



AUSTIN
UTILITIES

2024

Residential Rate Report

Utilities are often natural monopolies because of the large investment that is required to produce, maintain and deliver electricity, natural gas, and water to our communities. This report is being provided to educate customers on our rates. Rates are reviewed and set annually based on the income needed to cover the cost to serve.

Mark Nibaur
General Manager



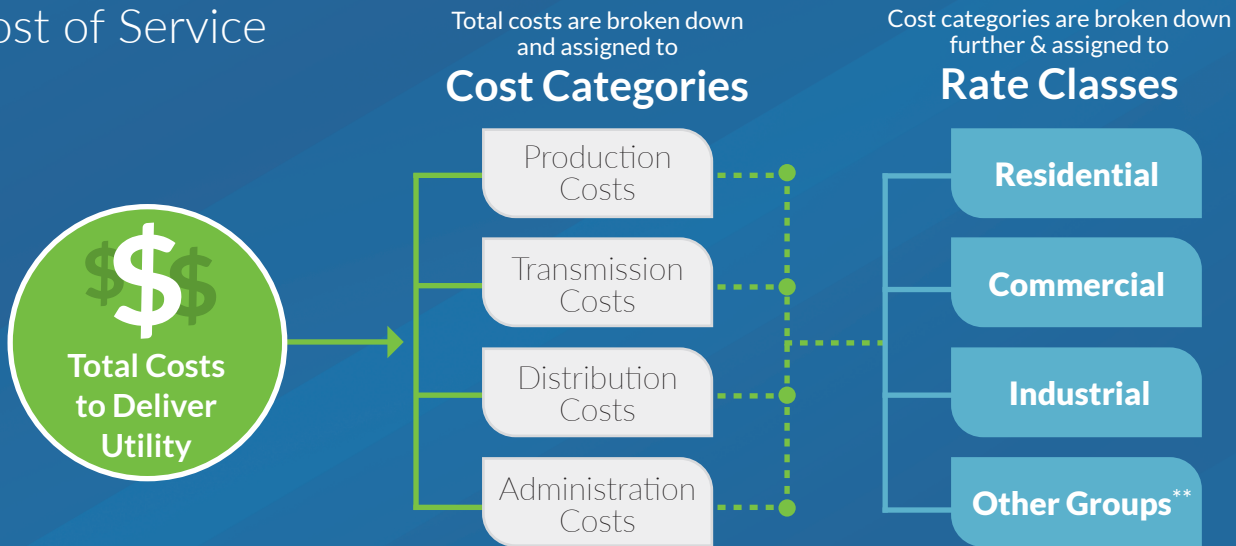
Many of our customers are interested in how we determine our rates, so we are providing information to help customers understand how rates are established. This information is being provided as the result of a customer satisfaction survey identifying the need to provide rate education.

Cost of Service Study – the first step

A cost of service study is the tool typically used by public utilities* to ensure the rates they charge their customers match the cost to provide service to those customers. A cost of service study involves analyzing historical expenses and projecting future cash flow needs to arrive at a revenue requirement. During a cost of service study, costs are allocated to different customer classifications such as residential or commercial.

Austin Utilities will be performing another rate study this year which will recommend rates through 2027.

Cost of Service



* A public utility is an organization that maintains the infrastructure and provides the service for public good instead of profit.

** Other Groups includes street and security lighting, hydrant meters, etc.

Rate Design

Rates are designed to recapture the costs associated with each customer class: residential, commercial, and industrial. Rate designs typically include a Service Availability Charge (to cover fixed costs) and a Usage Charge (to cover variable costs).



Service Availability – FIXED COSTS

Service Availability covers the cost of our distribution system which is how we connect with your home. It does not fluctuate with consumption but is a necessary cost to be sure you have service when you want it. Many customers are confused by this charge because when consumption is low it can sometimes cost more than the usage charge. This charge covers costs such as:

- Meters
- Customer Service
- Meter Reading
- Administration
- Billing and Collections
- Poles and Pipes



Usage Charge – VARIABLE COSTS

Usage costs are calculated according to the metered amount of usage consumed during the billing period. Meters are read monthly for each service provided and the amount consumed is multiplied by the current rate. This charge covers costs such as:

- Electric Commodity
- Water Pumping
- Water Treatment
- Water System Maintenance
- Natural Gas Commodity
- Natural Gas System Maintenance
- Electric System Maintenance

2024 Residential Rates

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What is a Time of Use Rate?

Electric Time of Use Rates are based on when you use energy. This rate structure has the potential to save you money when shifting your electric usage to times of the day when costs are less. Time of Use Rates will be included in the Austin Utilities rate study scheduled for this year and could be a customer option as soon as this fall.

2024 Austin Utilities Residential Rates




2024 rate changes: Electric 2-4% / Natural Gas 0% / Water 4.5% increase

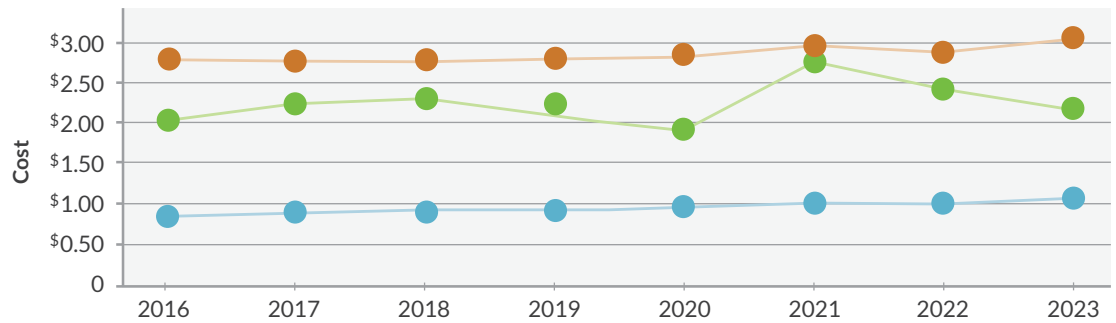
	Monthly Service Availability Charge	Usage
 Electric	\$14	\$0.12145 (kWh)
 Natural Gas	\$17	\$0.6074 Apr-Oct, \$0.8032 Nov-Mar (ccf)
 Water	\$17.20	\$1.95 May-Oct, \$1.40 Nov-Apr (ccf)

One kWh of electricity = 3,412 British Thermal Unit (Btu) One ccf of gas = 100,000 Btu
One ccf of water = 748 gallons

 **32.6%** of the electricity delivered by AU in 2023 was provided from **Renewable Energy Sources**.

Historical Utility Cost Per Day (Based on average AU residential use)

-  **Electric**
\$3.05 (2023)
-  **Natural Gas**
\$2.35 (2023)
-  **Water**
\$1.11 (2023)






2024 City of Austin Service Rates

As a convenience we also bill some services provided by the City of Austin.

2024 City of Austin Residential Rates

2024 rate changes: Sewer 10% increase
Storm Water Fee 0% increase
Hydrant Fee 0% increase

	Monthly Fixed Charge	Usage
 Sewer	\$19.04	\$4.87 (ccf)
 Hydrant Fee	\$1.00	—
 Storm Water Fee	\$5.50	—



Sewer rates are increasing to pay for the \$100M Wastewater Treatment Plant expansion. It is being funded by residential and industrial user fees, loans, and state grants.



Every sewer customer is charged a hydrant fee, regardless of their proximity to a fire hydrant.



Every sewer customer is charged a storm water fee, regardless of whether you live on an urban roadway with curbs, or a rural roadway with ditches.

Funds collected go toward citywide improvements, such as storm sewer, culverts, waterways, dams, and flood control.

▶ **Any questions about these charges** should be directed to the City of Austin by calling **(507) 437-9940**.

Annual Cost Comparison to other local communities

based on rates from Jan-Dec 2023

Compared to utility costs in other surrounding communities, Austin Utilities rates are average. As your local public not-for-profit utility, we strive to keep rates competitive.

Safe. Reliable. Responsible.



Austin Utilities received the American Public Gas Association's Community Service Award in 2023. The award recognizes an APGA public gas system member for the accomplishments of the gas system and its employees in improving and enhancing the quality of life of the community it serves.

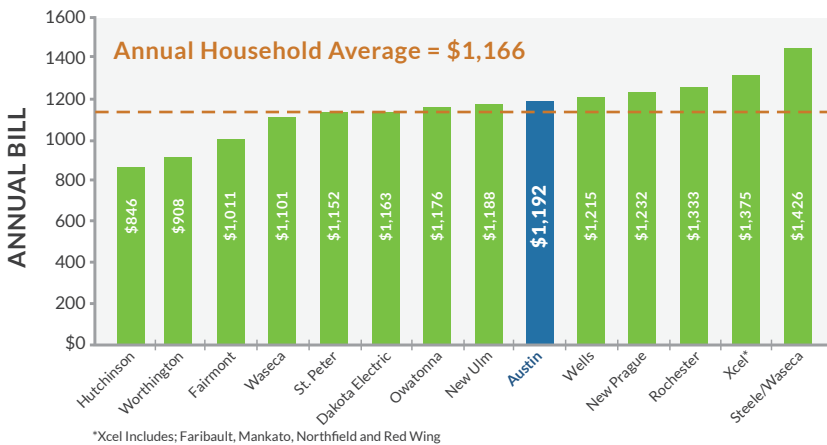


Austin Utilities received an American Public Power Association Sue Kelly Community Service Award. The award recognizes "good neighbor" activities that demonstrate the commitment of the utility and its employees to the community.

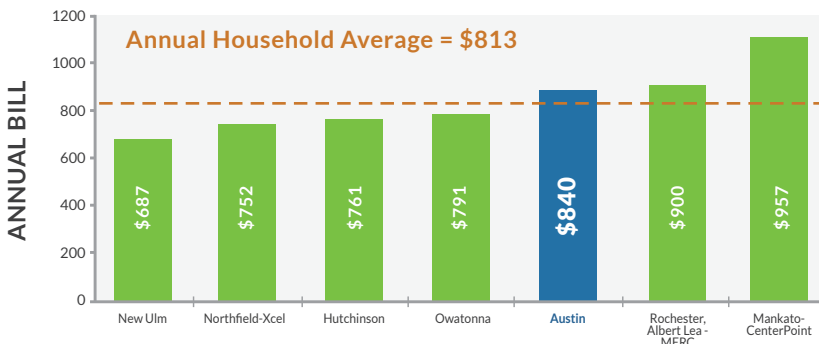


Austin Utilities received the Smart Energy Provider which is a best practices designation for utilities that show commitment to and proficiency in energy efficiency, distributed generation, renewable energy, and environmental initiatives. The program recognizes utility efforts to incorporate energy efficiencies and sustainability while providing affordable electric service.

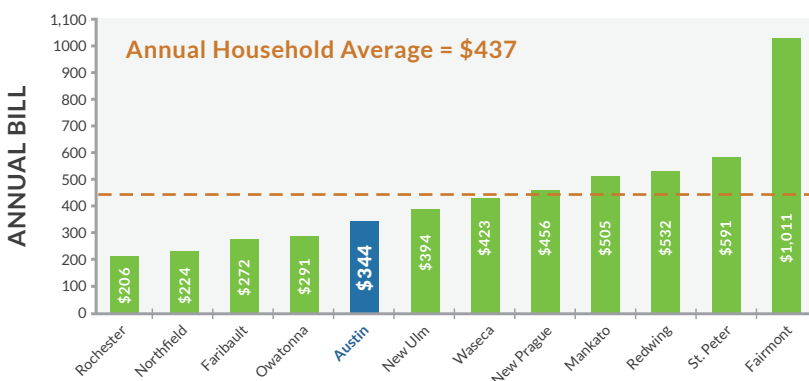
Residential Electric Rate Comparison



Residential Gas Rate Comparison



Residential Water Rate Comparison



We welcome comments at
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