



RESIDENTIAL RATE REPORT

2025

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

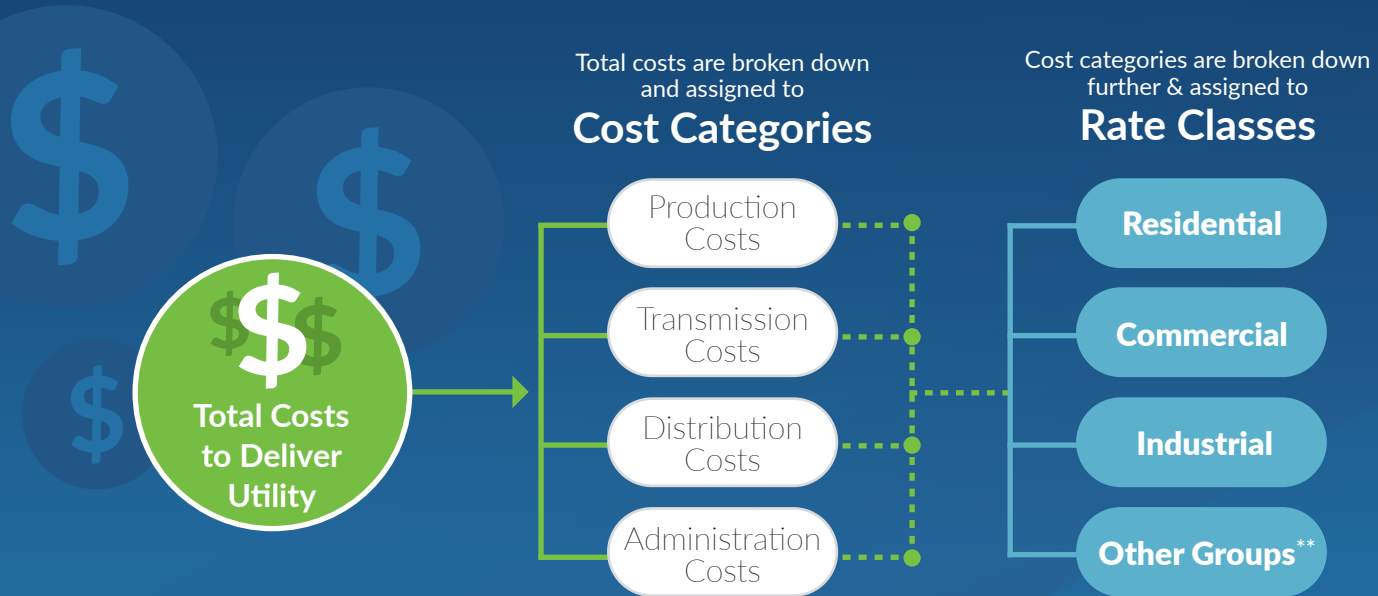


Many of our customers are interested in how we determine our rates, so we are providing information to help customers understand how rates are established. This information is being provided as the result of a customer satisfaction survey identifying the need to provide rate education.



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 performed their last rate study in 2024, which recommended rates through 2027.



* 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



2025 City of Austin Service Rates

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



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.

2025 City of Austin Residential Rates

2025 rate changes: Sewer 7% increase
Storm Water Fee 0% increase
Hydrant Fee 0% increase

	Monthly Fixed Charge	Usage
Sewer	\$20.37	\$5.22 (ccf)
Hydrant Fee	\$1.00	—
Storm Water Fee	\$5.50	—

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



2025 Residential Rates

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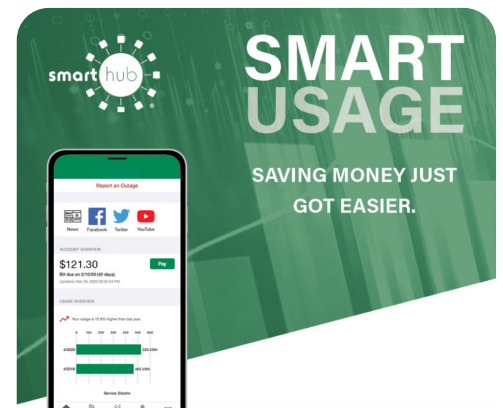
2025 Austin Utilities Residential Rates

2025 rate changes: Electric 1-3% / Natural Gas 2% / Water 4.5% increase

	Monthly Service Availability Charge	Usage
Electric	\$16.50	\$0.12725 (kWh)
Natural Gas	\$17.50	\$0.66054 Apr-Oct, \$0.85575 Nov-Mar (ccf)
Water	\$18.50	\$2.00 May-Oct, \$1.45 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

In 2024, we delivered 31.2% of energy from renewable resources.



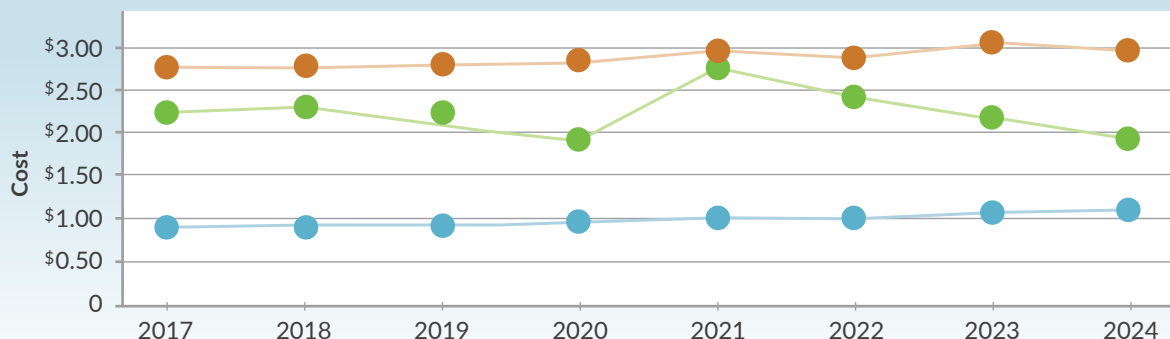
Track your usage and take the guesswork out of your bill with Smarthub. Through detailed graphs, you'll be able to monitor your usage 24/7 and track your consumption, finding ways to reduce and save. All in the palm of your hand with the Smarthub app or online!

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

Electric
\$2.97 (2024)

Natural Gas
\$1.87 (2024)

Water
\$1.09 (2024)

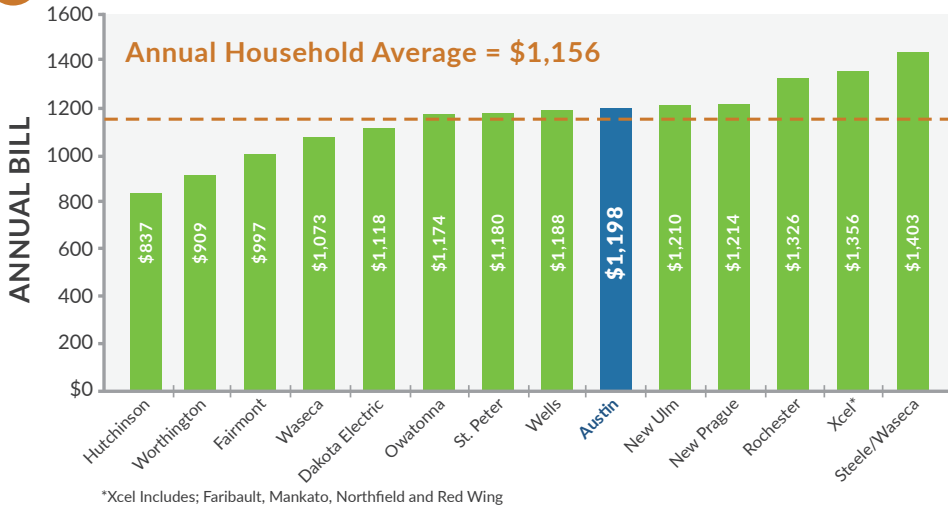


Annual Cost Comparison to other local communities based on rates from Jan-Dec 2024

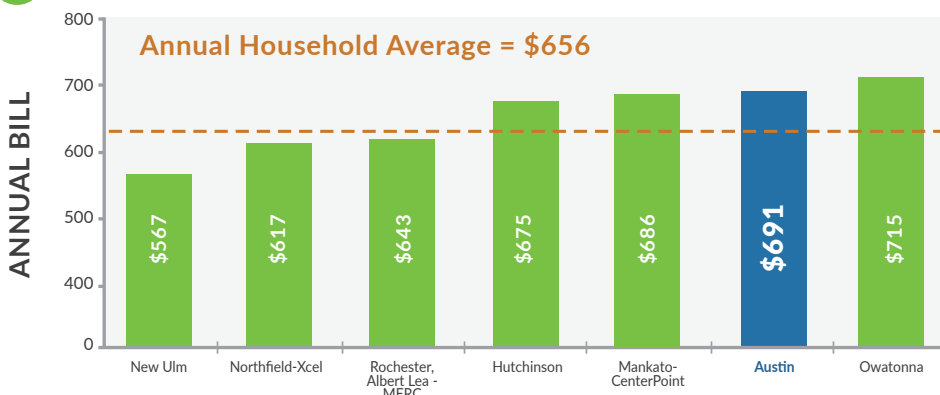
Compared to utility costs in other surrounding communities, Austin Utilities rates are average. As your local public not-for-profit utility, we strive to keep rates competitive.



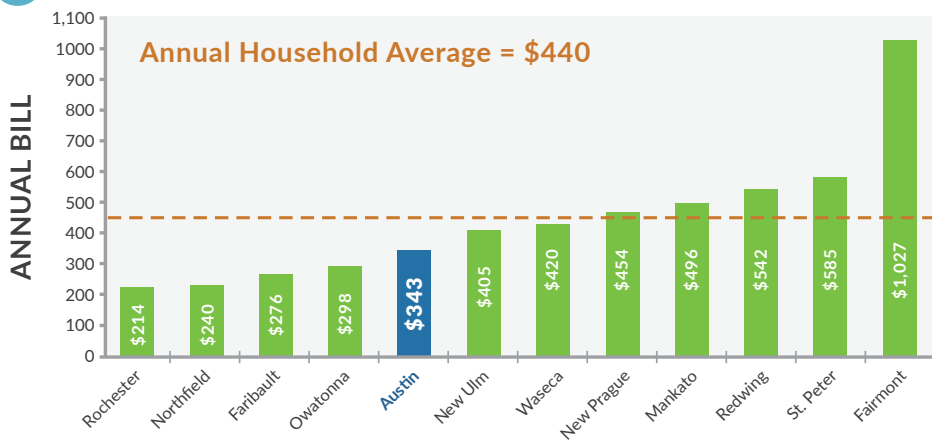
Residential Electric Rate Comparison



Residential Gas Rate Comparison



Residential Water Rate Comparison



Unlock Savings with CONSERVE & SAVE™

ARE YOU READY TO START SAVING ON YOUR UTILITY BILLS?

Our Conserve and Save Rebate program is designed to help you reduce energy costs while improving your home's efficiency. We offer rebates on a wide range of products for natural gas, electric, and water products. To see the complete list of available rebates, visit our website at austinutilities.com.

You can become an ENERGY HERO

Sign up today!

Reduce your energy use during peak times!

We welcome comments at talk2AU@AustinUtilities.com or by calling 507.433.8886.



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