

# At A Glance City of Charlottesville Utility Rate Report



**FY2018**

The following material provides a brief summary of the rates and fees for water, wastewater, and natural gas for FY2018. All rates will go into effect July 1, 2017. For a thorough explanation and details of the recommendations please consult the complete Adopted Utility Rate Report FY2018.

The City is proposing the following changes in the water, wastewater, and gas utility. The rates are based on average single family household usage per month (422 cf of water and wastewater, 4,611 cf of gas):

	Current	Adopted	Change	Percent
<b>Water</b>	<b>\$27.00</b>	<b>\$27.00</b>	<b>\$ 0</b>	<b>0.00%</b>
<b>Wastewater</b>	<b>\$35.49</b>	<b>\$35.58</b>	<b>\$0.09</b>	<b>0.25%</b>
<b>Gas</b>	<b>\$45.99</b>	<b>\$47.37</b>	<b>\$1.38</b>	<b>3.00%</b>
<b>Total</b>	<b>\$108.48</b>	<b>\$109.95</b>	<b>\$1.47</b>	<b>1.36%</b>

As a result of water and energy conservation, in conjunction with the adopted FY2018 rates, the average customer's total utility bill (for customers receiving all three utilities) will be lower than last year and the lowest in three years.

## Total Monthly Utility Bill for Average Residential Customer (water, wastewater, gas)



# Water Rates

The composite rate for FY2018 for 1,000 cubic feet of water is unchanged from FY2017 and remains at \$54.51.



## Impact on the Customer

The average single-family household uses 422 cf/month (3,157 gallons/month; approximately 105.2 gallons/day). To the extent an individual customer's usage differs from the average will determine the impact of the proposed rate on their bill.

- **The monthly bill for the average single-family customer will remain \$27.00.**
- The monthly bill for the customer who uses 1,000 cubic feet of water per month (and including the \$4.00 monthly charge) will remain unchanged at \$58.51.

## Factors Influencing the Water Rate

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

- Increasing wholesale rate from RWSA increased the City's rate by \$1.07.
  - The \$50,000 increase in the use of rate stabilization funds reduces the rate by \$0.36.
  - The \$25,000 increase in debt service resulted in an increase of \$0.18.
  - The change in operating expenses and revenue caused an increase in the rate of \$1.61.
  - The increase in volume and number of customers that resulted in a \$2.32 reduction in the rate.
- These factors resulted in an increase in rate to \$54.51, which is the same rate as FY2017.

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



# Wastewater Rates

The rate for 1,000 cubic feet of wastewater FY2018 is \$74.83, a 0.29% change.



## Impact on the Customer

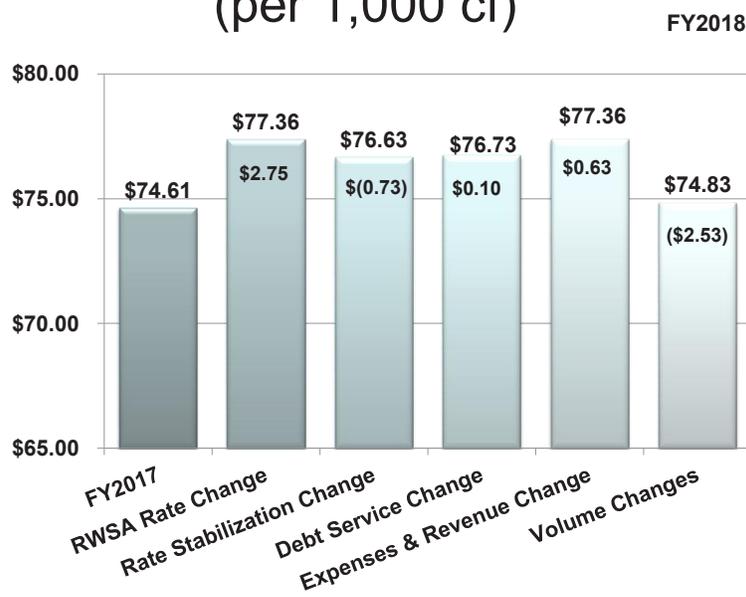
- **The average monthly wastewater bill for the single-family customer, who uses 422 cubic feet of water, will rise from \$35.49 to \$35.58, an increase of \$0.09 or 0.25%.**
- The monthly bill for the customer who uses 1,000 cubic feet of water per month (and including the \$4.00 monthly charge) will rise from \$78.61 to \$78.83, an increase of \$0.22 or 0.28%.

## 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 increases the City's rate an additional \$2.75 to \$77.36.
- The use of an additional \$100,000 in rate stabilization funds produces a decrease in the wastewater rate by \$0.73 to \$76.63.
- A \$15,000 rise in debt service will cause the rate to increase \$0.10 to \$76.73.
- Changes in City expenses and revenue results in an increase in the rate of \$0.63 to \$77.36/cf.
- The change in treatment volume and number of customers causes a decrease in the rate of \$2.53 for a final rate per 1,000 cf of \$74.83, which is 0.22% higher than FY2017.

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



# Gas Rates

Firm rates for July 1, 2017 are (3.31%) higher for the typical firm customer using 8,000 cf than the rates for March, 2016. 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.



## Impact on the Customer

- For a representative residential monthly consumption of 8,000 cf, the monthly bill will increase from \$69.78 to \$72.09, an increase of 3.31%.
- The average single-family household, who consumes 4,611 cf of gas, will see the monthly bill increase from \$45.99 to \$47.37, an increase of 3.00%.

## Factors Influencing the Gas Rate

Continued growth in our customer base and a changing gas wholesale market contribute to the 3.31% increase to firm customers. The proposed increase to firm customers is due to the following:

- The total non-gas operating budget increased by \$1,548,268 from FY2017 to FY2018, resulting in a \$3.03 increase due to increased operating expenses.
- Fund balance is used to defray the cost of capital, resulting in a \$1.05 decrease.
- Fund balance is used to help stabilize rates, which reduced the rate by \$1.74.
- The sales volume for firm customers decreased in FY2018 by 95,180 dth causing the gas rate to decrease by \$0.26.
- The total gas supply costs resulting in a \$2.33 increase and a new rate of \$72.09.

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

