At A Glance
City of Charlottesville Utility Rate Report FY2015

The following material provides a brief summary of the rate and fee recommendations for water, wastewater, and natural gas for FY2015. All rates will go into effect July 1, 2014. For a thorough explanation and details of the recommendations please consult the complete Adopted Utility Rate Report FY2015.

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 (460 cf water and wastewater, 5,344 cf of gas):

<table>
<thead>
<tr>
<th></th>
<th>Current Monthly Charge</th>
<th>Adopted Monthly Charge</th>
<th>Increase</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>$24.28</td>
<td>$27.12</td>
<td>$2.84</td>
<td>11.70%</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$28.84</td>
<td>$32.18</td>
<td>3.34</td>
<td>11.58%</td>
</tr>
<tr>
<td>Gas</td>
<td>$72.86</td>
<td>$72.84</td>
<td>(0.02)</td>
<td>(0.03)</td>
</tr>
<tr>
<td>Total</td>
<td>$125.98</td>
<td>$132.14</td>
<td>$6.16</td>
<td>4.89%</td>
</tr>
</tbody>
</table>

**WATER RATES**
The adopted composite rate for FY2015 for 1,000 cubic feet of water is $50.27.

**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 460 cf/month (3,441 gallons).

- The monthly bill for the average single-family customer will increase from $24.28 to $27.12, an increase of $2.84 or 11.70%.
- The monthly bill for the customer who uses 1,000 cubic feet per month will increase from $48.09 to $54.27, an increase of $6.18 or 12.85%.

**Factors Influencing the Water Rate**
The impact of each component on the final rate is depicted below.

- Increasing wholesale rate from RWSA by $2.408 the City's rate by $2.92.
- The $2,000 reduction in the use of rate stabilization funds increases the rate by $0.01.
- The increase in operating expenses primarily from debt service and operations and maintenance cause an increase in the rate of $1.79.
- And finally, although the volume is changing so is the water loss figure. Water loss, the difference between what we sell to our customers and what we purchase from RWSA, is increasing. This means that water attributable to leaks or unmetered usage is rising. These factors resulted in an increase in rate of $1.46 to $50.27.

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

![Graph showing the impact on water rate](image-url)
WASTEWATER RATES
The adopted rate for 1,000 cubic feet of wastewater FY2015 is $61.26.

Impact on the Customer
- The average monthly wastewater bill for the single-family customer, who uses 460 cubic feet of water, will rise from $28.84 to $32.18, an increase of $3.34 or 11.58%.
- The monthly bill for the customer who uses 1,000 cubic feet per month will rise from $58.00 to $65.26, an increase of $7.26 or 12.52%.

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 $26.876/cf to $28.589/cf, increases the rate an additional $2.17 to $56.17/cf.
- The use of $850,000 in rate stabilization funds, the same as that used last year, produces no change in the wastewater rate. Please note that using the $850,000 does cause the rate to be $6.08 lower than it would be without the rate stabilization funds.
- Changes in City expenses and revenue results in an increase of the rate of $2.68 to $58.85/cf.
- The reduction in treatment volume adds an addition $2.41 for a final rate per cf of $61.26.

Impacts on Wastewater Rate
(per 1,000 cf)

<table>
<thead>
<tr>
<th>FY2014</th>
<th>RWSA Rate Change</th>
<th>Rate Stabilization Change</th>
<th>Expenses &amp; Revenue Change</th>
<th>Volume Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>$54.00</td>
<td>$56.17</td>
<td>$56.17</td>
<td>$58.85</td>
</tr>
<tr>
<td></td>
<td>$2.17</td>
<td>$0.00</td>
<td>$2.68</td>
<td>$2.41</td>
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<tr>
<td></td>
<td>$54.00</td>
<td>$56.17</td>
<td>$56.17</td>
<td>$58.85</td>
</tr>
<tr>
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<td>$2.17</td>
<td>$0.00</td>
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</table>
GAS RATES

**Impact on Average Customer**
Adopted firm rates for July 1, 2015 are (0.44%) lower for the typical firm customer using 8,000 cf than actual rates for March, 2014. 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.

- The average single-family household who consumes 5,344 cubic feet of gas, the monthly bill will decrease from $72.86 to $72.84, a decrease of (0.03%).
- For a representative residential monthly consumption of 8,000 cf, the monthly bill will decrease from $101.02 to $100.58; a decrease of (0.44%).

**Factors Influencing the Gas Rate**
The adopted (0.44%) decrease to firm customers, from $101.22 to $100.58, is due to the following:
- The total non-gas operating budget decreased by $503,531 from FY2014 to FY2015, or 3.45%, resulting in a $3.49 decrease due to lower operating expenses.
- The interruptible sales volume increased in FY2015 by 22,803 dth causing a 0.76% decrease in the gas rate producing a $0.77 decline.
- Gulf pipeline contract will not be renewed as of October 31, 2014, resulting in a savings of $324,000 per year or a 1.91% decrease or a $1.93 decrease.
- The total contract price increased by 5.68% resulting in a $5.75 increase and a new rate of $100.58.

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

<table>
<thead>
<tr>
<th>March 1, 2014 Rate</th>
<th>Operating Expense</th>
<th>Volume of Sales</th>
<th>Gulf pipeline</th>
<th>Contract Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$101.02</td>
<td>$105.00</td>
<td>$97.53</td>
<td>$96.76</td>
<td>$100.58</td>
</tr>
<tr>
<td>(3.49)</td>
<td>($0.77)</td>
<td>($1.93)</td>
<td>$5.75</td>
<td></td>
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</table>

FY2015 Rate