

Exh. SS-1T
Docket UW-240151
Witness: Scott Sevall

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

CASCADIA WATER, LLC

Respondent.

DOCKET UW-240151

TESTIMONY OF

SCOTT SEVALL

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Capital Structure, Cost of Equity, Cost of Debt, and Rate Design

November 20, 2024

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LIST OF EXHIBITS

Exh. SS-2	Return on Equity
Exh. SS-3	Cost of Debt and Cap Structure

1 I. INTRODUCTION

2

3 **Q. Please state your name and business address.**

4 A. My name is Scott Sevall, and my business address is 621 Woodland Square Loop
5 SE, Lacey, Washington, 98503. My business mailing address is P.O. Box 47250,
6 Olympia, Washington, 98504-7250. My email address is scott.sevall@utc.wa.gov.

7

8 **Q. By whom are you employed and in what capacity?**

9 A. I am employed by the Washington Utilities and Transportation Commission
10 (Commission) as a Regulatory Analyst in the Water and Transportation section.

11

12 **Q. Would you please state your educational and professional background?**

13 A. I hold a Bachelor's in Business Administration, focused on Accounting, from
14 Washington State University. I attended the National Association of Regulatory
15 Utility Commissioners (NARUC) Utility Rate School in 2015. I have worked for the
16 Washington Department of Ecology performing various accounting functions from
17 payroll to grant and general accounting. I have also worked at the Washington Office
18 of the Insurance Commissioner performing financial risk analysis.

19

20 **Q. Have you previously testified before the Commission?**

21 A. Yes. The most recent is Docket UW-240615 regarding Kalama Water's petition. I
22 have also testified in TP-190976, which was the first pilotage case heard at the
23 Commission. Other dockets for which I have provided testimony are TG-181023 and

TS-160479. I have also made numerous rate case presentations to the Commission at Open Meetings.

II. SCOPE AND SUMMARY OF TESTIMONY

Q. What is the purpose and scope of your testimony?

A. I will discuss Cascadia's capital structure, the cost of equity, the cost of debt, and rate design and present Staff's recommendations. In doing so, I will address Cascadia witness Mathew Rowell's testimony regarding cost of capital, capital structure, and rate design.

Q. Please summarize your recommendations.

A. I recommend the Commission apply a return on equity of 10.18 percent and a cost of debt of 3.17 percent. I recommend the Commission recognize a capital structure of 47 percent equity and 53 percent debt. This results in a weighted cost of capital of 6.46 percent, as shown in the table below.

Table 1: Weighted Cost of Capital (Rate of Return) Calculation

Item	Percent	Cost	Weighted Cost ¹
Debt	53%	3.17%	1.68%
Equity	47%	10.18%	4.78%
Total:	100%		6.46%

Additionally, I recommend that the Commission consolidate the tariffs for Cascade's Peninsula and Island water systems to a single tariff, adopt a separate tariff for

¹ Weighted cost is calculated as follows: $(3.17 * 0.53) + (10.18 * 0.47) = 6.46$.

1 Cascadia's Pelican water systems, and remove the surcharge that applies to the
2 Aquarius water system customers. I also recommend that the resulting rate increase
3 be phased over two years.
4

5 **Q. Have you prepared exhibits in support of your testimony?**

6 A. Yes. I prepared Exhibits SS-2 and SS-3.

7 • Exh. SS-2:

- 8 ○ Summary Result (Schedule 2.0);
- 9 ○ Formulas (Schedule 2.1);
- 10 ○ CAPM (Schedule 2.2);
- 11 ○ Risk Free Rate (Schedule 2.3);
- 12 ○ Equity Risk Premium (Schedule 2.4);
- 13 ○ Company Beta (Schedule 2.5);
- 14 ○ Treasury Rates (Schedule 2.6);
- 15 ○ Market Returns (Schedule 2.7);
- 16 ○ Comparable Earnings (Schedule 2.8).

17 • Exh. SS-3:

- 18 ○ Cost of Debt Summary (Schedule 3.0);
- 19 ○ Capital Structure (Schedule 3.1);
- 20 ○ Holding Co. Debt Cost (Schedule 3.2);
- 21 ○ Cascadia Debt Cost (Schedule 3.3);
- 22 ○ Loan information (Schedule 3.4);
- 23 ○ SRF Amortization (Schedule 3.5);

- Aquarius 12-year Note (Schedule 3.6);
- Discover Bay 3-yr Note (Schedule 3.7);
- Discover Bay 7-yr Note (Schedule 3.8);
- Holdco Series A (Schedule 3.9);
- Holdco Series B (Schedule 3.10);
- Water Co Term Loan (Schedule 3.11);
- Holding Credit Fac. (Schedule 3.12);
- DR3 Response (Schedule 3.13);
- DR2 Attachment 1 (Schedule 3.14).

III. SUMMARY OF TESTIMONY

Q. How is your testimony organized?

A. First, I address Cascadia's proposed capital structure, proposed cost of equity, cost of debt. Then, I address the rate design proposed by Cascadia.

IV. CAPITAL STRUCTURE

Q. Please briefly summarize Cascadia's recommendation with respect to capital structure?

A. Through witness Rowell, Cascadia proposes a capital structure that has 66 percent equity and 34 percent debt.

1 **Q. Do you agree with Cascadia’s proposed capital structure?**

2 A. No. My analysis shows that a capital structure of 47 percent equity and 53 percent
3 debt is appropriate.²

4
5 **Q. What is the basis for your recommendation?**

6 A. I base my recommendation on the balance sheet that Cascadia submitted in response
7 to Staff Data Request 2. The information provided in the data request response is
8 Exh. SS-3 Schedule 3.14 and used in my calculation.

9
10 **Q. How did you calculate capital structure?**

11 A. For equity, I used total ownership equity withholding retained earnings. For debt, I
12 used total liabilities withholding accounts payable and accrued taxes. Accounts
13 payable and accrued taxes are short-term liabilities, which should not change the
14 long-term capital structure. Retained earnings are the result of operations
15 culminating over time. Thus, accounts payable and accrued taxes ultimately
16 influence retained earnings. Including retained earnings in my calculation would also
17 be circular in the revenue requirement calculation. For example, if we allowed
18 retained earnings to increase the capital structure’s equity, the weighted cost of
19 capital would increase even though there is no benefit created for ratepayers. In
20 short, the effect would be, “I made money and held onto it, so now you owe me
21 more.”

22

² Sevall, Exh. SS-3, Schedule 3.1.

1 **Q. Please summarize Cascadia’s proposed return on equity?**

2 A. Cascadia proposes a return on equity of 10.9 percent.⁶

3

4 **Q. What is Staff’s recommendation on return on equity?**

5 A. Staff proposes a return on equity of 10.18 percent.

6

7 **Q. Please describe your return on equity analysis?**

8 A. Yes. I performed a capital asset pricing model (CAPM) and a comparable earnings
9 analysis to determine my proposed return on equity. Mr. Rowell performed the same
10 analysis and in addition he performed a discounted cash flow (DCF) analysis.⁷

11

12 **Q. Did you perform a DCF analysis?**

13 A. No. Mr. Rowell has access to Value Line, and I relied on publicly available
14 information. A DCF would have been far more time-consuming to perform without
15 access to Value Line, I would have manually calculated projections for the proxy
16 group from public information. The CAPM and comparable earnings analyses were
17 sufficient to inform Staff’s recommendation on return on equity.

18

19 **Q. Please describe your comparable earnings analysis.**

20 A. Exhibit SS-2 Schedule 2.8 contains my comparable earnings analysis.

21 Comparing the analysis I did with Cascadia’s analysis, there are three primary
22 differences. First, I use a slightly different proxy group than witness Rowell, as

⁶ Rowell, Exh. MJR-1T at 40:10-12.

⁷ Rowell, Exh. MJR-1T at 16:10-15.

1 shown in the table below. Second, I used a historical approach, while Mr. Rowell
2 provided a hybrid comparison where he used historical and future projections. Third,
3 my analysis uses four years of data where Mr. Rowell's uses five years.

Table 2: Comparable Earnings Proxy Group

Comparable Earnings Proxy Group	
<i>Cascadia</i>	<i>Staff</i>
Company name	Company name
American Water Works Company, Inc.	American Water Works Company, Inc.
Essential Utilities, Inc.	Essential Utilities, Inc.
California Water Service Group	California Water Service Group
American States Water Company	American States Water Company
Middlesex Water Company	SJW Group
	Middlesex Water Company
	The York Water Company
	Artesian Resource Corp
	Global Water Resources, Inc.

4 I developed a proxy group, which is shown in Exh. SS-2, Schedule 2.8. This proxy
5 group is made up of publicly traded water utilities that provide service in North
6 America. Then, for each company in the proxy group, I divide the net income
7 common stockholder by the common stock equity to determine the return on equity
8 for each year between 2020 and 2023. Taking these results, I calculated the average.

9
10 **Q. What is the result of your comparable earnings analysis?**

11 A. The average return I calculated using comparable earnings is 9.96 percent return on
12 equity.

13
14 **Q. Please describe your CAPM analysis.**

15 A. My CAPM analysis is contained in Exh. SS-2, Schedule 2.2 CAPM.

As compared to the CAPM analysis prepared by Cascadia, the formula and concept are the same. My analysis differed from Cascadia's in three ways. First, in calculating the risk-free rate, I used the most recent 3 months of 1-year to 30-year treasury bonds. Mr. Rowell calculated the risk-free rate using the last 3 months of the 20-year treasury bond. Second, in calculating the risk premium, I used the 5-year average of the S&P 500 Index, while Cascadia used market returns since 1978. Third, we also used slightly different proxy groups as shown below.

Table 3: CAPM Proxy Group

Comparable Earnings Proxy Group	
<i>Cascadia</i>	<i>Staff</i>
Company name	Company name
American Water Works Company, Inc.	American Water Works Company, Inc.
Essential Utilities, Inc.	Essential Utilities, Inc.
California Water Service Group	California Water Service Group
American States Water Company	American States Water Company
Middlesex Water Company	SJW Group
Artesian Resource Corp	Middlesex Water Company
The York Water Company	The York Water Company
	Artesian Resource Corp
	Global Water Resources, Inc.

Q. What is the formula you used in your CAPM analysis?

A. The formula I used, which is the formula typically used in CAPM analysis, is expressed as $\text{Cost of Equity} = \text{risk free rate} + \text{beta} * (\text{market return} - \text{risk free rate})$.⁸ This is also the formula Mr. Rowell uses in Cascadia's CAPM analysis.

⁸ Sevall, Exh. SS-2, Schedule 2.1.

1 **Q. How did you calculate the risk-free rate?**

2 A. To calculate the risk-free rate, I averaged all US Treasuries, one to 30 years, for the
3 period of July, August, and September of 2024.⁹

4
5 **Q. Why did you average the returns for all Treasuries one to 30 years?**

6 A. While it is largely agreed that the US Treasury is used as a proxy for the risk-free
7 rate, I never found consistent guidance as to which specific Treasury bond should be
8 used. However, I am familiar with the concept of bond maturity management. This
9 concept helps manage interest risk (i.e., inflation, and federal interest rate changes)
10 over time. A common method is the use of a bond ladder, investing in bonds that
11 have various terms or maturity dates. The method I propose helps to address this
12 risk. In short, US Treasuries are considered risk-free because the default risk is so
13 low, but these bonds still have interest risk, which is what a bond ladder helps
14 minimize.¹⁰

15
16 **Q. Please discuss your determination of Beta?**

17 A. Beta is used to measure investment risk. I used Beta, published by Yahoo Finance,
18 for the proxy group and took the average. The average Beta is 0.63. This is shown in
19 Exh. SS-2, Schedule 2.5.

20

⁹ Sevall, Exh. SS-2, Schedule 2.3 and Schedule 2.6.

¹⁰ Logue, Dennis, *Handbook of Modern Finance Second Edition* (Boston, MA: Warren Gorham & Lamont, Inc., 1990), chapter 7, page 30.

1 **Q. How did you determine the Market Return?**

2 A. I used the most recent 5-year return as published by the S&P. This is shown in Exh.
3 SS-2, Schedule 2.7. I choose the most recent 5-year average because I want to reflect
4 the most recent market conditions, while also reducing the year-to-year market
5 volatility.

6

7 **Q. What is the result of your CAPM analysis?**

8 A. The result using the average beta generated by my proxy group is 10.4 percent return
9 on equity. This is shown in Exh. SS-2, Schedule 2.2.

10

11 **Q. How did you determine your return on equity of 10.18 percent?**

12 A. I took an average of 9.96 percent from my comparable earnings analysis and 10.4
13 percent from my CAPM analysis. The result is my recommendation of 10.18 percent,
14 for my return on equity. This is shown in Exh. SS-2, Schedule 2.0.

15

16 **Q. Why is your recommended return on equity of 10.18 percent reasonable?**

17 A. An equity cost of 10.18 percent is reasonable, appropriate, and fair for Cascadia
18 because it is commensurate with the Company's investment risk and capitalization.
19 Under regulation, returns on capital should be comparable to returns investors expect
20 to earn on other investments of similar risk, sufficient to assure confidence in the
21 Company's financial integrity, and adequate to maintain and support the Company's
22 credit and to attract capital. Staff's recommendation meets these standards.

23

1 **B. Cost of Debt**

2

3 **Q. Please briefly summarize Cascadia's proposal on cost of debt.**

4 A. Cascadia, through witness Rowell, proposed 5.22 percent.¹¹ This is the cost of debt
5 that Staff and Cascadia had agreed to during the June 27, 2024 Open Meeting. This
6 agreement was based on the debt listed in the Northwest Natural Holding 10-K.

7

8 **Q. What is Staff's current recommendation on the cost of debt?**

9 A. Staff's calculated weighted cost of debt is 3.17 percent.¹² Since the Commission
10 suspended the filing, Staff has engaged in formal discovery, including on the
11 Company's cost of debt. Staff's current recommendation is based on Cascadia's
12 response to Staff's Data Request 3, which shows debt associated with Cascadia.¹³

13

14 **Q. Can you explain how you calculated the 3.17 percent debt?**

15 A. Yes. This calculation is laid out in Exh. SS-3. First, I take the information listed in
16 the Response to Data Request 3 and create a schedule for each debt. These debts are
17 then separated into holding company debt and Cascadia specific debt. I created a
18 weighted cost of debt for both the specific and holding company debt.¹⁴ I then apply
19 these weighted costs of debt proportionally to the amount of long-term debt shown

¹¹ Rowell, Exh. MJR-1T at 16:6-7.

¹² Sevall, Exh. SS-3, Schedule 3.0.

¹³ Sevall, Exh. SS-3, Schedule 3.13.

¹⁴ Sevall, Exh. SS-3, Schedule 3.2 and 3.3.

1 on the Cascadia balance sheet.¹⁵ The result is a total weighted cost of debt of 3.17
2 percent.

3
4 **Q. Please summarize your complete recommendation relating to capital structure**
5 **and the associated costs.**

6 A. I recommend that the Commission approve a capital structure of 47 percent equity
7 and 53 percent debt, with a weighted cost of debt of 3.17 percent and a cost of equity
8 of 10.18 percent. This recommendation results in a rate of return of 6.46 percent.

9
10 **VI. RATE DESIGN**

11
12 **Q. Please briefly summarize Cascadia's proposed rate design.**

13 A. Cascadia is proposing to maintain separate rates for the Island and Peninsula water
14 systems. The Company also proposes maintaining the surcharge approved on
15 Aquarius Utilities, LLC. Lastly, Cascadia has not proposed phasing-in rates.

16
17 **Q. Does your rate design proposal address these issues?**

18 A. Yes. First, Staff witness Rachel Stark made an adjustment to the Company asset
19 listing removing the Aquarius surcharge, so my rate design proposal cancels that
20 surcharge. Second, I am proposing that the Commission approve a single tariff rate
21 for the two tariffs known as the Island and Peninsula tariffs. I do not recommend that
22 the Pelican Point tariff be consolidated with Island and Peninsula because it does not

¹⁵ Sevall, Exh. SS-3, Schedule 3.0.

1 have similar operations. Lastly, I am recommending that the Commission phase-in
2 all rates in two 12-month phases.

3
4 **Q. How does removal of the Aquarius surcharge impact rate design?**

5 A. Removal of the Aquarius surcharge does not directly impact rate design, except that
6 the new Cascadia tariff resulting from this rate case would delete the surcharge.
7 Removal of the surcharge impacts the Company's asset list, which impacts the
8 overall revenue requirement. Rates are designed to achieve the revenue requirement.

9
10 **Q. Why is a single tariff rate for Island and Peninsula appropriate?**

11 A. I understand that Cascadia did not propose a single tariff rate for Island and
12 Peninsula to limit the issues being litigated. However, the tariff issues need to be
13 addressed. The Commission has historically set water rates through a single tariff
14 rate. One reason for this is that the Commission cannot set discriminatory rates.¹⁶
15 Water utilities must charge the same rate for the same service unless there is a clear
16 distinction presented. In this case, the service provided is clean, potable water, and
17 the Island and Peninsula water systems are similarly situated sharing water operators,
18 system management, and have similar water usage patterns. Pelican Point does not
19 share the same operators and has a distinct geography, located on the eastern side of
20 the Cascade Mountains. Pelican point has a very different water usage pattern from

¹⁶ RCW 80.28.020.

1 the systems of Cascadia. In the future, Pelican may not be considered distinct, and it
2 may be appropriate to bring all of Cascadia's operations under a single tariff.

3
4 **Q. Please explain why discriminatory rates may be an issue with separate tariffs.**

5 A. Utilities may serve customers over a large geographic area. For example, Puget
6 Sound Energy and Cascadia serve customers across multiple counties. Across these
7 counties, there are geographic differences, system specific differences, and societal
8 differences, such as property values, income, and the socio-economic classes of
9 customers. Allowing higher or lower rates for the same service based on geographic
10 boundaries may have disparate impacts. For example, if you have two geographic
11 areas that are also different socio-economic classes, one set of customers would have
12 a higher capacity to pay for service. This could incentivize a company to only make
13 investment into the assets serving one set of customers because of the perceived
14 ability to be able to afford increased rates, while not investing in the assets serving
15 the individuals who are perceived to have less ability to pay. The Commission must
16 set rates that are fair, just, reasonable and not discriminatory.

17
18 **Q. Please you explain the process of creating Staff's proposed rates?**

19 A. Rates are set to generate the revenue requirement. Rates are not a single price but
20 rather consist of a base charge and variable usage charges. Variable usage charges
21 have usage tiers and rates associated with each usage tier. In general, Staff designs
22 rates to have a base rate, then the first usage tier, which is set at or near the
23 wintertime water usage average, the second tier set at the summertime usage

average, and then the third tier is set at everything over the second tier. When setting the rates for the tiers, Staff aims for the base rate to generate about 50 percent of the revenue. The first tier block is set at the winter average water use and is the lowest rate. The second tier block is set at the summer average water use and is a higher rate than the first tier. The third tier has historically been used as a conservation rate, which is for usage that is higher than the summer average. The third tier is the highest rate but only generates a small portion of the overall revenue requirement.

Q. Please explain your proposal to phase-in rates.

A. The rate increase resulting from this case will be substantial. The Commission also recognizes the policies of gradualism to prevent rate shock. When a large increase is necessary, rates may be implemented in phases to increase rates gradually and to reduce and mitigate rate shock. Staff proposes adjusting rates with two increases, through a two-phase rate plan. It is important to note, though, that there are associated carrying costs for revenue deferred from the first phase that must be collected in the second phase. This means there is a third year where rates would decrease by the amount of the carrying cost. The table below illustrates the two-phase plan and how rates are impacted.

Table 4: Two-Phase Rate Plan

Phase in plan		
Year 1	Year 2	Year 3
50 percent of revenue requirement	50 percent of revenue requirement plus interest	Year 2 rates minus the interest cost

1 **Q. Please explain the issue of carrying cost.**

2 A. While I am not an attorney, my understanding of regulatory theory and law is that
3 once a company has justified a revenue requirement, the State cannot withhold that
4 revenue from the company. Instead, rates must be set to allow the utility a fair
5 opportunity to recover its costs and expenses incurred to provide the regulated
6 service. If rates are set such that the utility is not able to recover its costs and
7 expenses, that is considered to be a taking for which the company must be
8 compensated. In the case of deferred rates, this requires that interest must be applied
9 to the amount of revenue that is deferred. Applied to Staff's proposal, interest would
10 accrue on the 50 percent of rates that are deferred to be recovered during the second
11 year of the two-year phase-in.

12

13 **Q. What is the interest you propose to be applied to the amount of revenue**
14 **deferred during the first phase of your rate plan?**

15 A. I propose applying the weighted cost of capital (rate of return). This is appropriate
16 because Cascadia will not have the opportunity to earn its rate of return on the
17 deferred revenue. In other words, the rate of return is the opportunity cost for which
18 Cascadia should be compensated in return for deferring collection of the revenue.
19 The Commission should apply the rate of return it orders in this case as the carrying
20 charge for phase two of the two-phase rate plan.

21

22 **Q. What are your recommended rates for Pelican Point?**

23 A. They are shown on the table below.

Table 5: Pelican Point Rates

Pelican Point								
	<i>Meter Size</i>	<i>Base Charge</i>	<i>Block 1 Usage</i>	<i>Block 1 Rate</i>	<i>Block 2 Usage</i>	<i>Block 2 Rate</i>	<i>Block 2 Usage</i>	<i>Block 3 Rate</i>
Phase One	5/8 and 3/4	\$ 34.25	0-900	\$ 0.75	901-5500	\$ 1.26	5501+	\$ 1.40
	1- inch	\$ 85.63	0-2250		2251-13750		13750+	
	2- inch	\$ 274.00	0-7200		44000+		44000+	
Phase Two	5/8 and 3/4	\$ 43.35	0-900	\$ 0.99	901-5500	\$ 1.81	5501+	\$ 2.00
	1- inch	\$ 108.38	0-2250		2251-13750		13750+	
	2- inch	\$ 346.80	0-7200		44000		44000+	
Final Rate	5/8 and 3/4	\$ 42.50	0-900	\$ 0.90	901-5500	\$ 1.81	5501+	\$ 2.00
	1- inch	\$ 106.25	0-2250		2251-13750		13750+	
	2- inch	\$ 340.00	0-7200		44000+		44000+	

1 **Q. For the combined Island and Peninsula tariff, what are your recommended**
2 **rates?**

3 **A.** They are shown on the table below.

Table 6: Island and Peninsula Rates

Island/ Peninsula								
	<i>Meter Size</i>	<i>Base Charge</i>	<i>Block 1 Usage</i>	<i>Block 1 Rate</i>	<i>Block 2 Usage</i>	<i>Block 2 Rate</i>	<i>Block 2 Usage</i>	<i>Block 3 Rate</i>
Phase One	5/8 and 3/4	\$ 33.00	0-500	\$ 3.80	501-1000	\$ 6.00	1001+	\$ 7.60
	1- inch	\$ 66.00	0-1250		1251-2500		2501+	
	2- inch	\$ 264.00	0-4000		4001-8000		8001+	
Phase Two	5/8 and 3/4	\$ 41.55	0-500	\$ 4.55	501-1000	\$ 7.19	1001+	\$ 9.10
	1- inch	\$ 83.10	0-1250		1251-2500		2501+	
	2- inch	\$ 332.40	0-4000		4001-8000		8001+	
Final Rate	5/8 and 3/4	\$ 40.50	0-500	\$ 4.55	501-1000	\$ 7.19	1001+	\$ 9.10
	1- inch	\$ 81.00	0-1250		1251-2500		2501+	
	2- inch	\$ 324.00	0-4000		4001-8000		8001+	

4 **Q. What is the average bill impact?**

5 **A.** They are shown on the table below.

Table 7: Bill Impact

Bill Compare						
<i>Pelican</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 43.82	\$ 63.54	\$ 84.64	\$ 82.98	89%	\$ 39.16
1-inch	\$ 43.21	\$ 106.92	\$ 137.00	\$ 132.85	207%	\$ 89.65
2-inch	\$ 59.58	\$ 311.05	\$ 395.71	\$ 384.46	545%	\$ 324.88
<i>Island</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 45.96	\$ 61.18	\$ 75.30	\$ 74.25	62%	\$ 28.30
1-inch	\$ 93.34	\$ 99.71	\$ 123.46	\$ 121.36	30%	\$ 28.02
2-inch	\$ 638.34	\$ 1,535.24	\$ 1,854.78	\$ 1,846.38	189%	\$ 1,208.04
<i>NWWS</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 52.16	\$ 63.28	\$ 77.82	\$ 76.77	47%	\$ 24.60
<i>Peninsula</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 30.58	\$ 56.74	\$ 69.98	\$ 68.93	125%	\$ 38.35
1-inch	\$ 60.04	\$ 104.15	\$ 128.78	\$ 126.68	111%	\$ 66.64
2-inch	\$ 309.00	\$ 439.10	\$ 542.08	\$ 533.68	73%	\$ 224.68
<i>Aquarius</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 48.06	\$ 51.51	\$ 63.71	\$ 62.66	30%	\$ 14.60
1-inch	\$ 92.02	\$ 104.15	\$ 128.78	\$ 126.68	38%	\$ 34.66
<i>Pederson</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 35.13	\$ 56.08	\$ 69.19	\$ 68.14	94%	\$ 33.01
<i>Discovery Bay</i>	<i>Current</i>	<i>Phase One</i>	<i>Phase Two</i>	<i>Final Rate</i>	<i>Percentage Increase</i>	<i>Dollar Increase</i>
5/8 or 3/4	\$ 47.20	\$ 59.20	\$ 72.93	\$ 71.88	52%	\$ 24.68

1 **Q.** Does this conclude your testimony?

2 **A.** Yes.