily Customers
Total Customers (includes customers that terminated in the billing cycle ending 68 12/31/2013)	[illegible]		

EXHIBIT 6

NOTICE TO FALLS WATER CO., INC. CUSTOMERS

During the week of June 29, 2020, Falls Water Co., Inc. filed an application with the Idaho Public Utilities Commission (IPUC) for a proposed general rate increase to become effective August 15, 2020. The filing is a proposal, subject to public review and a Commission decision before it can take effect.

Falls Water Co., Inc. seeks approval to increase rates to recover the increasing costs of operations and maintenance, system improvements, and replacing its aging infrastructure.

If the proposed rate increases are approved, the table below shows the proposed rates average monthly bill compared to the current rates average monthly bill.

Rate Class	Current Rate Average Bill	Proposed Rate Average Bill	Percentage Increase	Percentage of Total Customers
Residential 5/8" & ¾" Meters	$25.45	$29.96	17.7%	76.51%
Residential 1" Meters	$27.86	$34.49	23.8%	19.99%
Residential 1 ½" Meters	$52.40	$59.98	14.5%	0.16%
Residential 2" Meters	$51.25	$43.31	-15.5%	0.02%
Commercial 5/8" & ¾" Meters	$24.58	$27.48	11.8%	0.77%
Commercial 1" Meters	$41.98	$50.40	20.1%	0.13%
Commercial 1 ½" Meters	$125.11	$159.32	27.3%	0.16%
Commercial 2" Meters	$77.68	$96.07	23.7%	0.75%
Commercial 4" Meters	$87.85	$97.66	11.2%	0.05%
Multi-Family 5/8" & ¾" Meters	$30.55	$36.43	19.2%	0.72%
Multi-Family 1" Meters	$43.05	$51.47	19.6%	0.50%
Multi-Family 1 ½" Meters	$74.28	$92.44	24.5%	0.02%
Multi-Family 2" Meters	$65.19	$76.91	18.0%	0.22%
Multi-Family 4" Meters	$0.00	$0.00	0%	0%

If approved the proposed increase would increase the Company's total annual revenues by $344,175 (19.12%). A copy of the application is available for review at Falls Water Co., Inc.'s office located at 2180 North Deborah Drive in Idaho Falls or on our website, www.fallswater.com. Copies of the application are on file at the Idaho Public Utilities offices at 472 West Washington Street, Boise, Idaho 83702. The application is also available for review on the Commission's web site at www.puc.idaho.gov . Please send any comments or questions to either Falls Water Company or the Idaho Public Utilities Commission:

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074
(800) 432-0369

Falls Water Company, Inc.
2180 North Deborah Drive
Idaho Falls, ID 83401
(208) 522-1300

Comments may be submitted to the Idaho Public Utilities Commission via e-mail by going to the following website:
https://puc.idaho.gov/Form/CaseComment

Please refer to Case No. FLS-W-20-03 in all correspondence.

EXHIBIT 7

For Immediate Release

Media contact:
Scott Bruce at (208) 522-1300 or fallswater@fallswater.com

Falls Water Company Files General Rate Case

Idaho Falls, ID – June 26, 2020 – Falls Water Co., Inc. has filed an application with the Idaho Public Utilities Commission (IPUC) for a proposed general rate increase to become effective August 15, 2020. The proposal is subject to public review and a Commission decision before it can take effect.

Falls Water Co., Inc., part of NW Natural Water Company, seeks approval to increase rates to recover the growing costs of operations and maintenance, system improvements, and replacing aging infrastructure.

If approved, the the Company's total annual revenues would increase by $344,175 (19.12%). The table below shows the proposed rates average monthly bill compared to the current one, and the proposed percentage increase.

Rate Class	Current Rate Average Bill	Proposed Rate Average Bill	Percentage Increase	Percentage of Total Customers
Residential 5/8" & ¾" Meters	$25.45	$29.96	17.7%	76.51%
Residential 1" Meters	$27.86	$34.49	23.8%	19.99%
Residential 1 ½" Meters	$52.40	$59.98	14.5%	0.16%
Residential 2" Meters	$51.25	$43.31	-15.5%	0.02%
Commercial 5/8" & ¾" Meters	$24.58	$27.48	11.8%	0.77%
Commercial 1" Meters	$41.98	$50.40	20.1%	0.13%
Commercial 1 ½" Meters	$125.11	$159.32	27.3%	0.16%
Commercial 2" Meters	$77.68	$96.07	23.7%	0.75%
Commercial 4" Meters	$87.85	$97.66	11.2%	0.05%
Multi-Family 5/8" & ¾" Meters	$30.55	$36.43	19.2%	0.72%
Multi-Family 1" Meters	$43.05	$51.47	19.6%	0.50%
Multi-Family 1 ½" Meters	$74.28	$92.44	24.5%	0.02%
Multi-Family 2" Meters	$65.19	$76.91	18.0%	0.22%
Multi-Family 4" Meters	$0.00	$0.00	0%	0%

A copy of the application is available for review at Falls Water Co., Inc.'s office located at 2180 North Deborah Drive in Idaho Falls or on our website, www.fallswater.com. Copies of the application are on file at the IPUC offices at 472 West Washington Street, Boise, Idaho 83702. The application is also available for review on the Commission's web site at www.puc.idaho.gov.

Please send any comments or questions to either Falls Water Company or the IPUC at:

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074
(800) 432-0369

Falls Water Company, Inc.
2180 North Deborah Drive
Idaho Falls, ID 83401
(208) 522-1300

Comments may also be submitted to the IPCU via e-mail by going to the following website https://puc.idaho.gov/Form/CaseComment. Please refer to Case No. FLS-W-20-03 in all correspondence.

EXHIBIT 7

About Falls Water Company

Falls Water Company is located in Idaho Falls, Idaho near the Snake River west of the Tetons. It provides water distribution service to more than 18,000 people through over 5,600 connections in this rapidly growing area. More information can be found at fallswater.com.

About NW Natural Water
NW Natural Water currently provides water distribution and wastewater services to communities throughout the Pacific Northwest and Texas. When outstanding transactions close, NW Natural Water expects to serve approximately 62,000 people through approximately 25,000 connections. Learn more about our water business at **nwnaturalwater.com**.

###

Schedule No. 1

General Metered Service Rates

Availability: To all metered customer not served under another schedule.

Minimum Customer Charge:

Meter Size	Maximum Gallons Allowed in Minimum Charge	Monthly Minimum Charge
5/8" and ¾"	12,000	~~$17.75~~ $18.75
1"	17,000	~~$25.00~~ $26.41
1 ½"	22,000	~~$32.25~~ $34.07
2"	28,000	~~$41.00~~ $43.31
4"	49,000	~~$73.25~~ $77.38

Commodity Charge:	Rate per 1,000 Gallons of Use
For all water use in excess of the maximum gallons allowed in minimum charge.	~~$0.689~~ $0.957

Contract Conditions:
The customer shall pay the total of the minimum customer charge plus the commodity charge. The commodity charge is based on all metered water in excess of the maximum gallons allowed in the minimum customer charge for the billing period. Consumption is expressed in 1,000 gallon units as expressed by the meter installed by the Company. The minimum customer charge will apply even when service is provided for less than the entire billing period.

Meter Reading Schedule:

Meters for all customers, residential, commercial, industrial, institutional, apartment buildings with two or more units, and condominiums will be read monthly year-round.

Schedule No. 2

Non-Recurring Charges

1. RECONNECT FEES:
   This charge is applicable to all customers where water has been physically turned off for non-payment of a delinquent bill.

Rates:	Each Occurrence
During regular office hours (Monday through Friday 8am to 5pm)	$ 20.00
After office hours	$ 40.00

2. FIELD COLLECTION FEE:
   This charge is applicable to all customers who pay outstanding bills for service at the time that Company personnel arrive at the customers' premises to terminate service.

Rate:	Each Occurrence
Field Collection Fee	$ 15.00

3. HOOKUP CHARGES:
   This charge is applicable when a new service is connected to the system for the first time.

Meter Size of New Connection	One time Charge
¾" Meter	$ 500.00
1" Meter	$ 600.00
1 ½" Meter	$ 930.00
2" Meter	$1,205.00

When the installation of a new service line requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire a Falls Water Company approved independent contractor to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing and insurance and have at least five *(5)* years of experience at hot tapping water lines. Falls Water Company will inspect and approve all the work being performed to ensure compliance with the Company's installation requirements.

Non-Recurring Charges (Cont'd)

4. RETURNED CHECK CHARGE:
   This charge is applicable to all customers where the customer's check or bank draft is returned by the bank for insufficient funds, closed account, or some other appropriate reason.

Rate:	Each Occurrence
Returned check charge each occurrence	$20.00

5. METER TEST AT CUSTOMER REQUEST CHARGE:
   This charge is applicable when the customer requests the Company to test the accuracy of a meter in the case of a disputed bill.

Rate:	Each Occurrence
Error in meter registration of 1.5% or less	$10.00

6. LATE PAYMENT CHARGE:
   This charge is based on the unpaid balance at the time of the next billing date.

   Rate:
   1% of delinquent balance per month.

Schedule No. 1

General Metered Service Rates

Availability: To all metered customer not served under another schedule.

Minimum Customer Charge:

Meter Size	Maximum Gallons Allowed in Minimum Charge	Monthly Minimum Charge
5/8" and ¾"	12,000	$18.75
1"	17,000	$26.41
1 ½"	22,000	$34.07
2"	28,000	$43.31
4"	49,000	$77.38

Commodity Charge:	Rate per 1,000 Gallons of Use
For all water use in excess of the maximum gallons allowed in minimum charge.	$0.957

Contract Conditions:
The customer shall pay the total of the minimum customer charge plus the commodity charge. The commodity charge is based on all metered water in excess of the maximum gallons allowed in the minimum customer charge for the billing period. Consumption is expressed in 1,000-gallon units as expressed by the meter installed by the Company. The minimum customer charge will apply even when service is provided for less than the entire billing period.

Meter Reading Schedule:

Meters for all customers, residential, commercial, industrial, institutional, apartment buildings with two or more units, and condominiums will be read monthly year-round.

Schedule No. 2

Non-Recurring Charges

1. RECONNECT FEES:
   This charge is applicable to all customers where water has been physically turned off for non-payment of a delinquent bill.

Rates:	Each Occurrence
During regular office hours (Monday through Friday 8am to 5pm)	$ 20.00
After office hours	$ 40.00

2. FIELD COLLECTION FEE:
   This charge is applicable to all customers who pay outstanding bills for service at the time that Company personnel arrive at the customers' premises to terminate service.

Rate:	Each Occurrence
Field Collection Fee	$ 15.00

3. HOOKUP CHARGES:
   This charge is applicable when a new service is connected to the system for the first time.

Meter Size of New Connection	One time Charge
¾" Meter	$ 500.00
1" Meter	$ 600.00
1 ½" Meter	$ 930.00
2" Meter	$1,205.00

When the installation of a new service line requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire a Falls Water Company approved independent contractor to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing and insurance and have at least five *(5)* years of experience at hot tapping water lines. Falls Water Company will inspect and approve all the work being performed to ensure compliance with the Company's installation requirements.

Non-Recurring Charges (Cont'd)

4. RETURNED CHECK CHARGE:
   This charge is applicable to all customers where the customer's check or bank draft is returned by the bank for insufficient funds, closed account, or some other appropriate reason.

Rate:	Each Occurrence
Returned check charge each occurrence	$20.00

5. METER TEST AT CUSTOMER REQUEST CHARGE:
   This charge is applicable when the customer requests the Company to test the accuracy of a meter in the case of a disputed bill.

Rate:	Each Occurrence
Error in meter registration of 1.5% or less	$10.00

6. LATE PAYMENT CHARGE:
   This charge is based on the unpaid balance at the time of the next billing date.

   Rate:
   1% of delinquent balance per month.