

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: November 8, 2005

CLERK'S OFFICE

ANCHORAGE, ALASKA

AO NO. 2005-167

Date: 11-22-05

1
2
3
4 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, APPROVING
5 SUBMISSION BY THE ANCHORAGE WATER & WASTEWATER UTILITY (AWU,
6 ASU) PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF
7 ALASKA.

8
9
10 THE ANCHORAGE ASSEMBLY ORDAINS:

11
12 **Section 1.** Rate changes to the tariff of Anchorage Water Utility (AWU), as reflected
13 in the "Anchorage Water Utility Revenue Requirement Study 2004 Test Year" for 2006
14 rates, attached to the accompanying AM and incorporated herein by reference, are
15 hereby approved for submission to the Regulatory Commission of Alaska.

16
17 **Section 2.** Rate changes to the tariff of Anchorage Wastewater Utility (ASU), as
18 reflected in the "Anchorage Wastewater Utility Revenue Requirement Study 2004 Test
19 Year" for 2006 rates, attached to the accompanying AM and incorporated herein by
20 reference, are hereby approved for submission to the Regulatory Commission of
21 Alaska.

22
23 **Section 3.** This ordinance shall be effective immediately upon passage and approval
24 by the Anchorage Assembly.

25
26
27 **PASSED AND APPROVED** by the Anchorage Assembly this 22nd day of
28 November, 2005.

29
30
31
32 Anna J. Fairclough
33 Chair

34 ATTEST:

35
36
37 Salma E. Gonsky
38 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 816 -2005

Meeting Date: November 8, 2005

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
4 **APPROVING SUBMISSION BY THE ANCHORAGE WATER &**
5 **WASTEWATER UTILITY (AWU, ASU) PROPOSED RATE CHANGES**
6 **TO THE REGULATORY COMMISSION OF ALASKA.**
7

8 In accordance with Anchorage Municipal Code (AMC) section 26.10.035, Anchorage
9 Water and Wastewater Utility (AWWU or Utility) submits an ordinance concurrent with
10 this memorandum for review and approval by the Assembly of submission by AWWU
11 of a 2004 test year water and wastewater revenue requirement study to the Regulatory
12 Commission of Alaska (RCA).
13

14 AWWU prepared the revenue requirement studies in accordance with the regulations
15 and practices prescribed by the RCA and Alaska Statutes. The proposed, across the
16 board, rate increases for 2006 are 8.9% for water and 10.6% for wastewater.
17

18 AWWU's proposed 2006 Operating Budgets include revenue from the proposed rate
19 increases. The proposed rates are necessary in order to cover increased operating
20 expenses and capital costs. All rate changes are subject to the approval of the RCA.
21

22 **Rate Increase Components**

23 **Water:**

| | <u>Amount</u> | <u>Rate Increase</u> |
|---------------------------------------|--------------------|--------------------------|
| 24 Capital and Return Related Charges | \$996,000 | 2.81 % |
| 25 PERS and Net Pension Obligation | 756,000 | 2.14 % |
| 26 MUSA | 458,000 | 1.30 % |
| 27 Other Operating Expense Increase | 939,000 | 2.65 % |
| 28 2004 Total Water | <u>\$3,149,000</u> | <u>8.90 %</u> |

| | | |
|----|--------------------|--|
| 29 | \$120,000 | |
| 30 | <u>\$3,269,000</u> | |

31 **Wastewater:**

| | <u>Amount</u> | <u>Rate Increase</u> |
|---------------------------------------|--------------------|--------------------------|
| 32 Capital and Return Related Charges | \$1,122,000 | 4.12% |
| 33 PERS and Net Pension Obligation | 749,000 | 2.75 % |
| 34 MUSA | 248,000 | .91 % |
| 35 Other Operating Expense Increase | 769,000 | 2.82 % |
| 36 2004 Total Wastewater | <u>\$2,888,000</u> | <u>10.60 %</u> |

| | | |
|----|---------------------|--|
| 37 | \$119,000 | |
| 38 | <u>\$ 3,007,000</u> | |

Impacts of the Study

The Utility uses uniform rates for customer charges, unmetered usage charge per dwelling unit, metered volume rate, and meter charges. These basic rate components make up the individual customer rates. The proposed rate increases are to be applied across the board to all recurring rates. Changes in the most common monthly rates are:

| Water: | 2005 | 2006 |
|---|----------------|-----------------|
| | Current | Proposed |
| Customer Charge | \$ 8.25 | \$ 9.00 |
| Flat Residential Usage Charge per unit | 23.05 | 25.10 |
| Metered Volume rate per 1,000 gallons | 3.20 | 3.48 |
| (Rates for larger meter sizes are listed in attachment) | | |
| Anchorage Fire Department | \$250,326 | \$272,605 |

| Wastewater: | 2005 | 2006 |
|--|----------------|-----------------|
| | Current | Proposed |
| Customer Charge | \$ 4.50 | \$ 5.00 |
| Flat Residential Usage Charge per unit- includes I&I | 19.25 | 21.30 |
| Inflow and Infiltration Charge per unit | 3.15 | 3.50 |
| Metered Volume rate per 1,000 gallons: | | |
| Residential | 2.25 | 2.49 |
| Commercial Low Strength | 2.15 | 2.38 |
| Commercial Medium Strength | 2.45 | 2.71 |
| Commercial High Strength | 3.00 | 3.32 |

Typical Customer Rate Impacts

The single-family residential water rate increases by \$2.80 per month in 2006, from the current \$31.30 to \$34.10 per month. The single-family residential wastewater rate increases by \$2.55 in 2006, from the current \$23.75 to \$26.30 per month. The combined water and wastewater charge for a single family residence increases from the current \$55.05 to \$60.40, or 9.72%, in 2006. Other typical customer rate impacts are illustrated in the attached schedule, as well as a listing of all proposed rate changes for recurring and nonrecurring rates and fees.

AWWU is also proposing to increase late charges from \$1 per Utility on delinquent accounts to \$2 per Utility plus a finance charge of .729% per month (8.75% per annum) on all delinquent accounts. AWWU expects to collect an additional \$239,000 in late and finance charge revenues in order to more fully recover delinquent account costs.

RCA Approval Required

Revenue from proposed rate increases is included in AWWU's 2006 Operating Budget. AWWU filed the 2004 test year Revenue Requirements Study with the Regulatory Commission of Alaska (RCA) prior to Assembly approval of the ordinance, in order to obtain timely approval from the RCA to make the rate increase effective January 1, 2006. The RCA approval process takes a minimum of 45 days, and

1 AWWU needs time to prepare its billing system to implement the new rates. The RCA
2 received notification in AWWU's filing of pending Assembly approval. If the Assembly
3 does not approve submission of the rate requests to the RCA, then the Utility will
4 withdraw or amend the filing as appropriate.
5

6 The RCA determines whether to proceed with or reject the filing. The RCA may reject
7 the filing because it previously ruled MUSA on contributed plant may not be included in
8 rates, but this filing continues to include the cost of MUSA on contributed plant since
9 the issue is on appeal. If the RCA decides not to reject the filing, the filing and
10 proposed rate changes will be noticed to the public, along with a thirty-day comment
11 period. RCA staff reviews the filing and makes a recommendation to the
12 Commissioners regarding approval of the filing or suspension for further investigation.
13 The Commission renders its decision within 45 days of the filing date. If the RCA does
14 not reject the filing, AWWU expects the filing to be suspended for further investigation.
15 In the event the RCA suspends the filing for further investigation, AWWU plans to
16 request interim refundable rates be made effective January 1, 2006 for both water and
17 wastewater.
18

19 If the RCA decides to reject the filing because of the inclusion of MUSA on contributed
20 plant, AWWU is required to go to court and seek an order requiring the RCA to accept
21 the filing. If the RCA does not approve the request for interim and refundable rates
22 sought by AWWU, or does not do so in a timely manner, AWWU also must go to court
23 to try to get the interim and refundable rates implemented.
24

25 **Status of 2004/2005 Rate Cases**

26 On July 8, 2005 the RCA accepted the joint stipulation between AWWU and the
27 Attorney General on all material matters with the exception of Municipal Utility Service
28 Assessment (MUSA) on contributed plant included in rates. On September 2, 2005,
29 the RCA ruled against the inclusion of MUSA on contributed plant in AWWU's rates.
30 The MOA and AWWU appealed the RCA's decision and asked for a stay of the order
31 pending the final outcome of the appeal.
32

33 Assembly approval of the submission to the RCA of the 2006 proposed water and
34 wastewater rate changes is essential to allow for RCA notification of Assembly action
35 to ensure rates are in place to meet AWWU's financial obligations.
36

37 Schedules showing the current and proposed rates are attached hereto and
38 incorporated herein.
39

40 **THE ADMINISTRATION REQUESTS APPROVAL OF THE ORDINANCE FOR**
41 **SUBMISSION BY THE ANCHORAGE WATER & WASTEWATER UTILITY (AWU,**
42 **ASU) PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF**
43 **ALASKA.**
44

45 **Recommended by:** Mark Premo, P.E., General Manager, AWWU
46 **Concur:** Denis C. LeBlanc, Municipal Manager
47 **Respectfully submitted:** Mark Begich, Mayor

Municipality of Anchorage Summary of Economic Effects - Utilities

AO Number: 2005- 167 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes-- Water

Sponsor: _____

Preparing Agency: AWWU Others Affected: _____

CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)

| Operating Revenues: | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Anchorage Water Utility | \$3,269 | \$3,269 | \$3,269 | \$3,269 | \$3,269 |
| | | | | | |
| Total Operating Revenues: | \$3,269 | \$3,269 | \$3,269 | \$3,269 | \$3,269 |
| Operating Expenses: | | | | | |
| Water uncollectible account expense | \$ 14 | \$ 14 | \$ 14 | \$ 14 | \$ 14 |
| | | | | | |
| Total Operating Expenses: | \$ 14 | \$ 14 | \$ 14 | \$ 14 | \$ 14 |
| Non-Operating Revenues: | | | | | |
| | | | | | |
| Total Non-Operating Revenues: | | | | | |
| Non-Operating Expenses | | | | | |
| | | | | | |
| Total Non-Operating Expenses: | | | | | |
| NET INCOME (Regulated) | \$3,255 | \$3,255 | \$3,255 | \$3,255 | \$3,255 |
| Positions: FT/PT/TEMP | | | | | |

Impact on General Government: YES (If yes, attach SEE for General Government agency impacted.)

Other Municipal Utilities will receive an increase in their 2006 water utility bills of approximately 8.9% over 2005 levels.

Public Sector Economic Effects **Continued:** See separate attached See

Private Sector Economic Effects: The effect on the private sector will be an increase in their 2006 water bills by approximately 8.9% over 2005.

If further explanation is necessary, a separate page may be attached.

Prepared By: Dan Watsjold, Regulatory Affairs Supervisor Telephone: 786-5677
(Name, Title)

Validated by OMB: _____ Date: _____

Approved by: Mark Premo, P.E., General Manager, AWWU Date: 10/26/2005
(Director, Preparing Agency)

Municipality of Anchorage Summary of Economic Effects - General Government

AO Number: 2005- 167 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes- Water

Sponsor: _____

Preparing Agency: AWWU Others Affected: All General Govt. and ASD

CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)

| Operating Revenues: | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | |
| | | | | | |
| Total Operating Revenues: | | | | | |
| Operating Expenses: | | | | | |
| Anchorage Fire Department | \$267 | \$267 | \$267 | \$267 | \$267 |
| Other General Government | 20 | 20 | 20 | 20 | 20 |
| Anchorage School District | 24 | 24 | 24 | 24 | 24 |
| Total Operating Expenses: | 311 | 311 | 311 | 311 | 311 |
| Non-Operating Revenues: | | | | | |
| | | | | | |
| | | | | | |
| Total Non-Operating Revenues: | | | | | |
| Non-Operating Expenses | | | | | |
| | | | | | |
| | | | | | |
| Total Non-Operating Expenses: | | | | | |
| NET INCOME (Regulated) | | | | | |
| Positions: FT/PT/TEMP | | | | | |

Impact on General Government: YES (If yes, attach SEE for General Government agency impacted.)

Public Sector Economic Effects:
For 2006 water utility bills should increase by 8.9% over 2005.

Public Sector Economic Effects *Continued*:

If further explanation is necessary, a separate page may be attached.

Prepared By: Dan Watsjold, Regulatory Affairs Supervisor Telephone: 786-5677
(Name, Title)

Validated by OMB: _____ Date: _____

Approved by: Mark Premo, P.E., General Manager, AWWU Date: 10/26/05
(Director, Preparing Agency)

Municipality of Anchorage Summary of Economic Effects - Utilities

AO Number: 2005- 167 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes--
Wastewater

Sponsor: _____

Preparing Agency: AWWU Others Affected: _____

CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)

| Operating Revenues: | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 |
|--|---------------|---------------|---------------|---------------|---------------|
| Anchorage Wastewater Utility | \$3,007 | \$3,007 | \$3,007 | \$3,007 | \$3,007 |
| | | | | | |
| Total Operating Revenues: | \$3,007 | \$3,007 | \$3,007 | \$3,007 | \$3,007 |
| Operating Expenses: | | | | | |
| Wastewater uncollectible account expense | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 |
| | | | | | |
| Total Operating Expenses: | \$ 7 | \$ 7 | \$ 7 | \$ 7 | \$ 7 |
| Non-Operating Revenues: | | | | | |
| | | | | | |
| | | | | | |
| Total Non-Operating Revenues: | | | | | |
| Non-Operating Expenses | | | | | |
| | | | | | |
| | | | | | |
| Total Non-Operating Expenses: | | | | | |
| NET INCOME (Regulated) | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Positions: FT/PT/TEMP | | | | | |

Impact on General Government: YES (If yes, attach SEE for General Government agency impacted.)

Utility Public Sector Economic Effects:

AWWU plans to raise wastewater rates by 10.6% effective January 1, 2006 subject to approval.

Utility Public Sector Economic Effects ***Continued***:

Private Sector Economic Effects: Wastewater utility bills will be approximately 10.6% higher than 2005.

If further explanation is necessary, a separate page may be attached.

Prepared By: Dan Watsjold, Regulatory Affairs Supervisor Telephone: 786-5677
(Name, Title)

Validated by OMB: _____ Date: _____

Approved by: Mark Premo, P.E., General Manager, AWWU Date: 10/26/05
(Director, Preparing Agency)

Municipality of Anchorage Summary of Economic Effects - General Government

AO Number: 2005-167 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes-
Wastewater

Sponsor: _____

Preparing Agency: AWWU Others Affected: All General Govt. and ASD

CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)

| Operating Revenues: | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | |
| | | | | | |
| Total Operating Revenues: | | | | | |
| Operating Expenses: | | | | | |
| General Government | 16 | 16 | 16 | 16 | 16 |
| Anchorage School District | 10 | 10 | 10 | 10 | 10 |
| Total Operating Expenses: | 26 | 26 | 26 | 26 | 26 |
| Non-Operating Revenues: | | | | | |
| | | | | | |
| | | | | | |
| Total Non-Operating Revenues: | | | | | |
| Non-Operating Expenses | | | | | |
| | | | | | |
| | | | | | |
| Total Non-Operating Expenses: | | | | | |
| NET INCOME (Regulated) | | | | | |
| Positions: FT/PT/TEMP | | | | | |

Impact on General Government: YES (If yes, attach SEE for General Government agency impacted.)

Public Sector Economic Effects:
2006 wastewater utility bills will be approximately 10.6% higher than 2005.

AO Number: 2005-167

Title: Anchorage Water and Wastewater Utility Proposed Rate Changes-
Wastewater

Public Sector Economic Effects ***Continued***

If further explanation is necessary, a separate page may be attached.

Prepared By: Dan Watsjold, Regulatory Affairs Supervisor
(Name, Title)

Telephone: 786-5677

Validated by OMB: _____

Date: _____

Approved by: Mark Premo, P.E., General Manager, AWWU
(Director, Preparing Agency)

Date: 10/26/05

**Impacts of Proposed 2006 Rate Increase
on Typical AWWU Water Customers:**

| Customer Class | Existing | Proposed | Difference |
|----------------------------------|-----------------|-----------------|-------------------|
| Residential | | | |
| Flat Single Family | \$ 31.30 | \$ 34.10 | \$ 2.80 |
| Metered 4-Plex ⁽¹⁾ | 82.45 | 89.68 | 7.23 |
| Metered 20-Plex ⁽²⁾ | 258.45 | 281.08 | 22.63 |
| Commercial | | | |
| Metered 0.75 inch ⁽³⁾ | \$ 41.20 | \$ 44.82 | \$ 3.62 |
| Metered 1.00 inch ⁽⁴⁾ | 88.85 | 96.64 | 7.79 |
| Metered 2.00 inch ⁽⁵⁾ | 375.60 | 408.54 | 32.94 |

⁽¹⁾ Assumes 1.00 inch meter and 21,000 gallons monthly consumption.

⁽²⁾ Assumes 1.00 inch meter and 76,000 gallons monthly consumption.

⁽³⁾ Assumes 9,000 gallons monthly consumption.

⁽⁴⁾ Assumes 23,000 gallons monthly consumption.

⁽⁵⁾ Assumes 108,000 gallons monthly consumption.

**Impacts of Proposed 2006 Rate Increase
on Typical AWWU Wastewater Customers:**

| Customer Class | Existing | Proposed | Difference |
|-------------------------------------|-----------------|-----------------|-------------------|
| Residential | | | |
| Flat Single Family | \$ 23.75 | \$ 26.30 | \$ 2.55 |
| Metered 4-Plex ⁽¹⁾ | 54.90 | 60.79 | 5.89 |
| Metered 20-Plex ⁽²⁾ | 194.40 | 215.17 | 20.77 |
| Commercial | | | |
| Low Strength User ⁽³⁾ | \$ 89.35 | \$ 98.94 | \$ 9.59 |
| Medium Strength User ⁽⁴⁾ | 331.05 | 366.22 | 35.17 |
| High Strength User ⁽⁵⁾ | 160.65 | 177.82 | 17.17 |

⁽¹⁾ Assumes 21,000 gallons monthly consumption.

⁽²⁾ Assumes 83,000 gallons monthly consumption.

⁽³⁾ Assumes 38,000 gallons monthly consumption.

⁽⁴⁾ Assumes 132,000 gallons monthly consumption.

⁽⁵⁾ Assumes 51,000 gallons monthly consumption.

**ANCHORAGE WATER UTILITY
EFFECT OF PROPOSED RATE CHANGES
For the Test Year Ended December 31, 2004**

| Line No. | Customer Class | Current Rates | 2006 Proposed Rates ⁽¹⁾ | |
|----------|--|---------------|------------------------------------|------------------------------|
| | | | Increase | Proposed Rate ⁽²⁾ |
| 1 | <u>Unmetered Residential:</u> | | | |
| 2 | Customer charge per account | \$8.25 | \$0.75 | \$9.00 |
| 3 | Unmetered Residential per unit | \$23.05 | \$2.05 | \$25.10 |
| 4 | Multifamily - Customer charge per account | \$8.25 | \$0.75 | \$9.00 |
| 5 | Multifamily (four or more)- per unit | \$23.05 | \$2.05 | \$25.10 |
| 6 | Trailer Courts - Customer charge account | \$8.25 | \$0.75 | \$9.00 |
| 7 | Trailer Courts - per unit | \$23.05 | \$2.05 | \$25.10 |
| 8 | Residential Construction | \$23.05 | \$2.05 | \$25.10 |
| 9 | <u>Unmetered Commercial:</u> | | | |
| 10 | Customer Charge per account | \$8.25 | \$0.75 | \$9.00 |
| 11 | Usage(per service connection) | | | |
| 12 | <u>Service Size:</u> | | | |
| 13 | 3/4 inch | \$32.65 | \$2.90 | \$35.55 |
| 14 | 1 inch | \$65.85 | \$5.85 | \$71.70 |
| 15 | 1-1/2 inch | \$172.15 | \$15.30 | \$187.45 |
| 16 | 2 inch | \$311.70 | \$27.75 | \$339.45 |
| 17 | <u>Metered Residential/Commercial:</u> | | | |
| 18 | Customer Charge per account | \$8.25 | \$0.75 | \$9.00 |
| 19 | Volume Rate per 1,000 gallons | \$3.20 | \$0.28 | \$3.48 |
| 20 | Meter Charge (per meter) | | | |
| 21 | <u>Meter Size:</u> | | | |
| 22 | 5/8 & 3/4 inch | \$4.15 | \$0.35 | \$4.50 |
| 23 | 1 inch | \$7.00 | \$0.60 | \$7.60 |
| 24 | 1-1/2 inch | \$13.55 | \$1.20 | \$14.75 |
| 25 | 2 inch | \$21.75 | \$1.95 | \$23.70 |
| 26 | 3 inch | \$40.95 | \$3.65 | \$44.60 |
| 27 | 4 inch | \$68.45 | \$6.10 | \$74.55 |
| 28 | 6 inch | \$136.50 | \$12.15 | \$148.65 |
| 29 | 8 inch | \$218.45 | \$19.45 | \$237.90 |
| 30 | <u>Temporary Construction & Temporary Off-Site Construction:</u> | | | |
| 31 | Customer Charge (per account) | \$8.25 | \$0.75 | \$9.00 |
| 32 | Volume Rate per 1,000 gallons | \$3.20 | \$0.28 | \$3.48 |
| 33 | Meter Charge (per meter) | | | |
| 34 | <u>Meter Size:</u> | | | |
| 35 | 1 inch | \$7.00 | \$0.60 | \$7.60 |
| 36 | 1 1/2 inch | \$13.55 | \$1.20 | \$14.75 |
| 37 | 2 inch | \$21.75 | \$1.95 | \$23.70 |
| 38 | 3 inch | \$40.95 | \$3.65 | \$44.60 |

**ANCHORAGE WATER UTILITY
EFFECT OF PROPOSED RATE CHANGES
For the Test Year Ended December 31, 2004**

| Line No. | Customer Class | Current Rates | 2006 Proposed | |
|----------|---|---------------|---------------|------------------------------|
| | | | Increase | Proposed Rate ⁽²⁾ |
| 39 | <u>BULK Water Sales</u> | | | |
| 40 | 1) Bulk Water Sales to Public Utilities | | | |
| 41 | Customer Charge (per account) | \$8.25 | \$0.75 | \$9.00 |
| 42 | Volume Rate per 1,000 gallons | \$2.40 | \$0.21 | \$2.61 |
| 43 | Meter Charge (per meter) | | | |
| 44 | <u>Meter Size:</u> | | | |
| 45 | 3/4 inch | \$4.15 | \$0.35 | \$4.50 |
| 46 | 1 inch | \$7.00 | \$0.60 | \$7.60 |
| 47 | 1 1/2 inch | \$13.55 | \$1.20 | \$14.75 |
| 48 | 2 inch | \$21.75 | \$1.95 | \$23.70 |
| 49 | 3 inch | \$40.95 | \$3.65 | \$44.60 |
| 50 | 4 inch | \$68.45 | \$6.10 | \$74.55 |
| 51 | 6 inch | \$136.50 | \$12.15 | \$148.65 |
| 52 | 8 inch | \$218.45 | \$19.45 | \$237.90 |
| 53 | 2) Bulk Water Delivered to Vessels at the Port of Anchorage | | | |
| 54 | Customer Charge (per delivery) | \$8.25 | \$0.75 | \$9.00 |
| 55 | Volume Rate per 1,000 gallons | \$3.20 | \$0.28 | \$3.48 |
| 56 | <u>Anchorage Fire Department</u> | \$250,325.60 | \$22,279.00 | \$272,604.60 |

**ANCHORAGE WATER UTILITY
EFFECT OF PROPOSED RATE CHANGES
For the Test Year Ended December 31, 2004**

| Line No. | Customer Class | Current Rates | 2006 Proposed | |
|----------|--|---------------|---------------|------------------------------|
| | | | Increase | Proposed Rate ⁽²⁾ |
| 57 | <u>Nonrecurring Charges:</u> | | | |
| 58 | Turn on/Offs | | | |
| 59 | During Business Hours | \$66.50 | \$2.50 | \$69.00 |
| 60 | During Non-Business Hours | \$186.00 | (\$10.00) | \$176.00 |
| 61 | Returned Visits Necessitated by Restricted Access | \$29.05 | \$6.95 | \$36.00 |
| 62 | Returned (Dishonored) Check Fee | \$20.00 | \$5.00 | \$25.00 |
| 63 | Permit Administration Fee | \$45.20 | \$2.80 | \$48.00 |
| 64 | On Property Inspection Fees for Small Water Connect | \$103.00 | (\$46.00) | \$57.00 |
| 65 | Reconnection Or Restoral Charge | \$162.00 | \$13.00 | \$175.00 |
| 66 | Unauthorized Turn On, Turn Off | \$133.00 | \$5.00 | \$138.00 |
| 67 | Water Service For Test Purposes | \$133.00 | \$5.00 | \$138.00 |
| 68 | Duplicate Locate Service | | | |
| 69 | Business Hours | \$26.50 | \$17.50 | \$44.00 |
| 70 | Non-Business Hours | \$74.15 | \$37.85 | \$112.00 |
| 71 | Special Assessments Administrative Fee | \$42.00 | \$25.00 | \$67.00 |
| 72 | Plan Review for Small Private System (Deposit) | \$125.00 | \$236.00 | \$361.00 |
| 73 | Plan Review for Medium/Large Private System (Deposit) | \$220/\$425 | | \$852.00 |
| 74 | Cross Connection Control Program-Backflow Preventer | \$18.00 | (\$3.00) | \$15.00 |
| 75 | Relinquish Easements | New | | \$360.00 |
| 76 | Deposit Required for Water Connections- Any Length | | | |
| | <u>Cost of Installation:</u> | | | |
| 77 | 1 inch | \$680.00 | \$144.00 | \$824.00 |
| 78 | 1 1/2 inch | \$825.00 | \$100.00 | \$925.00 |
| 79 | 2 inch | \$980.00 | \$122.00 | \$1,102.00 |
| 80 | Deposit Required For On Property Inspections For Large | | | |
| 81 | Water Connections | \$345.00 | \$27.00 | \$372.00 |
| 82 | Deposit Required for Meter Test | \$125.00 | \$37.00 | \$162.00 |
| 83 | Deposit Required for Hydrant Meter | | | |
| 84 | 1 inch meter | \$110.00 | \$19.00 | \$129.00 |
| 85 | 2 inch meter | \$520.00 | (\$4.00) | \$516.00 |
| 86 | 3 inch meter | \$790.00 | \$185.00 | \$975.00 |
| 87 | Late Fees + 0.729% | \$1.00 | \$1.00 | \$2.00 |

☛ ⁽¹⁾ 2006 proposed rates are based on a 8.90% increase over current rates.

☛ ⁽²⁾ Proposed rates, other than volume charges, are rounded to the nearest nickle.

Note: The proposed nonrecurring charges are the same as those proposed in the 2002 TY Revenue Requirement previously approved by the Assembly and are pending RCA approval.

**ANCHORAGE WASTEWATER UTILITY
EFFECT OF PROPOSED RATE CHANGES
For the Test Year Ended December 31, 2004**

| Line No. | Customer Class (a) | Current Rates (b) | 2006 Proposed Rates ⁽¹⁾ | |
|----------|---|----------------------|------------------------------------|-------------------------------------|
| | | | Increase (Decrease) (c) | Proposed Rate ⁽²⁾ (d) |
| 1 | <u>Unmetered Residential:</u> | | | |
| 2 | Customer charge per account | \$4.50 | \$0.50 | \$5.00 |
| 3 | Unmetered Residential per unit | \$19.25 | \$2.05 | \$21.30 |
| 4 | Multifamily - Customer charge | \$4.50 | \$0.50 | \$5.00 |
| 5 | Multifamily (four or more)- per unit | \$19.25 | \$2.05 | \$21.30 |
| 6 | Trailer Courts - Customer charge | \$4.50 | \$0.50 | \$5.00 |
| 7 | Trailer Courts - per unit | \$19.25 | \$2.05 | \$21.30 |
| 8 | Residential Construction | \$19.25 | \$2.05 | \$21.30 |
| 9 | <u>Unmetered Commercial:</u> | | | |
| 10 | Customer Charge | \$4.50 | \$0.50 | \$5.00 |
| 11 | I/I Charge (per unit) | \$3.15 | \$0.35 | \$3.50 |
| 12 | C01 Bakeries | \$355.25 | \$37.65 | \$392.90 |
| 13 | C02 Bars | \$88.00 | \$9.35 | \$97.35 |
| 14 | C03 Restaurants | \$0.00 | \$0.00 | \$0.00 |
| 15 | C04 Bar and restaurant combination | \$309.30 | \$32.80 | \$342.10 |
| 16 | C06 Camper parks per spc | \$9.60 | \$1.00 | \$10.60 |
| 17 | C10 Churches | \$31.90 | \$3.40 | \$35.30 |
| 18 | C12 Dentists/ Doctors | \$94.95 | \$10.05 | \$105.00 |
| 19 | C13 Veterinarians with 6 employees | \$39.70 | \$4.20 | \$43.90 |
| 20 | C18 Gas stations - gas only | \$29.50 | \$3.15 | \$32.65 |
| 21 | C19 Gas stations - full serve | \$48.20 | \$5.10 | \$53.30 |
| 22 | C22 Motels, per room | \$16.40 | \$1.75 | \$18.15 |
| 23 | C23 Laundromat: Commercial and Self Service Laundry | \$951.70 | \$100.90 | \$1,052.60 |
| 24 | C24 Office / Retail 1 to 5 employees | \$17.85 | \$1.90 | \$19.75 |
| 25 | C24 Office / Retail 6 to 25 employees | \$44.15 | \$4.70 | \$48.85 |
| 26 | C24 Office / Retail, 26 or more employees | \$171.05 | \$18.15 | \$189.20 |
| 27 | C25 Jr. and senior high schools | \$355.25 | \$37.65 | \$392.90 |
| 28 | C28 Training School | \$54.35 | \$5.75 | \$60.10 |
| 29 | C29 Barber and beauty shops | \$25.60 | \$2.70 | \$28.30 |
| 30 | C31 Theaters | \$130.70 | \$13.85 | \$144.55 |
| 31 | C35 Health spas | \$40.35 | \$4.30 | \$44.65 |
| 32 | C36 Warehouses | \$20.25 | \$2.15 | \$22.40 |
| 33 | C38 Meeting halls | \$72.65 | \$7.70 | \$80.35 |
| 34 | C46 Convenience store | \$44.45 | \$4.70 | \$49.15 |
| 35 | C47 Convenience Store w/ gas pump | \$42.75 | \$4.55 | \$47.30 |
| 36 | C48 Drive In/Deli/Fast Food/Donu | \$142.20 | \$15.05 | \$157.25 |
| 37 | C49 Massage parlor / Escort Services | \$90.60 | \$9.60 | \$100.20 |
| 38 | C53 Garage/Body/Mech Shop | \$19.90 | \$2.10 | \$22.00 |
| 39 | C59 Auto dealers/vehicle rentals | \$175.55 | \$18.60 | \$194.15 |
| 40 | C62 Construction/Vacant wtr on | \$19.60 | \$2.10 | \$21.70 |
| 41 | C98 Fire station | \$51.90 | \$5.50 | \$57.40 |

**ANCHORAGE WASTEWATER UTILITY
EFFECT OF PROPOSED RATE CHANGES
For the Test Year Ended December 31, 2004**

| Line No. | Customer Class (a) | Current Rates (b) | 2006 Proposed Rates ⁽¹⁾ | |
|----------|--|----------------------|------------------------------------|-------------------------------------|
| | | | Increase (Decrease) (c) | Proposed Rate ⁽²⁾ (d) |
| 42 | <u>Metered Residential:</u> | | | |
| 43 | <u>Multifamily:</u> | Volume(1,000 gal.) | | |
| 44 | Customer Charge | \$4.50 | \$0.50 | \$5.00 |
| 45 | I/I Charge (per unit) | \$3.15 | \$0.35 | \$3.50 |
| 46 | Use charge (per 1,000 gallons) | \$2.25 | \$0.24 | \$2.49 |
| 47 | <u>Trailer Courts:</u> | | | |
| 48 | Customer Charge | \$4.50 | \$0.50 | \$5.00 |
| 49 | I/I Charge (per unit) | \$3.15 | \$0.35 | \$3.50 |
| 50 | Use charge (per 1,000 gallons) | \$2.25 | \$0.24 | \$2.49 |
| 51 | <u>Metered Commercial:</u> | | | |
| 52 | Customer Charge | \$4.50 | \$0.50 | \$5.00 |
| 53 | I/I Charge (per unit) | \$3.15 | \$0.35 | \$3.50 |
| 54 | Low strength - use charge (per 1,000 gallons) | \$2.15 | \$0.23 | \$2.38 |
| 55 | Medium strength - use charge (per 1,000 gallons) | \$2.45 | \$0.26 | \$2.71 |
| 56 | High Strength - use charge (per 1,000 gallons) | \$3.00 | \$0.32 | \$3.32 |
| 57 | <u>Public Authorities:</u> | | | |
| 58 | Customer Charge | \$4.50 | \$0.50 | \$5.00 |
| 59 | I/I Charge | \$0.95 | \$0.10 | \$1.05 |
| 60 | Fort Richardson - use charge (per 1,000 gallons) | \$0.75 | \$0.08 | \$0.83 |
| 61 | Elmendorf AFB - use charge (per 1,000 gallons) | \$0.85 | \$0.09 | \$0.94 |
| 62 | <u>Others:</u> | | | |
| 63 | Customer Charge | \$4.50 | \$0.50 | \$5.00 |
| 64 | I/I Charge | \$1.30 | \$0.15 | \$1.45 |
| 65 | Sanitary Landfill | \$1.00 | \$0.11 | \$1.11 |
| 66 | Septic Haulers - use charge per 1,000 gal capacity | \$246.50 | \$26.13 | \$272.63 |

**ANCHORAGE WASTEWATER UTILITY
EFFECT OF PROPOSED RATE CHANGES
For the Test Year Ended December 31, 2004**

| Line No. | Customer Class (a) | Current Rates (b) | 2006 Proposed Rates ⁽¹⁾ | |
|----------|---|----------------------|------------------------------------|-------------------------------------|
| | | | Increase (Decrease) (c) | Proposed Rate ⁽²⁾ (d) |
| 67 | <u>Nonrecurring Charges:</u> | | | |
| 68 | Special Assessment Collection | \$42.00 | \$26.00 | \$68.00 |
| 69 | Returned Check - ASU | \$20.00 | \$5.00 | \$25.00 |
| 70 | Permit | \$38.00 | \$12.00 | \$50.00 |
| 71 | Inspection - Small Connects | \$64.00 | (\$8.00) | \$56.00 |
| 72 | Inspection - Large Connects (Cash Deposit) | \$300.00 | \$89.00 | \$389.00 |
| 73 | After Hours Call Out | \$149.00 | \$72.00 | \$221.00 |
| 74 | Private System Plan Review- Small Project | \$115.00 | \$389.00 | \$504.00 |
| 75 | Private System Plan Review- Medium/Large Project(Deposit) | \$200/\$340 | | \$1,354.00 |
| 76 | Industrial Discharge Application/Permit Issuance Fee | New | | \$505.00 |
| 77 | Discharge Authorization -Temporary Permit Fee | New | | \$163.00 |
| 78 | Permitted Industrial Discharge Annual Fee | New | | \$841.00 |
| 79 | Late Fees + 0.729% | \$1.00 | \$1.00 | \$2.00 |

⁽¹⁾ 2006 proposed rates are based on a 8.90% increase over current rates.

⁽²⁾ Proposed rates, other than volume charges, are rounded to the nearest nickle.

Note: The proposed nonrecurring charges are the same as those proposed in the 2002 TY Revenue Requirement previously approved by the Assembly and are pending RCA approval.

Content Information

Content ID : 003446

Type: Ordinance - AO

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, APPROVING SUBMISSION BY THE ANCHORAGE WATER & WASTEWATER UTILITY (AWU, ASU) PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF ALASKA

Author: curtiscr2

Initiating Dept: AWWU

Date Prepared: 10/27/05 10:07 AM

Director Name: Mark Premo

Assembly

Meeting Date 11/8/05

MM/DD/YY:

Public Hearing

Date MM/DD/YY: 11/22/05

Workflow History

| <u>Workflow Name</u> | <u>Action Date</u> | <u>Action</u> | <u>User</u> | <u>Security Group</u> | <u>Content ID</u> |
|--------------------------|----------------------|---------------|-------------|-----------------------|-------------------|
| AllOrdinanceWorkflow | 10/27/05 10:10 AM | Checkin | gibsonam | Public | 003446 |
| AWWU_SubWorkflow | 10/27/05 10:11 AM | Approve | premomc | Public | 003446 |
| OMB_SubWorkflow | 10/27/05 2:40 PM | Approve | mitsonjl | Public | 003446 |
| Legal_SubWorkflow | 10/27/05 5:18 PM | Approve | fehlenrl | Public | 003446 |
| MuniManager_SubWorkflow | 10/28/05 8:35 AM | Checkin | curtiscr2 | Public | 003446 |
| MuniManager_SubWorkflow | 10/28/05 11:16 AM | Approve | leblancdc | Public | 003446 |
| MuniMgrCoord_SubWorkflow | 10/28/05 11:26 AM | Approve | abbottmk | Public | 003446 |

M.O.A.
 2005 OCT 28 PM 1:09
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