

# At A Glance

## City of Charlottesville Utility Rate Report FY2016

The following material provides a brief summary of the rate and fee recommendations for water, wastewater, and natural gas for FY2016. All rates will go into effect July 1, 2015. For a thorough explanation and details of the recommendations please consult the complete Adopted Utility Rate Report FY2016.

The City has adopted the following changes in the water, wastewater, and gas utility. The rates are based on average single family household usage per month (437 cf of water and wastewater, 5,092 cf of gas):

	<u>Current Monthly Charge</u>	<u>Adopted</u>	<u>Increase</u>	<u>Percent</u>
<b>Water</b>	\$ 25.97	\$ 26.89	\$ 0.92	3.54 %
<b>Wastewater</b>	30.77	34.78	4.01	13.03
<b>Gas</b>	<u>61.64</u>	<u>57.02</u>	<u>(4.62)</u>	<u>(7.50)</u>
<b>Total</b>	\$ 118.38	\$ 118.69	\$ 0.31	0.26 %

### **WATER RATES**

The adopted composite rate for FY2016 for 1,000 cubic feet of water is \$52.37.

### **Impact on the Customer**

The customer impact from the rate increase will depend on how much water the customer consumes a month. The average single-family household uses 437 cf/month (3,269 gallons/month; approximately 107 gallons/day).

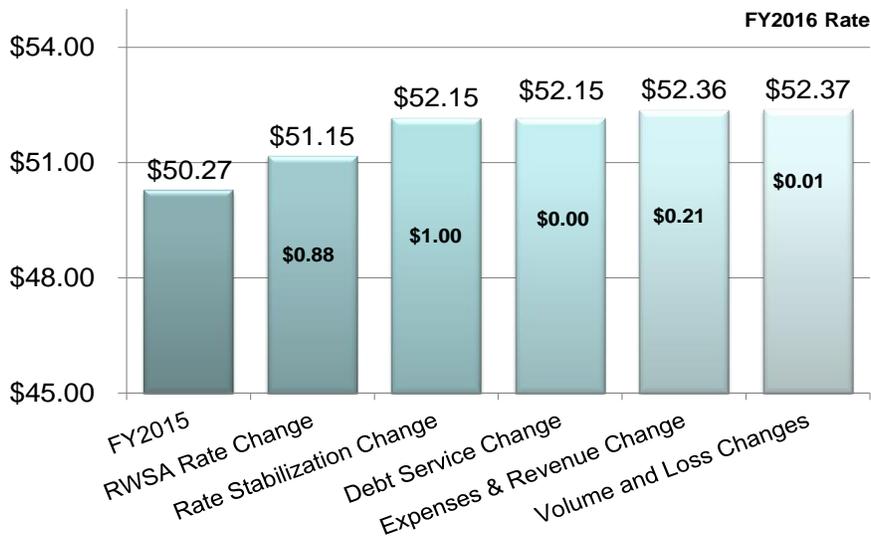
- **The monthly bill for the average single-family customer** will increase from \$25.97 to \$26.89, an increase of \$0.92 or 3.54%.
- The monthly bill for the customer who uses 1,000 cubic feet of water per month (and including the \$4.00 monthly charge) will increase from \$54.27 to \$56.37, an increase of \$2.10 or 3.87%.

### **Factors Influencing the Water Rate**

The impact of each component on the final rate is depicted below.

- Increasing wholesale rate from RWSA by \$0.696 increased the City's rate by \$0.88.
- The \$145,000 reduction in the use of rate stabilization funds increases the rate by \$1.00.
- There was no change in debt service so there was no impact on the rate.
- The increase in operating expenses primarily an increase in the payment in-lieu of taxes (PILOT) caused an increase in the rate of \$0.21.
- There was a slight change in volume and number of customers that resulted in a \$0.01 change. These factors resulted in an increase in rate to \$52.37.

## Impacts on Water Rate (per 1,000 cf)



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## WASTEWATER RATES

The adopted rate for 1,000 cubic feet of wastewater FY2016 is \$70.44.

### Impact on the Customer

- **The average monthly wastewater bill for the single-family customer**, who uses 437 cubic feet of water, will rise from \$30.77 to \$34.78, an increase of \$4.01 or 13.03%.
- The monthly bill for the customer who uses 1,000 cubic feet of water per month (and including the \$4.00 monthly charge) will rise from \$65.26 to \$74.44, an increase of \$9.18 or 14.07%.

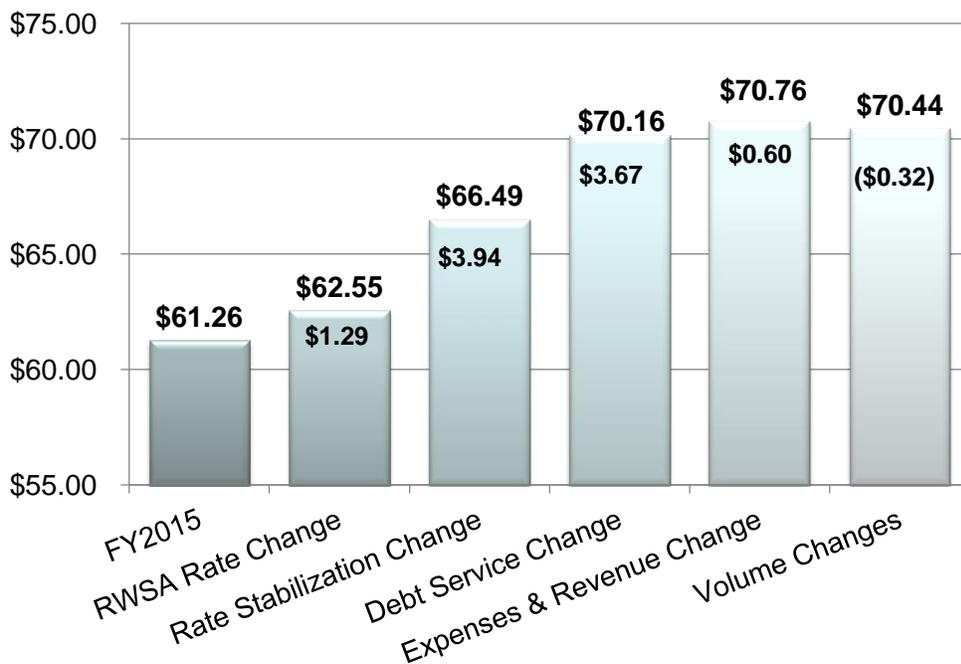
### Factors Influencing the Wastewater Rate

The impact of each component on the final rate is depicted below.

- The increase in the treatment rate from RWSA, from \$28.598/cf to \$29.576/cf, increases the rate an additional \$1.29 to \$62.55/cf.
- The use of \$300,000 in rate stabilization funds produces an increase in the wastewater rate of \$3.94. Please note that using the \$300,000 does cause the rate to be \$2.08 lower than it would be without the rate stabilization funds.
- An increase of \$585,000 in debt service funding results in an increase of \$3.67.
- Changes in City expenses and revenue results in an increase of the rate of \$0.60 to \$70.76/cf.
- The change in treatment volume and number of customers causing a reduction in the rate of \$0.32 for a final rate per cf of \$70.44.

## Impacts on Wastewater Rate (per 1,000 cf)

FY2016



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## GAS RATES

### Impact on Average Customer

Adopted firm rates for July 1, 2016 are (7.4%) lower for the typical firm customer using 8,000 cf than actual rates for March, 2015. Firm customers include all types of customers (residential, commercial and industrial) for whom gas supplies are guaranteed to be available all year long without interruption. The actual percent decrease is dependent upon usage.

- For a representative residential monthly consumption of 8,000 cf, the monthly bill will decrease from \$87.47 to \$81.00, a decrease of 7.40%.
- The average single-family household, who consumes 5,092 cf of gas, will see the monthly bill decrease from \$61.64 to \$57.02, a reduction of 7.50%.

### Factors Influencing the Gas Rate

The adopted (7.4%) decrease to firm customers, from \$87.47 to \$81.00, is due to the following:

- The total non-gas operating budget increased by \$158,105 from FY2015 to FY2016, or 1.12%, resulting in a \$0.98 increase due to raising operating expenses.
- The sales volume for firm customers increased in FY2016 by 178,016 dth causing a 7.97% decrease in the gas rate producing a \$6.97 decline.
- Pipeline contract is for only pipeline for the entire year resulting in a savings of 2.76% decrease or a \$2.41 decrease.
- The total contract price increased by 2.21% resulting in a \$1.93 increase and a new rate of \$81.00.

## Impacts on Gas Rate (per 8,000cf)

