

# At A Glance

## City of Charlottesville Utility Rate Report FY2017

The following material provides a brief summary of the rates for water, wastewater, and natural gas for FY2017. All rates will go into effect July 1, 2016. For a thorough explanation and details of the recommendations please consult the complete Adopted Utility Rate Report FY2017.

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 (427 cf of water and wastewater, 4,878 cf of gas):

	<u>Current Monthly Charge</u>	<u>Adopted</u>	<u>Increase</u>	<u>Percent</u>
<b>Water</b>	\$ 26.36	\$ 27.28	\$ 0.92	3.49 %
<b>Wastewater</b>	34.08	35.86	1.78	5.22
<b>Gas</b>	<u>54.79</u>	<u>48.22</u>	<u>(6.57)</u>	<u>(11.99)</u>
<b>Total</b>	\$ 115.23	\$ 111.36	\$ (3.87)	(3.36)%

### **WATER RATES**

The composite rate for FY2017 for 1,000 cubic feet of water is \$54.51.

### **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 427 cf/month (3,194 gallons/month; approximately 106.5 gallons/day).

- **The monthly bill for the average single-family customer** will increase from \$26.36 to \$27.28, an increase of \$0.92 or 3.49%.
- 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 \$56.37 to \$58.51, an increase of \$2.14 or 3.80%.

### **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 \$6.02.
- The \$200,000 reduction in the use of rate stabilization funds increases the rate by \$1.37.
- The \$50,000 increase in debt service resulted in a \$0.34 increase.
- The change in operating expenses and revenue caused a decrease in the rate of \$1.08.
- The change in volume and number of customers that resulted in a \$4.17 reduction in the rate. These factors resulted in an increase in rate to \$54.51.

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



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## WASTEWATER RATES

The rate for 1,000 cubic feet of wastewater FY2017 is \$74.61.

### Impact on the Customer

- **The average monthly wastewater bill for the single-family customer**, who uses 427 cubic feet of water, will rise from \$34.08 to \$35.86, an increase of \$1.78 or 5.22%.
- 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 \$74.44 to \$78.61, an increase of \$4.17 or 5.60%.

### 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 \$3.07 to \$73.51/cf.
- The use of an additional \$100,000 in rate stabilization funds produces a decrease in the wastewater rate by \$0.43.
- There is no change in debt service.
- Changes in City expenses and revenue results in a decrease in the rate of \$0.18 to \$72.90/cf.
- The change in treatment volume and number of customers causes an increase in the rate of \$1.71 for a final rate per 1,000 cf of \$74.61.

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



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## GAS RATES

### Impact on Average Customer

Firm rates for July 1, 2017 are 12.82% lower for the typical firm customer using 8,000 cf than actual 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. The actual percent decrease is dependent upon usage.

- For a representative residential monthly consumption of 8,000 cf, the monthly bill will decrease from \$80.47 to \$70.15, a decrease of 12.82%.
- The average single-family household, who consumes 4.878 cf of gas, will see the monthly bill decrease from \$54.79 to \$48.22, a reduction of 11.99%.

### Factors Influencing the Gas Rate

Continued growth in our customer base and a volatile gas wholesale market contribute to the decrease to firm customers. The decrease to firm customers, from \$80.47 to \$70.15, is due to the following:

- The total non-gas operating budget decreased by \$239,903 from FY2016 to FY2017, or 1.70%, resulting in a \$1.37 decrease due to decreased operating expenses.
- The sales volume for firm customers decreased in FY2017 by 85,694 dth causing a 1.16% increase in the gas rate producing a \$0.92 increase.
- The total gas supply costs decreased by 12.33% resulting in a \$9.87 decrease and a new rate of \$70.15.

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

