

- Q. The annual revenue effect of any proposed change to any rate must be supported by a billing analysis. This may consist of the use of bill frequency distributions or individual customer billing records for the most recent annual periods available. All billing determinants should be displayed. The blocking and corresponding prices of the existing rate and the proposed rate should be applied to the determinants to derive the base rate revenues under both present and proposed rates. The derived base rate revenues should form the basis for measuring the annual base rate effect of the rates in question for the test periods.
- A. A proof of revenue for each existing rate schedule is provided in Attachment IV-C.

The bill frequency distributions were prepared from customer records for the 12-month period January 1, 2009 through December 31, 2009. This billing data was assembled into the block forms of the present and proposed rates.

Billing charges are applied to the appropriate billing blocks to compute the rate revenue under present and proposed rates. The proposed increase percent change is applied to test year ending December 31, 2010 revenue to determine the proposed revenue level.