

The logo for SNEW (South Norwalk Electric and Water) features the word "SNEW" in a bold, blue, sans-serif font. To the right of the text is a green, curved swoosh that starts above the 'W' and ends below it, resembling a stylized 'D' or a protective shield.

SNEW

WATER RATE REVIEW
AND
PROPOSED INCREASE

SOUTH NORWALK ELECTRIC AND WATER

September, 2014

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General Manager
South Norwalk Electric and Water
September, 2014

EXECUTIVE SUMMARY

This report recommends the implementation of a 6% across the board rate increase on water sales, both inside and outside the District, including the monthly and quarterly service charges and the consumption charge. All recommendations in this report would be effective as of November 1, 2014. The purpose of this increase is to provide sufficient cash flow to meet current and future water utility expenditures, including the debt service for the Wilton filtration plant, the rebuilding of the Water Fund balance and improving the financial health of the Water Fund and the District.

INTRODUCTION

South Norwalk Electric and Water (SNEW – Water) is a municipal water utility owned and operated by the Second Taxing District of the City of Norwalk (an independent, special Taxing District chartered by and governed by the General Statutes of the State of Connecticut and Special Acts of the Connecticut General Assembly).

SNEW - Water operates completely on revenues from the sale of retail water service and the provision of public and private fire protection. Revenue derived from sales are used to cover the expenses of operations, maintenance, administration, debt service and a capital improvement program. Water historically has used long-term debt for financing major projects.

The Second Taxing District has the ability, under its Charter, to raise funds through a tax on the real and personal property located within the Second Taxing District to offset revenue deficiencies of the Taxing District's operations, including both Electric and Water. This taxing power has not been used for at least 50 years, if ever. Under the District Charter, taxes approved by the District Commission and the Electors of the Second Taxing District must be levied by the City of Norwalk Board of Estimate and Taxation with proceeds paid to the District. Less than 1.0% of the revenue of SNEW - Water is transferred to the Taxing District for Taxing District operations.

RATE INCREASE HISTORY AND DISCUSSION

Rates for service charged by SNEW - Water for both retail and wholesale sales are set by the Commissioners of the Second Taxing District under the terms and conditions of the Second Taxing District Charter and the General Statutes of the State of Connecticut, enabling the establishment of municipal utilities.

SNEW - Water, from 1970 to 2006, implemented rate increases approximately every five years. Because of the wide spacing of rate increases and inflationary factors, each of the rate increases had been in the vicinity of 20% to 30%. This practice resulted in high positive cash flows in the early years following a rate increase and negative cash flows in years four, five and six after an increase. This approach to rate increases also had an adverse affect on customer attitudes because of the large, albeit widely spaced increases.

SNEW - Water in 2007-2010 adjusted this practice by performing a rate analysis each year. The rate increases approximately matched the Consumer Price Index as published by the US Bureau of Labor Statistics. This change evened out cash flow and customers saw gradual increases on a yearly basis as opposed to large increases every five or six years.

SNEW – Water in October, 2011 increased rates by 25% to provide additional cash to cover debt service on the Drinking Water State Revolving Fund (DWSRF) loan. SNEW has not raised water rates since October, 2011 due to the flat economy and a very low increase in the consumer price index.

Summarized in Exhibit A is a description of rate increases from 1975 to 2009 and a brief summary of the notable changes made to the SNEW's water rate structure.

WATER FUND

The South Norwalk Electric and Water (The Second Taxing District of the City of Norwalk) financial structure is defined in the Second Taxing District's Charter in Section 1-81, Budgets and Finance. The District's finances are divided into the General Fund, the Water Fund and the Electric Fund, in compliance with the Charter. The two utility Funds are kept separate and distinct from each other. The District is required to utilize water revenues to pay current water expenses, interest on debt, principle on debt and to fund capital programs. The Electric Fund has an identical structure. In order to manage and control the water and electric utility and

charge appropriate rates for each utility service, it is necessary to segregate the Funds in accordance with the Charter. In addition to appropriate rate making, it is important to make sure that neither the Electric nor Water Fund subsidizes the other.

A large portion of the customer base of the water utility lies outside of the legal Second Taxing District. The electric customer base is located almost exclusively within the Second Taxing District. Comingling of Water and Electric Funds would result in one group of customers subsidizing another. Electric rate payers are primarily tenants, while water rate payers are primarily property owners. The water and electric residential customer bases are dramatically different in the term of economic ability. Because the District has tax lien status for its water bills, it bills only the property owner of record. The electric utility, consistent with nationwide electric utility practice, bills the bonafide tenant of spaces leased by property owners. The electric utility has no lien status. SNEW's accounting system complies with the requirements of the Charter and appropriately segregates the District's General Fund, Water Fund and Electric Fund from each other, allowing only transfers from the Water and Electric Fund when all of the operating expenses, debt, interest and capital cost have been paid. Transfers between funds can occur only with elector approval as part of the budget process. No cross utility transfers have occurred since electric and water were combined into a single business unit in 2003.

The SNEW - Water Fund ending balance at the end of each fiscal year has varied significantly over the last decade. This wide variance is due to the filtration plant construction project started in 1999 and completed in 2009 (from feasibility to operation) due to irregular spending patterns in the capital program relating to the plant, including the installment releases of cash progress payments by the DWSRF. Consequently, those evaluating the water utility's finances need to be aware of the cause of the annual fund balance fluctuations. Water Fund cash of \$4.25 million was used to pay for a portion of the capital project, primarily for engineering, feasibility studies, plant design and regulatory approval.

The 5-year pro-forma Water Fund budget projects closing balances for years 2014/2015 through 2018/2019 as shown on Exhibit B. Significant negative balances increase through 2016/2019 and then decline approaching a zero balance in 2018/2019. The high negative balances are caused by the large, non-recurring OPEB Trust catch-up, which will be completed by 2017/2018 and two tank painting projects, one in 2015/2016 and one in 2016/2017. Tank paintings last between 10 and 15 years. SNEW has five steel tanks. The Price Street tank was painted in 2013/2014 at a cost of \$430,000.

DISTRICT DEBT – TAXATION

The Second Taxing District is able to finance its projects through either general obligation debt or electric and water revenue bonds. General obligation bonds are backed by the District's authority to tax properties located within the Second Taxing District. The debt service on general obligation bonds of the District have historically been paid through the water or electric revenue. In the event of the District's inability to pay the principal and interest on bonds through utilities revenues, the District would be required to tax the property within the District to pay the debt service. When the District Commission and the electors approve a tax levy, the District notifies the City of Norwalk Board of Estimation and Taxation of the District tax. The City is obligated to collect the tax and pay proceeds to the District.

General obligation bonds are significantly easier to issue for small Government forms than revenue bonds. Revenue bonds require a strong, long-term financial history, credit rating and large enough diverse customer base over a wide geographic area to provide stable revenues to minimize the risk to bond holders.

Revenue bonds are backed by a specific revenue stream (from customer's bills) to pay off principal and interest on the revenue bonds. SNEW's electric revenues are pledged to pay the CMEEC wholesale power bill, which becomes a CMEEC revenue stream to pay off CMEEC's revenue bonds. This is part of the Power Sales Agreement between CMEEC and SNEW. For

CMEEC to issue debt, CMEEC has to ensure that SNEW pays it wholesale power bills. This SNEW pledge has been in existence since SNEW joined CMEEC in the late 1980's. Only a small portion of SNEW's electric revenues are available as security for revenue bonds because of the relationship with CMEEC. Therefore, SNEW does not issue electric revenue bonds.

WATER DEBT

The District used general obligation bonds in 1970 to pay for the construction of the 1970's automatic backwash filter treatment plant. The bond had a 15-year repayment schedule and although they were general obligation bonds of the District, they were paid through water revenues. In 1997 the District issued \$4.6 million dollars of general obligation debt, with a 15-year repayment schedule to acquire the New Canaan Reservoir and construct pipeline improvements. Those bonds were paid off in fiscal year ending 2012 using only water revenues.

The District entered into a loan agreement with the State of Connecticut under the DWSRF loan program to finance \$24.75 million of the \$29 million dollars construction of the new membrane water filtration plant put into service in 2007. The loan closed for 20 years at 2.04% in October of 2009. The District has signed a General Obligation Agreement with the State, which considers the loan as a general obligation of the District, even though the bonds were issued by the State and the State is legally responsible for repayment of those bonds. SNEW intends to use water revenues to pay off the loan.

ELECTRIC DEBT

Electric has completed the construction of a new 115kV to 13.8kV substation connected to the ISO-New England power grid inside of SNEW's service territory at Martin Luther King Drive, one-quarter mile south of Lowe Street. The District issued \$10 million in general obligation bonds on April 2, 2014 for 20 years at 2.8%. Electric revenues will be used to pay the debt off.

CAPITAL PROJECTS - POTENTIAL DEBT ISSUANCE

SNEW - Water does not have any major capital projects planned or under consideration during the next several years which would require the issuance of debt to complete the projects. SNEW - Water facilities are in generally good to excellent condition and the capital program, for the most part, will be limited to water main replacements, which will be funded from excess water revenue generated annually.

SNEW – Electric does not have any major capital projects during the next several years which would require the issuance of debt to complete the project. Electric facilities are generally in good to excellent condition with the completion of the new substation and the voltage conversion project. Further capital budgets will include routine distribution system improvements such as switch replacements, which will be funded by excess electric revenues generated annually.

DISTRICT CREDIT RATING

The Second Taxing District was last rated by Moody's on March 26, 2014 as "Aa1". The City of Norwalk is rated as "AAA" and because of SNEW's size and structure as it relates to the City with underling debt (taxing the same properties) it was rated one step below the City's credit rating. The high credit rating of the District was based primarily on a significant number of years of the combined utilities being in a strong financial position and having considerable cash reserves. SNEW and the District need to maintain the high credit rating to facilitate its businesses.

SNEW - WATER RATE COMPARISON - CONNECTICUT UTILITIES

SNEW - Water rates have (for the last 40 years) been always at or below the median statewide rate for inside the District customers, with customers outside the District paying a 50% premium to cover general obligation debt risk. SNEW has maintained these low rates in statewide comparisons despite the high cost of doing business in Fairfield County, including wage premiums and high housing costs. SNEW's rates, compared to other utilities, are shown on Exhibit C. The graphs in Exhibit F compares SNEW to utilities in the entire State and just Fairfield County.

RECOMMENDATION

SNEW recommends an increase in water rates of 6% across the board on water sales for residential, commercial, industrial customers and private fire protection. This would be accomplished by utilizing the existing rate structure for both inside and outside the District; and increasing the monthly and quarterly service charges and the consumption charge.

The proposed recommended rate increase will provide approximately an additional \$475,000 of revenue per year. The rate structure should continue to be reviewed annually in the future to make sure that sufficient funds are generated to restore the Water Fund Reserve Balance to an appropriate level. The current rates are shown in Exhibit D-1 and the proposed rates are shown in Exhibit D-2. The Consumer Price Index increases are shown in Exhibit E for the period of July, 2011 through July, 2014.

IMPLEMENTATION

The increase will begin on November 1, 2014.

Exhibit A

HISTORY OF RATE INCREASES

Date	Rate Increase	Notes
October, 2011	25.00%	
July, 2010	3.00%	
July, 2009	3.00%	
July, 2008	3.75%	
September, 2007	2.78%	
July, 2006	20.00%	
January, 2004	20.00%	
June, 1998	25.00%	
July, 1997	12.00%	
March, 1991	40.00%	Elimination of the allowable gallons on the service charge.
January, 1985	30.00%	Instituted meter size demand based service charges.
January, 1980	30.00%	50% on fire service charges.
January, 1975	30.00%	10% on for service charges. Lowered the allowable gallons on the service charge - ended the declining block gallon rates.
January, 1969	33.00%	Lowered the allowable gallons on the service charge.

Exhibit B

SOUTH NORWALK ELECTRIC AND WATER
WATER - FIVE YEAR BUDGET

Revenue	0.05	0.03	0.03	0.03
Expense	0.02	0.02	0.02	0.02

REVENUE		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Operating Revenue (1)						
Metered Sales						
Residential		6,080,095	6,384,100	6,575,623	6,772,891	6,976,078
Commercial		1,171,661	1,230,244	1,267,151	1,305,166	1,344,321
Industrial		286,668	301,001	310,031	319,332	328,912
Sales to Public Authorities		233,182	244,841	252,186	259,752	267,545
Fire Protection						
Private Fire Protection		245,125	248,600	196,510	196,510	197,128
Public Fire Protection - Norwalk		49,300	49,300	49,224	49,224	48,480
Public Fire Protection - Wilton		12,500	12,500	12,480	12,480	12,605
Public Fire Protection - Sixth District		7,600	7,600	7,476	7,476	7,373
Water for Resale		25,000	25,000	25,000	25,000	25,000
Total Operating Revenue		8,111,130	8,503,186	8,695,682	8,947,831	9,207,442

Other Revenue		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Laboratory Services		5,000	5,000	5,000	5,000	5,000
Net Merchandising and Jobbing		10,000	10,000	10,000	10,000	10,000
Interest		500	600	750	800	1,000
Miscellaneous Customer Charges		130,000	130,000	130,000	130,000	130,000
Customer Late Fees		35,000	35,000	35,000	35,000	35,000
Total Other Revenue		180,500	180,600	180,750	180,800	181,000
TOTAL REVENUE		8,291,630	8,683,786	8,876,432	9,128,631	9,388,442

EXPENSE		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Operating Expense						
Source of Supply						
Operations		173,427	176,896	180,433	184,042	187,723
Maintenance		16,776	17,112	17,454	17,803	18,159
Pumping						
Operations		178,880	182,458	186,107	189,829	193,625
Maintenance		47,752	48,707	49,681	50,675	51,688
Water Treatment						
Operations		1,364,385	1,391,673	1,419,506	1,447,896	1,476,854
Maintenance		32,653	33,306	33,972	34,652	35,345
Transmission and Distribution						
Operations		382,371	390,018	397,819	405,775	413,891
Maintenance		529,070	539,651	550,444	561,453	572,682
Customer Accounts Expense		363,162	370,425	377,834	385,390	393,098
Administrative and General Expense						
Operations		2,631,326	2,683,953	2,737,632	2,792,384	2,848,232
Maintenance		57,600	58,752	59,927	61,126	62,348
Total Operating Expense		5,777,402	5,892,950	6,010,809	6,131,025	6,253,646

Other Expenses		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Property Taxes						
Wilton		445,000	453,900	462,978	472,238	481,682
New Canaan		25,000	25,500	26,010	26,530	27,061
Total Property Taxes		470,000	479,400	488,988	498,768	508,743
Total Other Expenses		470,000	479,400	488,988	498,768	508,743
TOTAL EXPENSE		6,247,402	6,372,350	6,499,797	6,629,793	6,762,389

NET OPERATING INCOME	2,333,728	2,610,236	2,684,873	2,816,806	2,953,796
TOTAL INCOME MINUS EXPENSES	2,044,228	2,311,436	2,376,635	2,498,838	2,626,053
Principal on Debt - Filtration Plant	1,124,272	1,147,423	1,171,050	1,195,164	1,219,775
Interest on Debt - Filtration Plant	367,446	344,295	320,667	296,553	271,943
Capital Appropriations (2)	545,800	645,000	715,000	454,300	575,000
Preliminary Survey and Investigation (3)	0	0	0	0	0
CHANGE IN WATER FINANCIAL/RESERVE FUND	6,710	174,718	169,917	552,821	559,335
OPENING BALANCE WATER FINANCIAL/RESERVE FUND (4)	412,686	36,396	(195,886)	(477,969)	(377,148)
PREVIOUS YEARS CANCELLED PROJECTS (6)	34,000	40,000	25,000	55,000	50,000
TRANSFER TO OPEB TRUST (7)	(327,000)	(357,000)	(387,000)	(417,000)	(267,000)
TRANSFER TO GENERAL FUND - DISTRICT OPERATIONS	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
CLOSING BALANCE WATER FINANCIAL/RESERVE FUND	36,396	(195,886)	(477,969)	(377,148)	(124,813)

Notes:

- (1) Operating revenues are projections. Actual sales are outside of the control of the utility.
- (2) Capital Appropriations do not include "Contributions in Aid of Construction" from third parties.
- (3) Preliminary survey will be apportioned between OM&A and Capital Projects in subsequent fiscal years when the survey is complete.
- (4) "Opening Balance" recalculated on a yearly basis beginning in fiscal year 2013-2014
- (5) "Return to Reserve Fund from FY Audit" not applicable beginning fiscal year 2013-2014
- (6) See Previous Years Cancelled Projects from "Water - Capital Project Summary Report."
- (7) OPEB - Other Post Employment Benefit

08/21/14

SOUTH NORWALK ELECTRIC AND WATER
WATER - FIVE YEAR CAPITAL BUDGET

Project	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Purchase Chlorine Analyzer	\$3,600				
Replace Price St Fence	\$28,000				
Purchase Trash Pump	\$3,000				
Purchase Snow Thrower	\$1,700				
Purchase Pipe Locator	\$3,600				
Purchase Pipe Trailer	\$6,500				
Replace Vehicle 6	\$43,000				
GAC Replacement	\$195,000				
Virtual Server Upgrade	\$23,900				
Ultrapure Water System	\$17,000				
SCADA Upgrades (Software & Computers)	\$22,800				
GIS Mobile	\$16,700				
Upgrade Meter Reading Hardware	\$15,000				
Vehicle Replacements		\$30,000	\$25,000	\$40,000	\$45,000
Paint Summitt Ave Tank		\$380,000			
Paint Michael St Tank			\$475,000		
Paint Flower La Tank					\$250,000
GAC Replacement				\$200,000	
Fence Replacements			\$30,000	\$30,000	\$30,000
Ponus Ave Roof Replacement					\$10,000
Water Treatment Equipment		\$5,000	\$5,000	\$5,000	\$5,000
Replace Sander				\$10,000	
Gravity convection oven				\$1,200	
Conductivity meter				\$900	
Fecal coliform bath				\$2,200	
Ion Chromatograph					\$30,000
Replace SANS		\$40,000			
Yearly Projects					
Misc Capital Purchase	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Purchase Meters	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Yearly replacement of Old Services		\$25,000			\$25,000
Hydrant Replacements			\$15,000		\$15,000
Misc Computer Purchases	\$16,000	\$15,000	\$15,000	\$15,000	\$15,000
Yearly Totals	\$545,800	\$645,000	\$715,000	\$454,300	\$575,000

Exhibit C

WATER RATE COMPARISON WITH A 6% INCREASE TO THE SOUTH NORWALK ELECTRIC AND WATER'S RATES
TOTAL QUARTERLY PRICE FOR 18,000 GALLONS (Consumption and Service Charge)

<u>COMPANY</u>	<u>IN DISTRICT (MEMBER)</u>	<u>OUT OF DISTRICT (NON-MEMBER)</u>
Danbury Public Utilities, City of	\$40.34	
Waterbury Bureau of Water	\$60.58	
First Taxing District	\$68.74	\$103.25
Manchester, Town of	\$76.02	
Bristol Water Department	\$76.34	
South Norwalk Electric and Water	\$85.83	\$128.76
South Norwalk Electric and Water (Proposed)	\$90.99	\$136.59
Aquarion Northern Division	\$97.57	
MDC	\$101.28	\$120.21
Meriden, City of	\$101.75	
Wallingford Dept of Water and Sewer	\$107.45	
Aquarion Western Division	\$119.54	
Norwich Public Utilities	\$129.48	
Groton Utilities	\$130.88	
Regional Water Authority	\$132.05	
Connecticut Water Company (Mansfield Division)	\$133.32	
Connecticut Water Company (Crystal Division)	\$134.69	
Aquarion Eastern Division	\$140.55	
Aquarion Southern Division	\$140.55	
Connecticut Water Company (Gallup Division)	\$158.81	
Connecticut Water Company (CT Water Division)	\$173.39	

South Norwalk Electric and Water Current Water Rates

Rates Within Second Taxing District

Quarterly Meter Rates Service Charge	
5/8" Meter	\$22.83
3/4" Meter	\$49.35
1" Meter	\$105.69
1 1/2" Meter	\$218.40
2" Meter	\$345.27
3" Meter	\$655.20
4" Meter	\$1,084.98
6" Meter	\$2,169.87
8" Meter	\$3,473.25
10" Meter	\$5,424.78

Water Consumption..... \$3.50 per thousand gallons

Rates Outside Second Taxing District

Quarterly Meter Rates Service Charge	
5/8" Meter	\$34.26
3/4" Meter	\$74.04
1" Meter	\$158.55
1 1/2" Meter	\$327.60
2" Meter	\$517.92
3" Meter	\$982.80
4" Meter	\$1,627.47
6" Meter	\$3,254.82
8" Meter	\$5,209.89
10" Meter	\$8,137.17

Water Consumption..... \$5.25 per thousand gallons

Monthly Meter Rates Service Charge	
5/8" Meter	\$7.61
3/4" Meter	\$16.45
1" Meter	\$35.23
1 1/2" Meter	\$72.80
2" Meter	\$115.09
3" Meter	\$218.40
4" Meter	\$361.66
6" Meter	\$723.29
8" Meter	\$1,157.75
10" Meter	\$1,808.26

Water Consumption..... \$3.50 per thousand gallons

Monthly Meter Rates Service Charge	
5/8" Meter	\$11.42
3/4" Meter	\$24.68
1" Meter	\$52.85
1 1/2" Meter	\$109.20
2" Meter	\$172.64
3" Meter	\$327.60
4" Meter	\$542.49
6" Meter	\$1,084.94
8" Meter	\$1,736.63
10" Meter	\$2,712.39

Water Consumption..... \$5.25 per thousand gallons

Monthly Fire Service Charges	
4" Fire Service	\$38.16
6" Fire Service	\$76.35
8" Fire Service	\$152.68
10" Fire Service	\$305.36

Monthly Fire Service Charges	
4" Fire Service	\$38.16
6" Fire Service	\$76.35
8" Fire Service	\$152.68
10" Fire Service	\$305.36

Effective October 1, 2011

South Norwalk Electric and Water Proposed Water Rates

Rates Within Second Taxing District

Quarterly Meter Rates Service Charge	
5/8" Meter	\$24.21
3/4" Meter	\$52.32
1" Meter	\$112.02
1 1/2" Meter	\$231.51
2" Meter	\$366.00
3" Meter	\$694.50
4" Meter	\$1,150.08
6" Meter	\$2,300.07
8" Meter	\$3,681.66
10" Meter	\$5,750.28

Water Consumption \$3.71 per thousand gallons

Rates Outside Second Taxing District

Quarterly Meter Rates Service Charge	
5/8" Meter	\$36.33
3/4" Meter	\$78.48
1" Meter	\$168.03
1 1/2" Meter	\$347.28
2" Meter	\$549.00
3" Meter	\$1,041.75
4" Meter	\$1,725.12
6" Meter	\$3,450.12
8" Meter	\$5,522.49
10" Meter	\$8,625.42

Water Consumption \$5.57 per thousand gallons

Monthly Meter Rates Service Charge	
5/8" Meter	\$8.07
3/4" Meter	\$17.44
1" Meter	\$37.34
1 1/2" Meter	\$77.17
2" Meter	\$122.00
3" Meter	\$231.50
4" Meter	\$383.36
6" Meter	\$766.69
8" Meter	\$1,227.22
10" Meter	\$1,916.76

Water Consumption \$3.71 per thousand gallons

Monthly Meter Rates Service Charge	
5/8" Meter	\$12.11
3/4" Meter	\$26.16
1" Meter	\$56.01
1 1/2" Meter	\$115.76
2" Meter	\$183.00
3" Meter	\$347.25
4" Meter	\$575.04
6" Meter	\$1,150.04
8" Meter	\$1,840.83
10" Meter	\$2,875.14

Water Consumption \$5.57 per thousand gallons

Monthly Fire Service Charges	
4" Fire Service	\$40.45
6" Fire Service	\$80.93
8" Fire Service	\$161.84
10" Fire Service	\$323.68

Monthly Fire Service Charges	
4" Fire Service	\$40.45
6" Fire Service	\$80.93
8" Fire Service	\$161.84
10" Fire Service	\$323.68

Effective November 1, 2014

Rate Increase	6.00%
Fire Service Inc	6.00%

Exhibit E

Bureau of Labor Statistics

<i>Consumer Price Index - Urban Wage Earners and Clerical Workers</i>					
<i>Original Data Value</i>					
Series Id: CWURA101SA0					
Not Seasonally Adjusted					
Area: New York-Northern New Jersey-Long Island, NY-NJ-CT-PA					
Item: All items					
Base Period: 1982-84=100					
Years: 2011 to 2014					
Year	Jul			Cummulative % Change	
2011	245.265				
2012	248.162			1.181%	
2013	253.277			3.267%	
2014	257.309			4.911%	

<i>Consumer Price Index - All Urban Consumers</i>					
<i>Original Data Value</i>					
Series Id: CUURA101SA0					
Not Seasonally Adjusted					
Area: New York-Northern New Jersey-Long Island, NY-NJ-CT-PA					
Item: All items					
Base Period: 1982-84=100					
Years: 2011 to 2014					
Year	Jul			Cummulative % Change	
2011	249.164				
2012	252.016			1.145%	
2013	257.326			3.276%	
2014	261.498			4.950%	

Exhibit F - COMPARISON OF CONNECTICUT WATER RATES AUGUST 2014

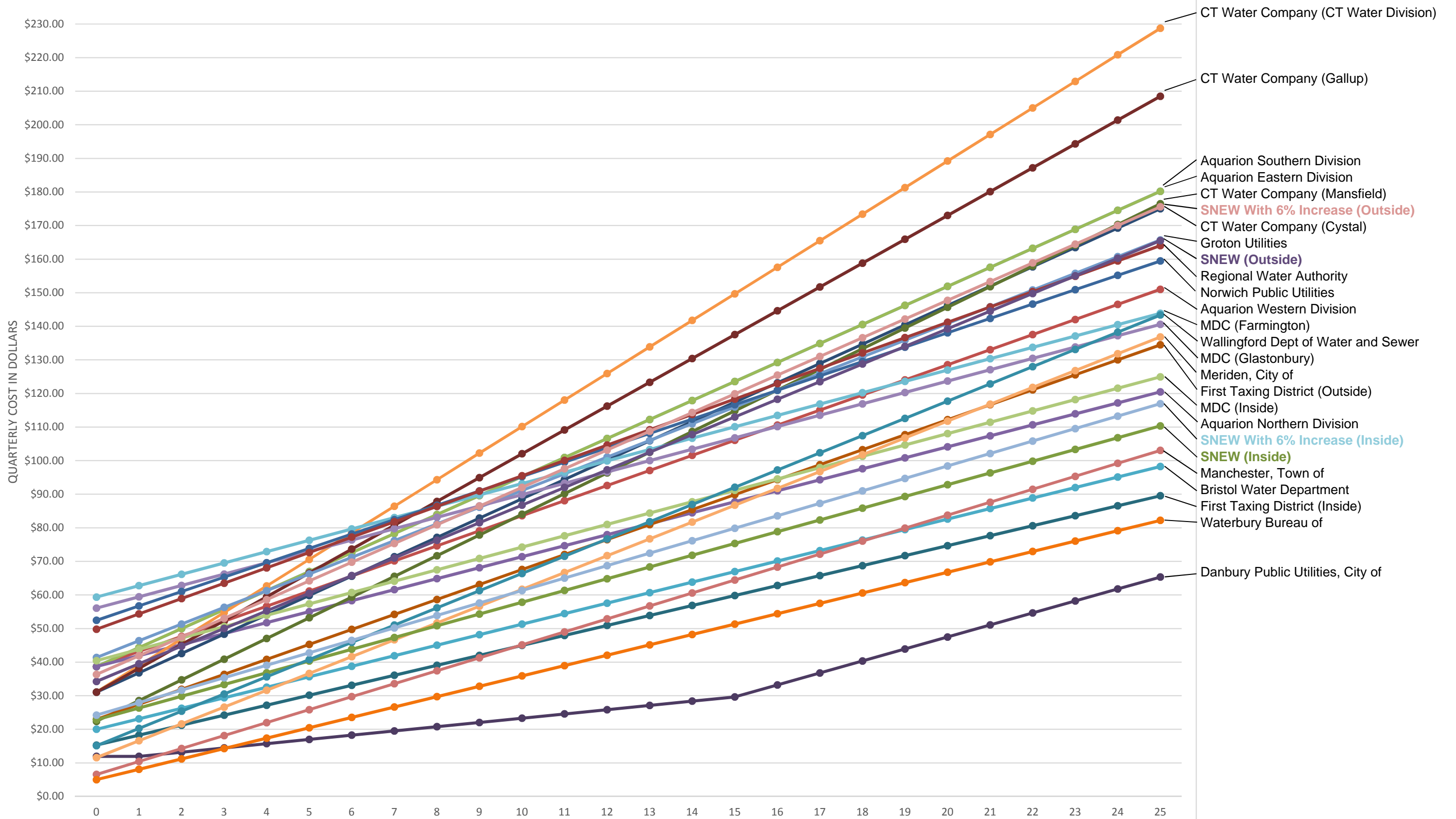


Exhibit F - COMPARISON OF CONNECTICUT WATER RATES (FAIRFIELD COUNTY UTILITIES) AUGUST 2014

