

**DIRECT CUSTOMER CHARGE  
FOR  
PUBLIC FIRE PROTECTION**

Docket 05-WI-100

**Testimony of John A. Mayer  
November 1988**

DIRECT TESTIMONY OF JOHN A. MAYER

Q. Would you please state your name and business address?

A. My name is John A. Mayer. My business address is 10624 North Port Washington Road, Mequon, Wisconsin, 53092.

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

A. I am president of the consulting firm known as John A. Mayer Associates, Utility Rate Consultants. The firm is an independent professional cost engineering firm which provides services to municipal utilities, investor-owned utilities, regulatory commissions and utility users in the areas of cost of service, utility rate design, and related matters.

Q. Have you prepared a summary of your educational background and business experience?

A. Yes I have. A copy of my professional qualifications is contained as Attachment 1 of this testimony.

Q. What is the purpose of your testimony in these hearings?

A. The purpose of my testimony today is to propose two (2) alternative methods of direct charging Public Fire Protection costs (PFP) to general water service customers. Both alternatives would be administratively feasible. The first alternative would be the most precise since it would base the charge to an individual customer on actual fire

1 flow demand potential. The second alternative would be  
2 the most practical since it eliminates the need to  
3 estimate the fire flow demand for a municipality which can  
4 be the single most influential decision affecting the  
5 allocation of costs to customer class.  
6

7 Q. Is your proposal being sponsored by any municipality,  
8 company or other third party?

9 A. No it is not. I am sponsoring this proposal myself  
10 because I am involved in the water cost-of-service and  
11 rate design studies on a daily basis both in Wisconsin and  
12 in other states and consequently this affects my work.

13 Secondly, I feel strongly that another method or  
14 methods of direct charging for PFP, other than that of  
15 equivalent services, can result in a more equitable  
16 distribution of the costs associated with PFP.

17 Thirdly, I feel that this presents a unique  
18 opportunity to address another problem and source of  
19 confusion and misunderstanding I have encountered in the  
20 development of the revenue requirement for my municipal  
21 clients, namely the "tax equivalent" payment.  
22

23 Q. Mr. Mayer, what exactly makes up these "costs" which  
24 utility rate experts classify as fire protection costs?

25 A. When a water system is constructed, water mains, elevated  
26 storage tanks, and pumps are sized to permit flows capable  
27 of handling the water needs of the general water service

1 customers, as well as to provide adequate fire flows. In  
2 all but the larger cities, the requirement for fire flow  
3 capability results in the construction of a larger  
4 capacity system than that required to meet daily domestic  
5 and process uses alone. There is, therefore, an  
6 identifiable "cost" associated with the existence of this  
7 fire flow capability.

8 The cost of service study allocates a portion of the  
9 operating and maintenance expense, depreciation, and other  
10 charges associated with this fire flow capacity to the  
11 category of "Fire Protection". This cost, along with the  
12 cost of maintaining hydrants and associated hardware, is  
13 the basis for the fire protection charge.

14 Historically, this fire protection "cost" has become  
15 a part of the utility's approved rate tariffs and has been  
16 billed to the municipality. The municipality would then  
17 pay for this service with funds collected through the  
18 property tax. Thus the charge for this additional  
19 capacity built into the water system for fire protection  
20 service would be collected through the property tax rather  
21 than through the sale of water, because it was felt that  
22 fire protection benefits each property in proportion to  
23 the relative value of the property and not in proportion  
24 to the amount of the water used. The person with the more  
25 expensive property derives more "benefit" from fire  
26 protection than a person with a less valuable home. It  
27 happens that a convenient measure of a property's "value"

1 is the assessed value, so therefore the property tax  
2 became the vehicle to collect for fire protection.  
3

4 Q. Is this the only method authorized by the Wisconsin Public  
5 Service Commission (PSC) to collect for PFP charges?

6 A. No. Recent legislation passed by the Wisconsin  
7 Legislature has provided an alternative for the  
8 traditional method for collecting for PFP services. The  
9 utility can now recover these costs by direct billing  
10 their customers based on an equivalent number of 3/4"  
11 services. The direct charging of PFP costs can be a more  
12 appropriate method than the property tax method  
13 particularly for a utility which serves a large percentage  
14 of tax exempt customers.  
15

16 Q. Mr. Mayer, would you please describe the first of the two  
17 alternative methods you are proposing to direct charge for  
18 PFP costs?

19 A. Yes. I will refer to this alternative as the "Actual Fire  
20 Demand" method. What we are trying to accomplish is the  
21 recovery of the costs associated with public fire  
22 protection in the most equitable and straightforward  
23 manner possible. The historic method based on property  
24 value certainly has some significant merit. There also  
25 can be inequities as there will be with any methodology.  
26 The very expensive high-rise office building designed to  
27 contain the spread of a fire and constructed with fire-

1 resistant materials would likely pay a disproportionate  
2 percentage of the fire protection charge vis-a-vis a low  
3 assessed value lumber yard with an extremely high fire  
4 flow requirement.

5 Ideally one would like to assign PFP in proportion to  
6 the each individual customer's actual fire demand.  
7 Practically this is impossible on a per customer basis. A  
8 reasonable compromise, however, would be to create a half-  
9 dozen or so fire flow categories with each category or  
10 group covering a "range" of fire flow requirements. In  
11 this manner the cost of PFP would be assigned to customers  
12 based on fire flow requirements, and the utility's billing  
13 systems could easily accommodate this since every  
14 customers would essentially be receiving a "private fire  
15 protection" charge.

16  
17 Q. How would you propose to determine an individual  
18 customer's fire flow?

19 A. The Insurance Services Office or ISO is an organization  
20 which performs a number of services relative to  
21 determining and grading commercial buildings and entire  
22 municipalities as to their ability to protect property  
23 against fire damage. The ISO has published a document  
24 titled "Fire Suppression Rating Schedule" (Edition 6-80)  
25 the stated purpose of which is "to review the available  
26 public fire suppression facilities, and to develop a  
27 Public Protection Classification for fire insurance rating

1 purposes".

2 The formulas and analysis delineated in this document  
3 are extensive, and consider numerous factors such as what  
4 activities or purpose the building is used for called the  
5 "occupancy factor", (i.e. low hazard gymnasium vs. high  
6 hazard chemical storage); distance to neighboring  
7 structures; and the potential for the fire to spread to  
8 the neighboring structure through windows vs. a solid  
9 wall, etc. Consideration of all of these elements would  
10 be impractical for rate setting purposes.  
11

12 Q. If you did not use the ISO formulas directly, what did you  
13 use to determine the fire flow?

14 A. I limited the formulas to a single formula used by the ISO  
15 to determine the needed fire flow based solely on the size  
16 of the structure and the construction materials, but  
17 before applying factors to adjust for the "use" or  
18 occupancy factor, proximity to other buildings, and risks  
19 of the fire spreading to other structures. Since the  
20 purpose of this method is to allocate the cost of fire  
21 protection, consideration of the fire hazard of the  
22 building alone was a logical decision.  
23

24 Q. Mr. Mayer, how did you determine or establish the "ranges"  
25 you mentioned earlier?

26 A. In order to show this proposal more clearly, I have  
27 prepared Schedule 1 of Exhibit \_\_\_\_\_ (JAM-1) which

1 indicates six (6) PFP categories numbered from 1 to 6 in  
2 the upper left box. The number and ranges were selected  
3 somewhat arbitrarily, but the intent is to establish  
4 ranges in multiples of "typical residential" required  
5 flows. All single-family residential and two-family  
6 duplex dwellings not exceeding 2-stories in height or 3000  
7 sq. ft. in area are to be considered "residential" and  
8 assigned to PFP Category #1. All other structures would  
9 be subject to the PFP category as determined in this  
10 exhibit.

11 This exhibit shows the fire flow required and PFP  
12 category under four (4) separate construction categories,  
13 given an effective square foot area. The effective square  
14 foot area includes all stories, but excludes the basement.  
15 For fire-resistive buildings only the largest successive  
16 six floor areas are considered. If the vertical openings  
17 are protected, only the 3 largest successive floor should  
18 be considered.

19  
20 Q. How would customers be assigned to a PFP category?

21 A. Residential customers would automatically be assigned a  
22 PFP-1 rating. A form would need to be sent to all non-  
23 residential customers asking the customer to supply the  
24 effective square footage (total floor area excluding  
25 basements), and a check-off box for construction material  
26 (wood frame, concrete block, etc.). Using this  
27 information and the computations contained on Schedule 1,



1 the proper PFP category would be assigned to that  
2 customer.

3  
4 Q. How would the monthly or quarterly charge for each of  
5 these PFP Categories be established?

6 A. The cost-of-service study would be performed in the  
7 typical manner in order to determine the "cost" associated  
8 with providing adequate fire flow capacity. This  
9 allocated PFP cost would be divided by the total number of  
10 equivalent residential PFP's receiving service. It is  
11 intended that this charge would be converted to a monthly  
12 or quarterly amount and would be collected as a separate  
13 line item on the customer's bill.

14 The cost increase on a residential customer's water  
15 bill could be very significant under this method,  
16 particularly for the smaller utilities, consequently  
17 limits on the overall percentage of PFP costs which could  
18 be collected through the PFP might need to be considered.

19  
20 Q. Why would that be more likely for the smaller utilities?

21 A. A fire, whether it occurs in a large metropolitan area or  
22 in a smaller town, causes the same requirements for water  
23 to be put on a small utility as it does for a large  
24 utility. However, this instantaneous fire demand is a  
25 much larger percentage of a small utility's overall  
26 maximum demands than it is for a large utility.

27 A smaller utility does not benefit from the

1 geographic diversity available to a large metropolitan  
2 area and, consequently, a much larger percentage of its  
3 total plant is devoted to serving these extra capacity  
4 costs. In general, the percentage of a cost of service  
5 allocation study assigned to fire protection is inversely  
6 proportional to the size of that water utility.

7  
8 Q. Mr. Mayer, could you briefly explain your second  
9 alternative method of direct charging for PFP?

10 A. My second alternative method is what I call the "Class  
11 Absorption" method. The cost-of-service allocation study  
12 is carried out in the typical manner with one exception,  
13 the allocation to customer class does not consider "fire  
14 protection" as a customer class. One of the major  
15 difficulties in the performance of any cost study is the  
16 determination of the municipality's fire flow demand.

17 Frequently used methods to estimate these fire flows  
18 are typically based on the population of the utility's  
19 service area and do not take into consideration the  
20 existence of the lumber yard or chemical plant in the  
21 computations. Consequently one frequently needs to adjust  
22 the "computed" population based fire flow to compensate  
23 for certain extraordinary situations if a true fire flow  
24 demand is to be developed.

25 By eliminating the category of fire protection, the  
26 need to make a subjective decision of a municipality's  
27 fire flow demand is eliminated. The fewer subjective

1 decisions required in any cost study the better. While  
2 not as "precise" as the "Actual Fire Flow" method, it is  
3 simpler to administer than to try to determine each  
4 customer's PFP category and there is a great advantage to  
5 simplicity.

6  
7 Q. What actually happens to those fire protection costs if  
8 one eliminates "fire protection" as a class?

9 A. The functional costs of base, extra capacity-maximum day,  
10 and extra capacity-maximum hour which would have been  
11 assigned to fire protection are "absorbed" by all customer  
12 classes in proportion to each classes' average demand and  
13 extra capacity demands. Residential customers typically  
14 will be allocated a significant portion due to their high  
15 peaking factors on a maximum daily and maximum hourly  
16 basis.

17 Cost directly related to fire hydrants would still be  
18 identified separately and would be collected on a either a  
19 per connection or equivalent service basis. Costs  
20 associated with average and excess demands would be  
21 "absorbed" and not directly identified in the cost study.

22  
23 Q. Under either the "Actual Fire Demand" or "Class  
24 Absorption" method, how would the burden of the cost of  
25 PFP be spread to customer classes?

26 A. Due to lack of specific information, a cost allocation  
27 using the "Actual Fire Demand" method was not possible,

1 however for comparison purposes it should be similar to  
2 the equivalent services method results for this community.

3 The effect under the "Class Absorption" method is  
4 materially different than the allocation based on  
5 equivalent services insofar as it significantly reduces  
6 the effect on residential customers by allocating the  
7 cost of PFP more evenly to all customer classes.

8 Schedule 2 of Exhibit \_\_\_\_\_ (JAM-1) shows a  
9 comparison of the results under the existing method where  
10 PFP is paid by the municipality, under the current  
11 "equivalent services" method, and under the "Class  
12 Absorption" method for an actual municipal client of mine.  
13 While the equivalent services method would require  
14 increases of 43% for Residential, 17% for Commercial, 2%  
15 for Industrial, and 18% for Public Authority customers,  
16 the "Class Absorption" increase would be 26%, 27%, 23%,  
17 and 25% respectively.

18 While all customers classes would share in the cost  
19 of PFP, in every test I have made of either the equivalent  
20 services or "Actual Fire Demand" cost study alternatives,  
21 the bill for the average residential class would increase  
22 significantly since the PFP portion is being paid for as a  
23 fixed monthly or quarterly charge, and therefore the  
24 percentage increase will be far greater on a small user  
25 vs. a large user.

26  
27 Q. Is there any way you can recommend to lessen the effect of

1 the cost of PFP to the residential class?

2 A. I feel that there is a way. This leads to the third  
3 purpose my testimony. The direct charging for PFP will  
4 result in a tremendous cost savings to the municipality  
5 since it no longer will need to pay the "Fire Protection  
6 Charge" to the utility. For the municipality used in my  
7 example, it would be the difference between paying a net  
8 of \$38,406 vs. receiving income of \$82,147. This  
9 "windfall" cost savings will be at the expense of a  
10 significant increase in all customer's water bills.

11 An excellent way to mitigate the effect to  
12 residential customers would be if the Commission  
13 eliminates an element in the revenue requirement known as  
14 the "tax equivalent" payment or "payment in lieu of tax".  
15 This is frequently called PILOT by utility rate analysts.  
16

17 Q. Could you please explain what kind of "cost" is a PILOT?

18 A. Certainly. PILOT is not a cost of providing water  
19 service. Chapter PSC 109 of the Wisconsin Administrative  
20 Code indicates that this charge has been in effect since  
21 at least 8-1-56. It is based on the "gross book value" of  
22 water utility plant, excluding plant outside the municipal  
23 limits, times the assessment ratio, times the local and  
24 school tax rates. Curiously this "tax equivalent" is not  
25 permitted to be charged to Sewer Utilities nor to Sanitary  
26 Districts.  
27

1 Q. Can you explain to us the rationale behind the charging  
2 for a "tax equivalent"?

3 A. I will try. There are two rationalizations generally  
4 used to justify a PILOT. The first is that it is needed  
5 to pay for services provided by the municipality which  
6 are not billed to the utility. Use of city vehicles,  
7 administrative personnel activities connected with the  
8 utility, city attorney's time on utility matters, etc. are  
9 frequently used as examples of unbilled costs.

10 The second rationalization is that PILOT should be  
11 paid because that is the tax which would be paid if the  
12 utility would be investor-owned, so it is sort of an  
13 "opportunity cost" of municipal ownership.

14 Neither of these two rationalizations hold much value  
15 in my opinion. If there are services provided the utility  
16 which are not billed, then the municipality should bill  
17 for them. Don't mask a legitimate cost behind an obscure  
18 charge. Municipal ownership is supposed to provide a cost  
19 advantage to the customer. If one adds a charge in order  
20 to make the level of required revenue equal to that under  
21 private ownership, why have municipal ownership in the  
22 first place.

23 The point being that PILOT is not a real cost of  
24 providing water service. I will hypothesize that it came  
25 into existence because it offset, in whole or in part, the  
26 charge to the municipality for Public Fire Protection. If  
27 we direct charge for PFP, we should also eliminate the

1 "tax equivalent" or PILOT requirement from the revenue  
2 requirement.

3  
4 Q. Does the dollar amount paid under a PILOT bear any  
5 relationship to the value of service received?

6 A. In my opinion no.

7  
8 Q. Can you comment how PILOT is handled in other parts of the  
9 Country?

10 A. Yes. In utility practice elsewhere in the Country, PILOT  
11 is occasionally found. It is most frequently calculated  
12 using depreciated plant investment, not gross plant as is  
13 done in Wisconsin. It also frequently considers only the  
14 above ground utility plant since that is the only plant  
15 which could in any way benefit from municipal services.

16 Generally speaking, the existence of a PILOT is most  
17 common in situations where the utility charges the  
18 municipality for Public Fire Protection. If the utility  
19 does not charge the municipality a "Public Fire  
20 Protection" charge, then it is rare that the municipality  
21 charges the utility a PILOT. The utility's absorption of  
22 PFP costs is frequently considered the utility's "tax  
23 equivalent" payment.

24  
25 Q. What would be the effect on rates if PILOT were to be  
26 eliminated?

27 A. Under most any scenario for direct charging PFP, there

1 will be a shifting of revenue requirement to all  
2 customers. The "Class Absorption" method makes the  
3 increase more uniform by class, but still the increase  
4 required would result in an average increase of 25.1%.  
5 The elimination of PILOT would mitigate the effect on  
6 all customers, while preserving the merits of direct  
7 charging for PFP. Schedule 2 of Exhibit \_\_\_\_\_ (JAM-1)  
8 shows the cost of service results both including and  
9 excluding PILOT. The average increase decreases from  
10 25.1% to 8.0% with customer class increases of 10%, 9%,  
11 5%, and 7% respectively for Residential, Commercial,  
12 Industrial, and Public Authority.

13  
14 Q. Are there any other beneficial effects which, in your  
15 opinion, would precipitate from the elimination of PILOT?

16 A. I have a good case in point. A municipal client of mine  
17 recently was forced to file a rate increase request before  
18 this Commission solely because of an increase in the "tax  
19 equivalent" payment.

20 The utility had just added over \$1.2 million in mains  
21 to provide service to their industrial park area.

22 Approximately 95% of the cost of these mains is being paid  
23 for from either by the TIF District or by front foot  
24 assessments. The utility's portion of the capital  
25 construction is minimal. There are no increases in  
26 operating expenses due to these additions to plant. There  
27 is no additional debt service to cover. Over 82% of the



1 requested increase is due to an increase in PILOT. This  
2 simply doesn't make sense.

3 The automatic escalation of the amount of money due  
4 to the municipality through this mechanism is unnecessary.  
5 If the municipality feels a need to receive a payment from  
6 the utility, why not call it a "franchise fee" and  
7 establish it at a fixed level, but not to exceed the  
8 maximum amount which would be due under Chapter 109 for  
9 the "tax equivalent" payment.

10  
11 Q. Doesn't the Wisconsin Administrative Code **require** the  
12 charging of a tax equivalent?

13 A. I am not an attorney and therefore cannot give you a legal  
14 opinion as to the requirement of this portion of the code,  
15 however under PSC 109.02 it simply states that:

16 The maximum "tax equivalent" for any municipality  
17 utility (except a sewer utility) shall be determined by  
18 applying the local and school tax rates for the calendar  
19 year to the gross book value for the calendar year of  
20 plant plus materials and supplies multiplied by the  
21 assessment ratio for the municipality involved."

22 It does not appear to prohibit paying less than the  
23 "maximum" nor does it appear to mandate inclusion of a tax  
24 equivalent in the revenue requirement. It would seem that  
25 the establishment of a zero level or any level for the  
26 "tax equivalent" would be in compliance with the Code, so  
27 long as it does not exceed the maximum amount per the  
indicated calculations.

1 Q. Mr. Mayer, do have any specific recommendations out of the  
2 two alternative methods you have presented today?

3 A. Yes I do. Both methods have merits. The "Actual Fire  
4 Flow" method is the most precise and recovers costs as  
5 close as possible to the manner which caused the costs to  
6 be incurred in the first place. It is much more complex  
7 than the "Class Absorption" method. **There is great merit**  
8 **to simplicity.** The elimination of the requirement to  
9 estimate a municipality's fire flows coupled with the  
10 mitigating rate effect on residential customers by  
11 spreading the cost of PFP more on class demands makes the  
12 "Class Absorption" method the one I strongly recommended.

13 No matter which method of direct charging PFP the  
14 Commission ultimately adopts, the elimination of PILOT  
15 should be included as non-optional for a utility electing  
16 to direct charge for PFP. The effect of eliminating these  
17 two charges at the same time eliminates most of the  
18 revenue effect between the utility and the municipality.  
19 The merits are too great to ignore.  
20

21 Q. Does that conclude your direct testimony?

22 A. Yes it does.  
23  
24  
25  
26  
27

**DIRECT CUSTOMER CHARGE  
FOR  
PUBLIC FIRE PROTECTION**

Docket 05-WI-100

**Exhibit of John A. Mayer  
November 1988**

## FIRE FLOW DETERMINATION

## NON-RESIDENTIAL STRUCTURES \*\*

PFP Category:				Formula:				
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For Fire Flows	0 to	1,500 gpm, PFP = #1	Flow = 18 x F x Sqrt[A]					
For Fire Flows	1,501 to	3,000 gpm, PFP = #2	F = 1.5 Wood Frame Construction					
For Fire Flows	3,001 to	4,500 gpm, PFP = #3	F = 1.0 Ordinary Constr. (Non-Combust. walls)					
For Fire Flows	4,501 to	6,000 gpm, PFP = #4	F = 0.8 Fully non-combustible Construction					
For Fire Flows	6,001 to	7,500 gpm, PFP = #5	F = 0.6 Fire-resistive Construction					
For Fire Flows	7,501 to	9,000 gpm, PFP = #6	A = Effective Area					
-----								
Effec. Area sq.ft.	----- Wood Frame -----		----Ordinary Constr.----		----Non-Combustible----		-----Fire-Resistive-----	
	Fire Flow Reqd.	PFP Category	Fire Flow Reqd.	PFP Category	Fire Flow Reqd.	PFP Category	Fire Flow Reqd.	PFP Category
-----								
1,000	850	1	570	1	460	1	300	1
1,500	1,050	1	700	1	560	1	400	1
2,000	1,210	1	800	1	640	1	500	1
2,500	1,350	1	900	1	720	1	500	1
3,000	1,480	1	990	1	790	1	600	1
3,500	1,600	2	1,060	1	850	1	600	1
4,000	1,710	2	1,140	1	910	1	700	1
4,500	1,810	2	1,210	1	970	1	700	1
5,000	1,910	2	1,270	1	1,020	1	800	1
6,000	2,090	2	1,390	1	1,120	1	800	1
7,000	2,260	2	1,510	2	1,200	1	900	1
8,000	2,410	2	1,610	2	1,290	1	1,000	1
9,000	2,560	2	1,710	2	1,370	1	1,000	1
10,000	2,700	2	1,800	2	1,440	1	1,100	1
11,000	2,830	2	1,890	2	1,510	2	1,100	1
12,000	2,960	2	1,970	2	1,580	2	1,200	1
13,000	3,080	3	2,050	2	1,640	2	1,200	1
14,000	3,190	3	2,130	2	1,700	2	1,300	1
15,000	3,310	3	2,200	2	1,760	2	1,300	1
16,000	3,420	3	2,280	2	1,820	2	1,400	1
17,000	3,520	3	2,350	2	1,880	2	1,400	1
18,000	3,620	3	2,410	2	1,930	2	1,400	1
19,000	3,720	3	2,480	2	1,980	2	1,500	1
20,000	3,820	3	2,550	2	2,040	2	1,500	1
25,000	4,270	3	2,850	2	2,280	2	1,700	2
30,000	4,680	4	3,120	3	2,490	2	1,900	2
35,000	5,050	4	3,370	3	2,690	2	2,000	2
40,000	5,400	4	3,600	3	2,880	2	2,200	2
45,000	5,730	4	3,820	3	3,050	3	2,300	2
50,000	6,040	5	4,020	3	3,220	3	2,400	2
60,000	6,610	5	4,410	3	3,530	3	2,600	2
70,000	7,140	5	4,760	4	3,810	3	2,900	2
80,000	7,640	6	5,090	4	4,070	3	3,100	3
90,000	8,100	6	5,400	4	4,320	3	3,200	3
100,000	8,540	6	5,690	4	4,550	4	3,400	3
150,000	10,460	6	6,970	5	5,580	4	4,200	3
200,000	12,070	6	8,050	6	6,440	5	4,800	4
300,000	14,790	6	9,860	6	7,890	6	5,900	4

\*\* Residential structures consists of all 1- and 2-family dwellings not exceeding 2 stories in height or greater than 3000 sq. ft. in area. Residential dwellings are to be classified as PFP #1.

## MUNICIPAL WATER UTILITY

## SUMMARY - ALLOCATION TO CUSTOMER CLASS

Description:	Total GWS Revenue Required	Resid.	Comml.	Indl.	Public Auth.	Fire Protect.	Municipality's Net Bill Fire Prot. less PILOT
-----							
SUMMARY - COST ALLOCATION TO CLASS:							
=====							
	-----General Water Service-----						
Standard Cost Study Results	\$481,040	\$227,054	\$89,774	\$131,528	\$32,684	\$120,553	\$38,406
PFP Collected on Equiv. Services	601,593	323,658	105,383	133,927	38,625	0	(82,147)
PFP "Class Absorption" Method	601,593	285,193	114,352	161,147	40,901	0	(82,147)
PFP "Class Absorption" w/o PILOT	519,447	249,448	97,437	137,559	35,003	0	0
Dollar Increase/(Decrease) from Current Method:							
-----							
PFP Collected on Equiv. Services \$9.23 /qtr./eq. svc. *	\$120,553	\$96,604	\$15,609	\$2,399	\$5,941	(\$120,553)	(\$120,553)
PFP "Class Absorption" Method \$2.12 /qtr./eq. svc. **	120,553	58,139	24,578	29,619	8,217	(120,553)	(120,553)
PFP "Class Absorption" w/o PILOT	38,407	22,394	7,663	6,031	2,319	(120,553)	(38,406)
Percent Increase/(Decrease) from Current Method:							
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PFP Collected on Equiv. Services	25.06%	42.55%	17.39%	1.82%	18.18%		-313.89%
PFP "Class Absorption" Method	25.06%	25.61%	27.38%	22.52%	25.14%		-313.89%
PFP "Class Absorption" w/o PILOT	7.98%	9.86%	8.54%	4.59%	7.10%		-100.00%
PILOT "Savings" Allocated to Class	82,146	35,745	16,915	23,588	5,898		
PILOT "Savings" Allocated to Class	100.00%	43.51%	20.59%	28.71%	7.18%		

\* Collection for ALL of Public Fire Protection costs through the fixed quarterly charge.

\*\* Collection for only HYDRANT RELATED fire protection charges through the fixed quarterly charge.