

Consumption Trends and Rate Alternatives

1 Consumption by Block

Within the City of Wichita, residential and commercial usage accounts for approximately 14B gallons of water.

- The residential class accounts for approximately **60.23%** of usage (approximately 8.5B gallons).
- The commercial class accounts for approximately **39.77%** of usage (approximately 5.5B gallons).
- Consumption is projected for FY 2016 based on a **3-year average** of consumption.
- Price elasticity (change in demand) is included for rate increases that are **10% or more**, based on AWWA standards.

Residential Consumption

| Existing Rate Structure | | | | |
|-------------------------|------------------|-------------|---------------------|-------------|
| % of AWC | Usage (1,000g) | Usage (%) | Revenue (\$) | Revenue (%) |
| <110% | 6,621,416 | 78% | \$13,266,112 | 48% |
| 111%-310% | 1,339,172 | 16% | \$9,383,662 | 34% |
| >311% | 499,123 | 6% | \$5,110,004 | 18% |
| Total | 8,459,711 | 100% | \$27,759,778 | 100% |

| Scenario 1 | | | | |
|--------------|------------------|-------------|---------------------|-------------|
| % of AWC | Usage (1,000g) | Usage (%) | Revenue (\$) | Revenue (%) |
| <125% | 6,708,322 | 79% | \$14,216,783 | 50% |
| 126%-310% | 1,252,266 | 15% | \$9,096,061 | 32% |
| >311% | 499,123 | 6% | \$5,297,146 | 18% |
| Total | 8,459,711 | 100% | \$28,609,990 | 100% |

| Scenario 2 | | | | |
|--------------|------------------|-------------|---------------------|-------------|
| % of AWC | Usage (1,000g) | Usage (%) | Revenue (\$) | Revenue (%) |
| <110% | 6,621,416 | 78% | \$13,219,856 | 47% |
| 111%-200% | 900,297 | 11% | \$6,291,144 | 23% |
| 201%-310% | 438,875 | 5% | \$3,226,710 | 12% |
| 311% | 499,123 | 6% | \$5,058,578 | 18% |
| Total | 8,459,711 | 100% | \$27,796,288 | 100% |

Commercial Consumption

| Existing Rate Structure | | | | |
|-------------------------|------------------|-------------|---------------------|-------------|
| % of AWC | Usage (1,000g) | Usage (%) | Revenue (\$) | Revenue (%) |
| <110% | 4,240,123 | 76% | \$8,495,154 | 44% |
| 111%-310% | 852,754 | 15% | \$5,975,298 | 30% |
| >311% | 492,847 | 9% | \$5,045,751 | 26% |
| Total | 5,585,724 | 100% | \$19,516,203 | 100% |

| Scenario 1 | | | | |
|--------------|------------------|-------------|---------------------|-------------|
| % of AWC | Usage (1,000g) | Usage (%) | Revenue (\$) | Revenue (%) |
| <125% | 4,510,081 | 81% | \$9,558,104 | 50% |
| 126%-310% | 582,796 | 10% | \$4,233,243 | 22% |
| >311% | 492,847 | 9% | \$5,230,541 | 28% |
| Total | 5,585,724 | 100% | \$19,021,888 | 100% |

| Scenario 2 | | | | |
|--------------|------------------|-------------|---------------------|-------------|
| % of AWC | Usage (1,000g) | Usage (%) | Revenue (\$) | Revenue (%) |
| <110% | 4,240,123 | 76% | \$8,465,533 | 43% |
| 111%-200% | 632,459 | 11% | \$4,419,534 | 23% |
| 201%-310% | 220,295 | 4% | \$1,619,654 | 8% |
| 311% | 492,847 | 9% | \$4,994,972 | 26% |
| Total | 5,585,724 | 100% | \$19,499,693 | 100% |

2 Customer Impact of Rate Alternatives

| Residential Customer Combined Monthly Water and Sewer Bills | | | | | | | |
|---|----------|---------------|---------------|------------|--------------------|------------|--------------------|
| | Current | Proposed FY16 | Lifeline Rate | Scenario 1 | Scenario 1 with LR | Scenario 2 | Scenario 2 with LR |
| 3,750 Gallons | \$39.04 | \$41.04 | \$41.36 | \$41.58 | \$41.89 | \$41.02 | \$41.34 |
| 7,500 Gallons | \$62.38 | \$65.54 | \$66.25 | \$62.11* | \$62.74 | \$65.48 | \$66.19 |
| 15,000 Gallons | \$136.26 | \$143.06 | \$145.05 | \$143.35 | \$145.26 | \$144.35 | \$146.37 |

*based on 6,000 gallon AWC, only 2% of accounts would experience a reduction in their bill

| Commercial Customer Combined Monthly Water and Sewer Bills | | | | | | | |
|--|----------|---------------|---------------|------------|--------------------|------------|--------------------|
| | Current | Proposed FY16 | Lifeline Rate | Scenario 1 | Scenario 1 with LR | Scenario 2 | Scenario 2 with LR |
| 100,000 Gallons | \$545.30 | \$574.48 | \$583.01 | \$588.69 | \$597.22 | \$573.79 | \$582.32 |

| Industrial Customer Combined Monthly Water and Sewer Bills | | | | | | | |
|--|----------|---------------|---------------|-------------|--------------------|-------------|--------------------|
| | Current | Proposed FY16 | Lifeline Rate | Scenario 1 | Scenario 1 with LR | Scenario 2 | Scenario 2 with LR |
| 10 Million Gallons | \$50,994 | \$53,532.83 | \$54,385.70 | \$54,954.07 | \$55,806.94 | \$53,464.06 | \$54,316.93 |

3 Current Rate Projections Compared to 2011 Projections

| | Water | | Sewer | |
|------|----------------------|------------------------------|----------------------|------------------------------|
| | Previously Projected | Enacted/ Currently Projected | Previously Projected | Enacted/ Currently Projected |
| 2012 | 4.0% | 4.0% | 9.0% | 8.0% |
| 2013 | 5.0% | 5.0% | 8.0% | 7.0% |
| 2014 | 8.0% | 6.0% | 7.0% | 5.0% |
| 2015 | 8.0% | 6.0% | 6.0% | 5.0% |
| 2016 | 8.0% | 5.5% | 5.0% | 5.0% |
| 2017 | 6.0% | 4.0% | 5.0% | 5.0% |
| 2018 | 5.0% | 3.0% | 5.0% | 5.5% |
| 2019 | 5.0% | 3.0% | 5.0% | 5.0% |
| 2020 | 4.0% | 3.0% | 5.0% | 5.0% |
| 2021 | 3.0% | 3.0% | 4.5% | 4.5% |

4 50 Largest Cities Water/Wastewater Survey 2012/2013

| 50 Largest Cities – Wichita’s Ranking (1- lowest, 50-highest) | | Comparison to Peer Cities | | |
|---|------|---------------------------|-------------------|------|
| Type of Monthly Bill | Rank | City | Avg Combined Bill | Rank |
| Residential – 3,750g Billable Usage (Combined Bill) | 14 | Wichita | \$52.97 | 10 |
| Residential – 7,500g Billable Usage (Combined Bill) | 10 | Oklahoma City | \$60.06 | 15 |
| Commercial – 100,000g Billable Usage (Combined Bill) | 4 | Kansas City | \$98.94 | 43 |