



November 29, 2022

**Grand Rapids Public Utilities Commission**

500 SE 4<sup>th</sup> Street  
Grand Rapids, MN 55744

**Subject: Electric, Water and Domestic Wastewater Rate Studies**

Commission Members:

Dave Berg Consulting, LLC has undertaken a study of the retail rates GRPUC charges its customers for electric, water and domestic wastewater service. Reports have been provided for each utility summarizing the analyses undertaken and the resulting recommendations for changes to the existing rates.

The first year (2023) rate recommendations result in a reduction in average electric bills of 6.5% and increases of 10% for water and 5% for domestic wastewater. Table 1 below summarizes the combined impact on an average residential customer’s combined monthly bills utilizing 700 kWh electric and 3000 gallons for water and wastewater. As shown, the total monthly bill for 2023 is reduced by \$2.06 or 1.5%.

**Table 1**  
**2023 Residential Bill Impact**

Utility	Current	2023	Increase (\$)	Increase (%)
Electric (700 kWh)	\$88.61	\$83.34	(\$5.27)	(5.9%)
Water (3000 gallons)	20.04	22.05	2.01	10.0%
Wastewater (3000 gallons)	<u>24.34</u>	<u>25.54</u>	<u>1.20</u>	<u>4.9%</u>
Total	\$132.99	\$130.93	(\$2.06)	(1.5%)

Table 2 below summarizes the combined impact on an average commercial customer’s combined monthly bills utilizing 2000 kWh electric and 17,000 gallons for water and wastewater. As shown, the total monthly bill for 2023 is reduced by \$2.75 or 0.6%.

***Dedicated to providing personal service to consumer-owned utilities***

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**Table 2**  
**2023 Commercial Bill Impact**

<b>Utility</b>	<b>Current</b>	<b>2023</b>	<b>Increase (\$)</b>	<b>Increase (%)</b>
Electric (2000 kWh)	\$262.51	\$247.46	(\$15.05)	(5.7%)
Water (17,000 gallons)	68.69	77.38	8.69	12.7%
Wastewater (17,000 gallons)	<u>94.32</u>	<u>97.83</u>	<u>3.51</u>	<u>3.7%</u>
Total	\$425.52	\$422.77	(\$2.75)	(0.6%)

Table 3 shows the combined end-of-year reserves for all three utilities assuming implementation of the recommended rate adjustments.

**Table 3**  
**Projected EOY Cash Reserves**  
**Proposed Rates**

<b>Utility</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Electric	\$4,118,902	\$4,492,526	\$4,726,758	\$4,910,742	\$4,957,575	\$4,990,807
Water	280,237	1,025,670	577,164	234,045	(145,995)	(119,038)
Wastewater	<u>178,992</u>	<u>(689,700)</u>	<u>619,768</u>	<u>(21,990)</u>	<u>(391,611)</u>	<u>(917,842)</u>
Total	\$4,578,131	\$4,828,496	\$5,923,691	\$5,122,797	\$4,419,969	\$3,953,928

Each report contains more detailed information regarding the recommendations for each utility. Thank you for the opportunity to be of service to GRPUC through the conduct of this study.

Sincerely,

**Dave Berg Consulting, LLC**

**David A. Berg, PE**  
**Principal**