Cost-of-Service Rate Study 2007

Public Involvement Committee

Workshop 8: Model Preview

Austin Water Utility

March 31, 2008
Tonight’s Agenda

1. Welcome
2. Decisions by Executive Team
3. PIC comments from last meeting
4. Preview of cost-of-service model
5. Discuss desired “what if” scenarios
6. Public comments
Decisions by Executive Team

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March 31, 2008
March 18 Executive Team Decisions

- **Rate Structures Issue 1** – Waive fixed charge for low-income customers
- **Rate Structures Issue 2** – Recover low-income subsidy from all retail customer classes
- **Rate Structures Issue 3** – Deferred (5th block for residential customer class)
- **Rate Structures Issue 4** – Deferred (wholesale class conservation rates)
Summary of Decisions by Executive Team

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March 31, 2008
PIC Comments From Last Meeting

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March 31, 2008
Comments from PIC Members

- Commercial and industrial representatives recommend that AWU implement an irrigation rate.
- Commercial representative suggests that AWU use excess revenues from irrigation customers to install additional irrigation meters.
- Industrial representative suggests that AWU use excess revenues from irrigation customers to improve reclaimed water system.
Comments from PIC Members

- Commercial and industrial representatives recommend that the commercial irrigation rate be set at the highest residential block rate.
- Commercial and industrial representatives agree with recommendation to charge residential irrigation customers at Block 3 rate for all usage in Blocks 1-3.
Preview of Cost-of-Service Model

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Discuss Desired “What If” Scenarios

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Identified “What If” Scenarios

- Executive Team
  - Fire protection (recover indirectly vs. fixed charge based on meter size)
  - Residential rate structure (5-block vs. modified 4-block)
  - Wholesale conservation rates
  - Rate design (above/below COS)
- Residential Advocate
  - Modified base/extra capacity method
- Industrial Advocate
  - I/I allocations
Additional “What If” Scenarios?

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Next Steps

- Written comments due 4/7 (to Mike Castillo)
- Next PIC Workshop (4/21)
Public Comment

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