

Austin Water Utility
 Joint Committee on AWU's Financial Plan
 Rate Design Option Summary

Option	Requested By	Assumptions Summary (Red indicates major change within option)
Base Option	AWU Staff	2012 Approved Water Rates with \$4.40 Revenue Stability Fee (RSF) <ul style="list-style-type: none"> - 2012 approved water rates for each customer class - Meter based RSF for all classes except wholesale - \$17.0M revenue from RSF revenue with \$4.40 for 5/8" meter - Volumetric rates increased by equal percentages for each residential rate block
Option #1	AWU Staff	2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Revenue <ul style="list-style-type: none"> - Residential RSF transformed into NTFF with 5 tiers that are same as the current volume rate blocks - Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation - \$23.1M revenue from NTFF to meet 20% fixed revenue goal - Customer class fixed revenue goals based on cost of service based allocation: Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0% - Residential NTFF set at block 1 of \$2.40, block 2 at \$4.22, and block 3-5 at \$5.50 - Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation - Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals - Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee
Option #2	AWU Staff	2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Revenue <ul style="list-style-type: none"> - Residential RSF transformed into NTFF with 5 tiers that are same as the current volume rate blocks - Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation - \$23.1M revenue from NTFF to meet 20% fixed revenue goal - Customer class fixed revenue goals based on cost of service based allocation: Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0% - Residential NTFF set at block 1 of \$1.00, block 2 at \$4.40, and block 3-5 at \$5.78 - Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation (Possibly Separate) - Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals - Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee

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Option #3	AWU Staff	<p>2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Revenue</p> <ul style="list-style-type: none"> - Residential RSF transformed into NTFF with 5 tiers that are same as the current volume rate blocks - Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation - \$23.1M revenue from NTFF to meet 20% fixed revenue goal - Customer class fixed revenue goals based on cost of service based allocation: <ul style="list-style-type: none"> Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0% - Residential NTFF set at block 1 of \$2.40, block 2 at \$2.40, and block 3 at \$4.75, block 4 at \$15.00 and block 5 at \$20.75 - Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation (Possibly Separate) - Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals - Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee
Option #4	AWU Staff	<p>2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Revenue</p> <ul style="list-style-type: none"> - Residential RSF transformed into NTFF with 5 tiers that are same as the current volume rate blocks - Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation - \$23.1M revenue from NTFF to meet 20% fixed revenue goal - Customer class fixed revenue goals based on cost of service based allocation: <ul style="list-style-type: none"> Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0% - Residential NTFF set at block 1 of \$2.40, block 2 at \$4.30, and block 3-5 at \$4.40 - Residential volumetric rates set to achieve cost of service breakeven of just under 6,000 gallons - Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation (Possibly Separate) - Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals - Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee
Option #5	AWU Staff	<p>2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Revenue</p> <ul style="list-style-type: none"> - Residential RSF transformed into NTFF with 5 tiers that are same as the current volume rate blocks - Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation - \$23.1M revenue from NTFF to meet 20% fixed revenue goal - Customer class fixed revenue goals based on cost of service based allocation: <ul style="list-style-type: none"> Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0% - Residential NTFF set at block 1 of \$1.00, block 2 at \$4.56, and block 3-5 at \$6.00 - Residential rate blocks set at average cost of service of \$4.36 per 1,000 gallons - Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation (Possibly Separate) - Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals - Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee

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Option #6	Clean Water Action	<p>2012 Approved Water Revenue with Minimum Charge of \$7.10 (5/8" Meter) and No Tiered Fixed Fee (NTFF)</p> <ul style="list-style-type: none"> - Eliminate the current Revenue Stability Fee for all classes - Maintain the current minimum charge structure with \$7.10 for 5/8" meter and higher for larger meters - Increase volumetric rates to offset the revenue collected from current RSF - Residential volumetric rates increased an equal dollar amount for each rate block to collect required revenue - Non-residential volumetric rates adjusted to collect required revenue