



Water, Sewer & Electric Rates

New Braunfels City Council



Water Rates

Water Rate Goals & Strategies

- Protect the Essential Use-Only Water Customer
- Discount Program for Low Income Customers
- Meet Fitch Ratings Criteria for Affordability and Cost Recovery
- Allocate Costs to the Rate Classes Driving the Need for Investments
 - Continue Use of Water Supply Fee and Seasonal On Peak/Off Peak Pricing
- Return NBU to Regulatory Compliance
- Keep Utility Bills Low by Protecting NBU's Bond Rating
- Implement Three-Year Rate Plan to Assure Rating Agencies

Water Rate Design

- Base Rate Increase
 - FY 2021-2023 : 7.0%, 8.0%, 8.0%
- Water Supply Fee Update
 - Remove WSF from Residential Essential Use (first 7,500 gallons)
 - FY 2021-2023 WSF: \$1.05, \$2.49, \$2.79 (per thousand gallons)

Residential (Domestic & Irrigation) Water Customer Usage Distribution

Usage Tiers	OFF PEAK Oct 2019 – May 2020	ON PEAK Jun 2020 – Aug 2020
0 - 7,500	63.83%	52.47%
7,501 - 15,000	27.78%	29.00%
15,001 - 25,000	6.34%	13.09%
Excess of 25,000	2.05%	5.43%
Total	100.00%	100.00%

- Essential water use (no irrigation) ~6,000 gallons
- Average residential swimming pool ~20,000 gallons
- 95% of Residential customers use 25,000 gallons or less per month

Water Rate Design - WSF and Base Rates

	FY 2021	FY 2022	FY 2023
Water Supply Fee (Residential, Up to 7,500 gallons)	\$0.00	\$0.00	\$0.00
Water Supply Fee (All Other Volumes / Customer Classes)	\$1.05	\$2.49	\$2.79
Base Rate Increase	7.0%	8.0%	8.0%

Residential Water Bill Impacts – FY 2021

Off Peak

Usage Charges	FY 2020 Current Bill	FY 2021 Proposed Bill	Change (%)	Change (\$)
3000	\$18.44	\$18.68	1.30%	\$0.24
4600	\$21.45	\$21.34	-0.52%	\$(0.11)
6000	\$24.08	\$23.66	-1.74%	\$(0.42)
10000	\$37.50	\$39.23	4.60%	\$1.72
15000	\$58.70	\$65.38	11.37%	\$6.68
25000	\$115.30	\$132.88	15.24%	\$17.58

Residential Water Bill Impacts – FY 2021

On Peak

Usage Charges	FY 2020 Current Bill	FY 2021 Proposed Bill	Change (%)	Change (\$)
3000	\$18.65	\$18.89	1.29%	\$0.24
4600	\$21.77	\$21.66	-0.51%	\$(0.11)
6000	\$24.50	\$24.08	-1.71%	\$(0.42)
10000	\$38.78	\$40.55	4.58%	\$1.78
15000	\$61.48	\$68.30	11.10%	\$6.82
25000	\$128.68	\$147.20	14.40%	\$18.53

Residential Water Bill Impacts – FY 2022

Off Peak

Usage Charges	FY 2021 Proposed Bill	FY 2022 Proposed Bill	Change (%)	Change (\$)
3000	\$18.68	\$20.17	8.00%	\$1.49
4600	\$21.34	\$23.03	8.00%	\$1.70
6000	\$23.66	\$25.54	8.00%	\$1.88
10000	\$39.23	\$45.73	16.57%	\$6.50
15000	\$65.38	\$80.73	23.48%	\$15.35
25000	\$132.88	\$167.23	25.85%	\$34.35

Residential Water Bill Impacts – FY 2022

On Peak

Usage Charges	FY 2021 Proposed Bill	FY 2022 Proposed Bill	Change (%)	Change (\$)
3000	\$18.89	\$20.41	8.00%	\$1.52
4600	\$21.66	\$23.40	8.00%	\$1.74
6000	\$24.08	\$26.02	8.00%	\$1.94
10000	\$40.55	\$47.20	16.40%	\$6.65
15000	\$68.30	\$83.95	22.91%	\$15.65
25000	\$147.20	\$182.75	24.15%	\$35.55

Residential Water Bill Impacts – FY 2023

Off Peak

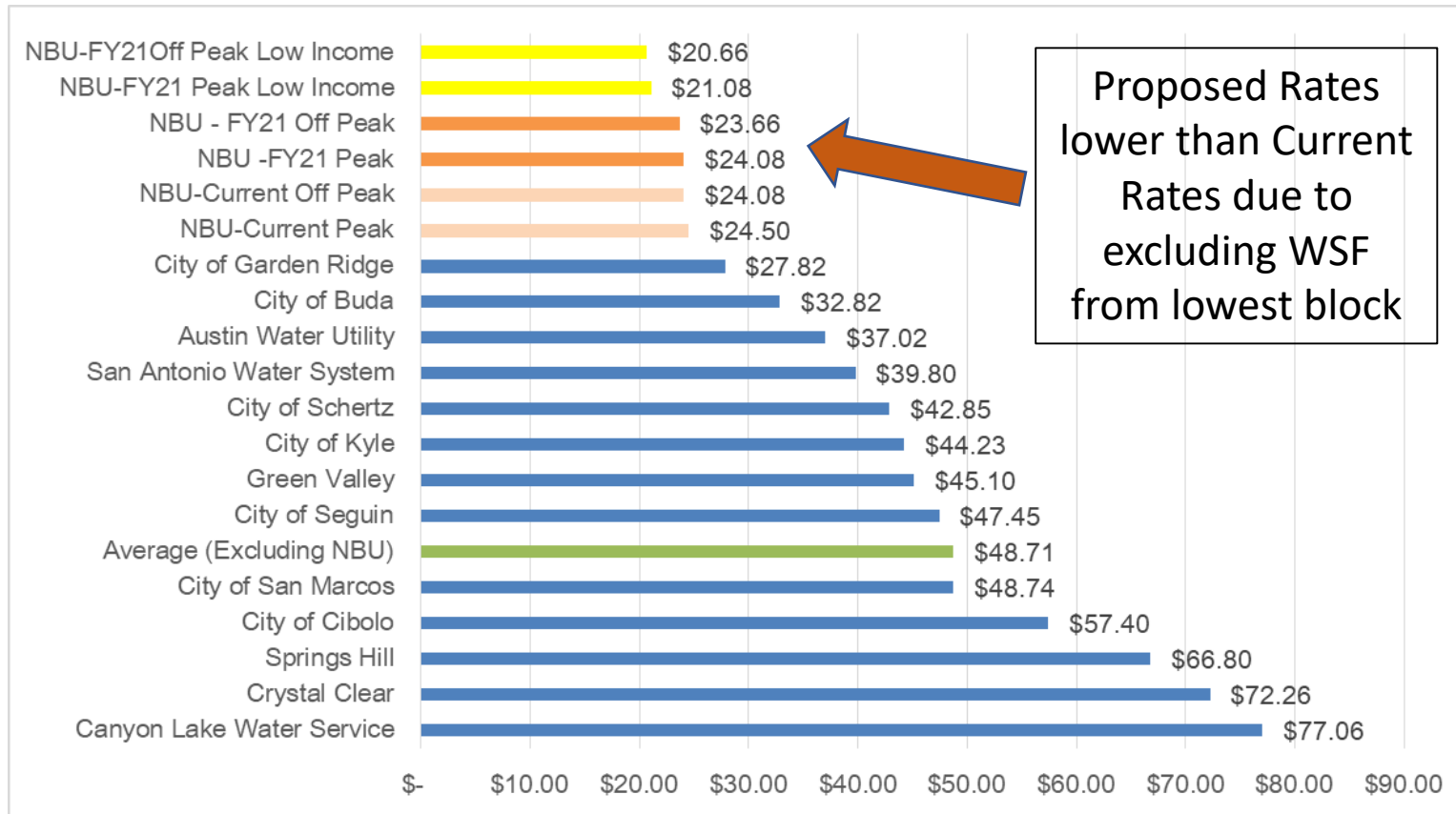
Usage Charges	FY 2022 Proposed Bill	FY 2023 Proposed Bill	Change (%)	Change (\$)
3000	\$20.17	\$21.77	8.00%	\$1.60
4600	\$23.03	\$24.86	8.00%	\$1.82
6000	\$25.54	\$27.56	8.00%	\$2.02
10000	\$45.73	\$49.61	8.49%	\$3.88
15000	\$80.73	\$87.91	8.89%	\$7.18
25000	\$167.23	\$182.31	9.02%	\$15.08

Residential Water Bill Impacts – FY 2023

On Peak

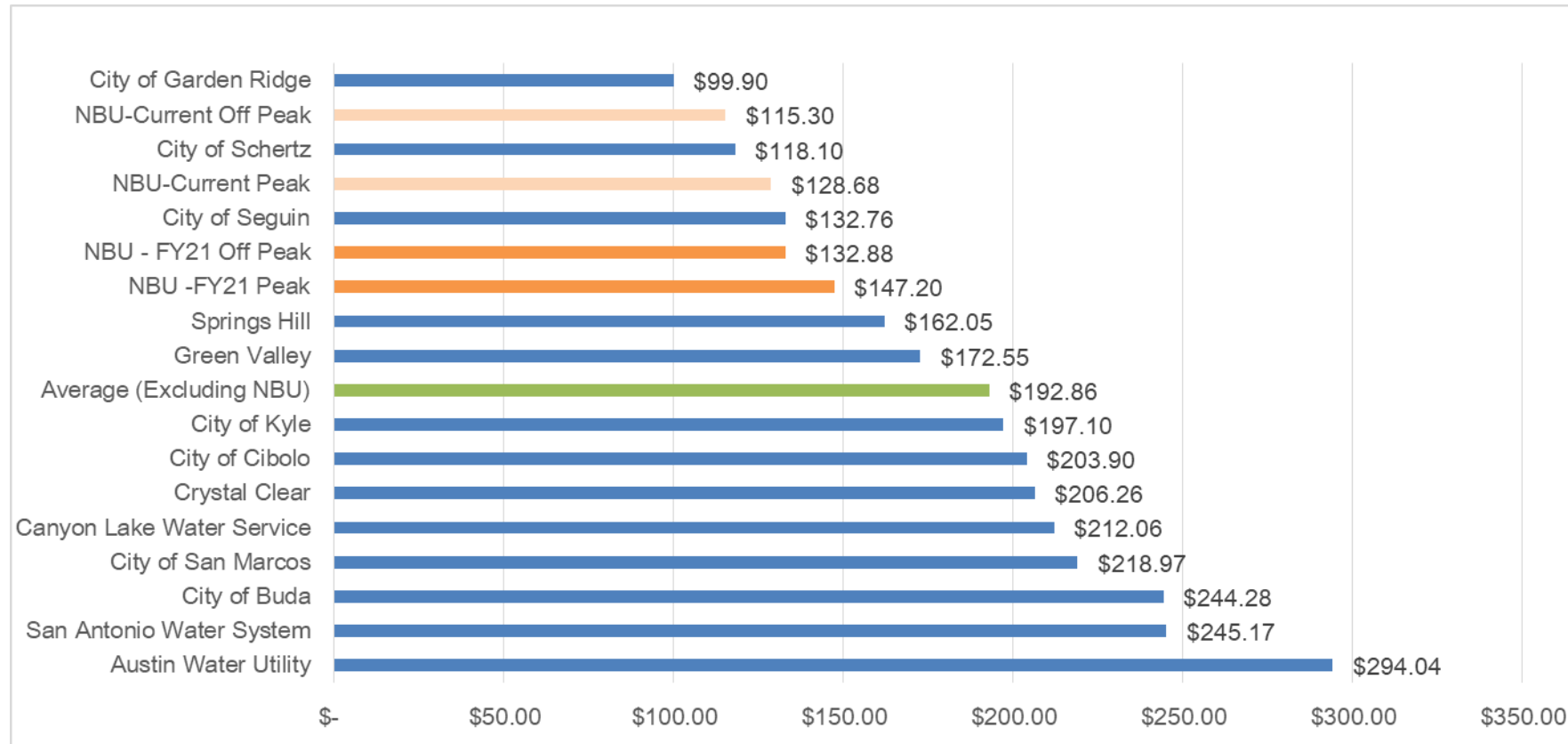
Usage Charges	FY 2022 Proposed Bill	FY 2023 Proposed Bill	Change (%)	Change (\$)
3000	\$20.41	\$22.04	8.00%	\$1.63
4600	\$23.40	\$25.27	8.00%	\$1.87
6000	\$26.02	\$28.10	8.00%	\$2.08
10000	\$47.20	\$51.23	8.54%	\$4.03
15000	\$83.95	\$91.43	8.91%	\$7.48
25000	\$182.75	\$199.13	8.96%	\$16.38

Residential Water Bill Comparison 6,000 Gal.

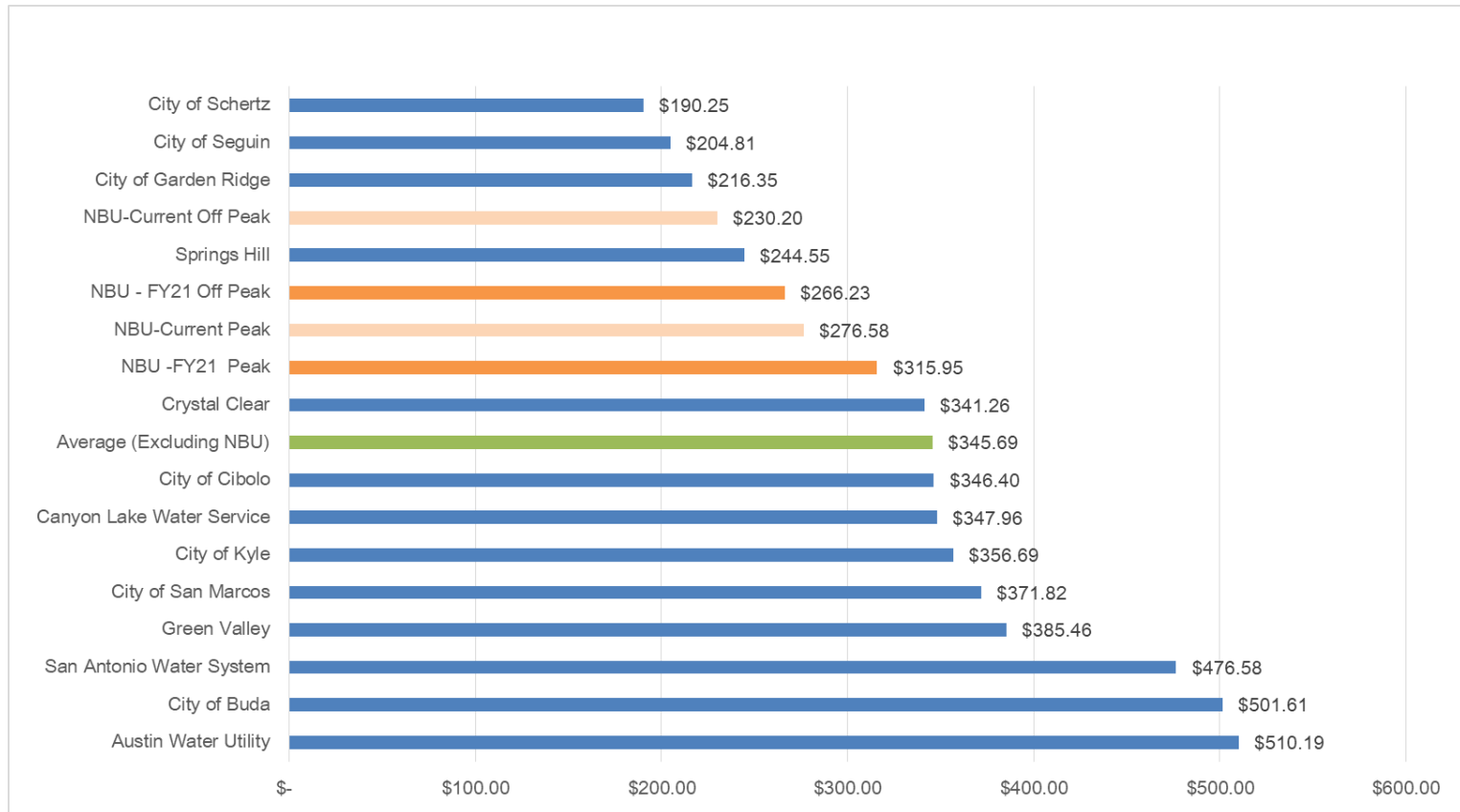


Residential Water Bill Comparison, 25,000 Gal.

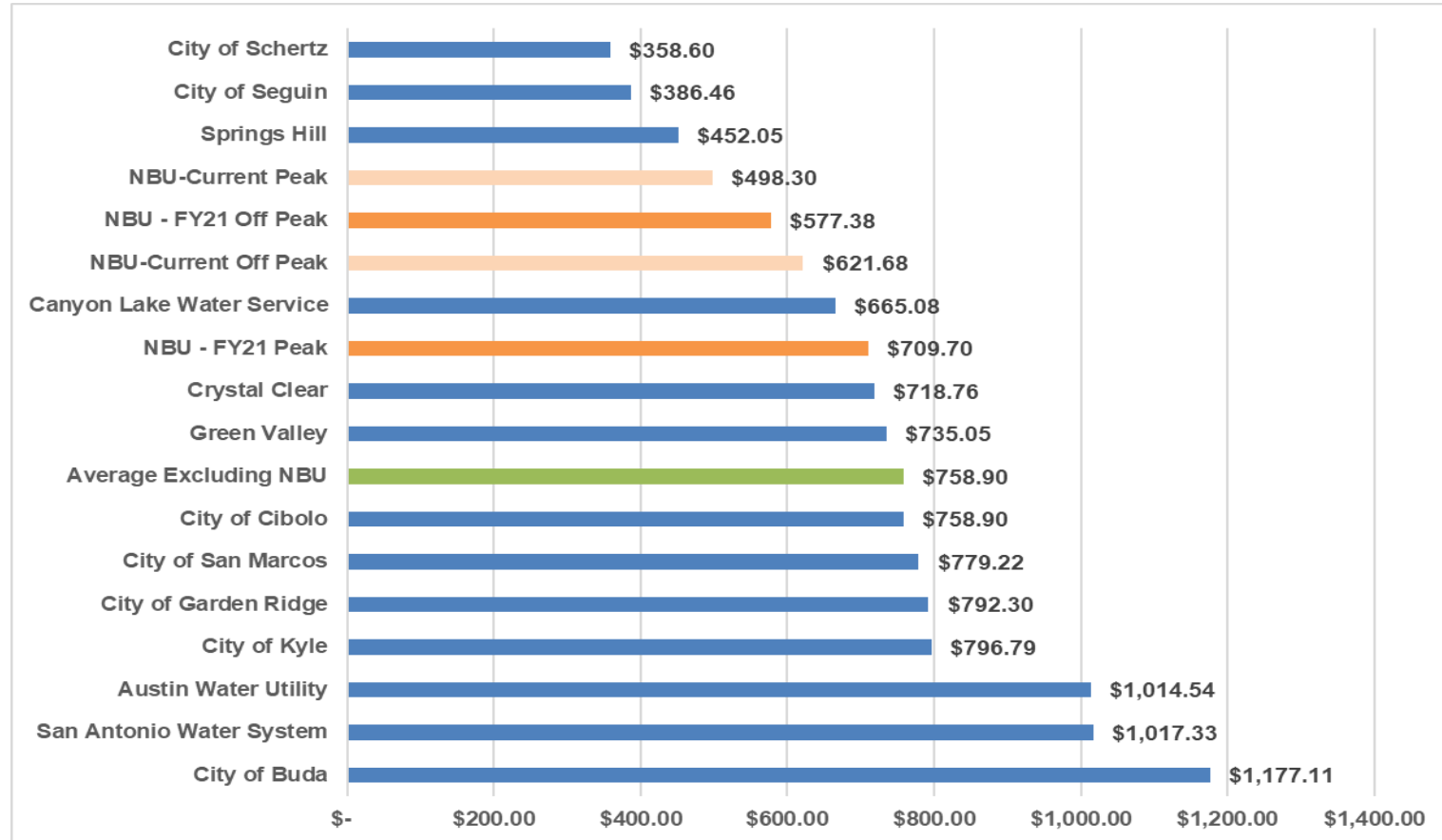
95% of Customers use 25,000 Gal. or Less On Peak



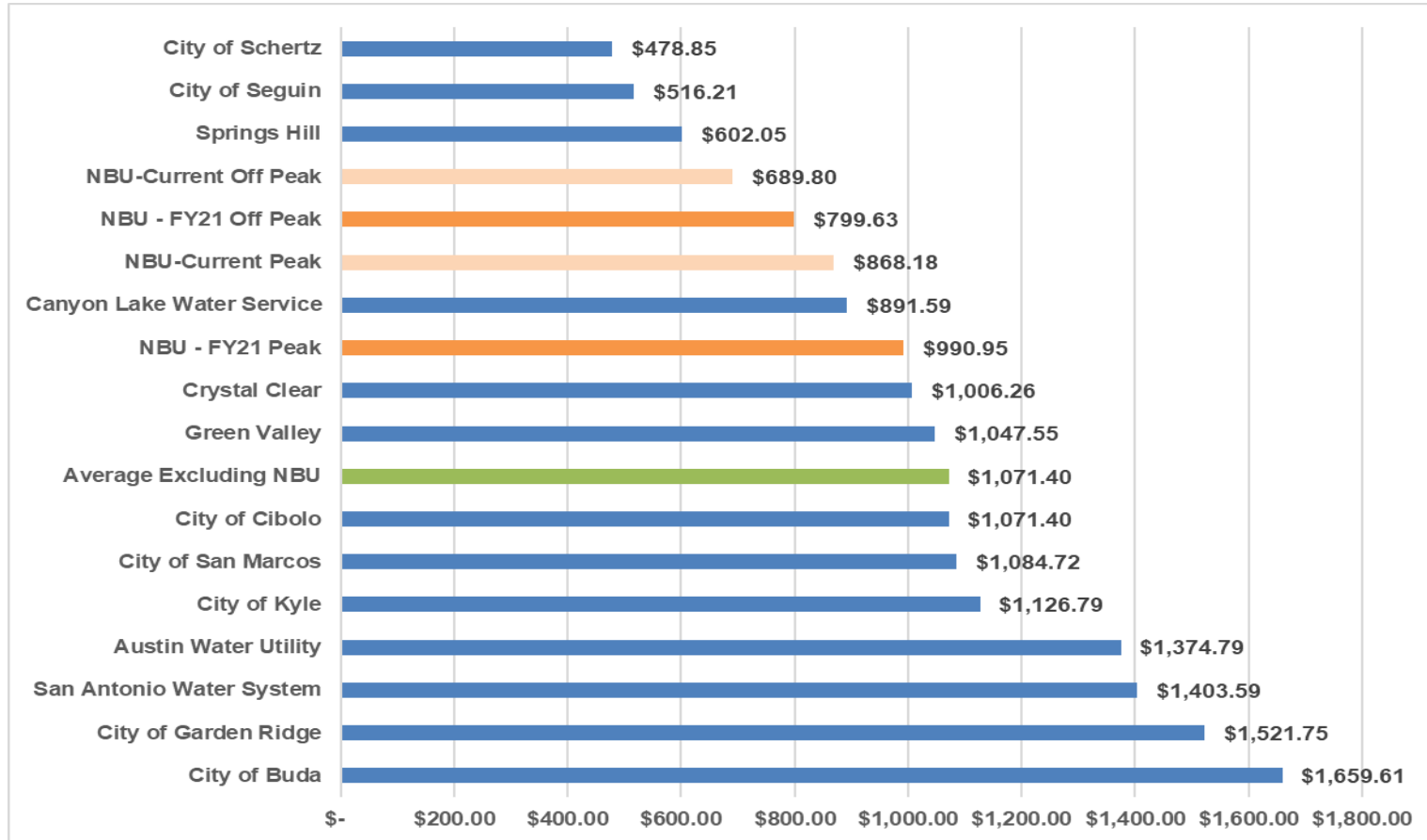
Residential Water Bill Comparison 40,000 Gal.



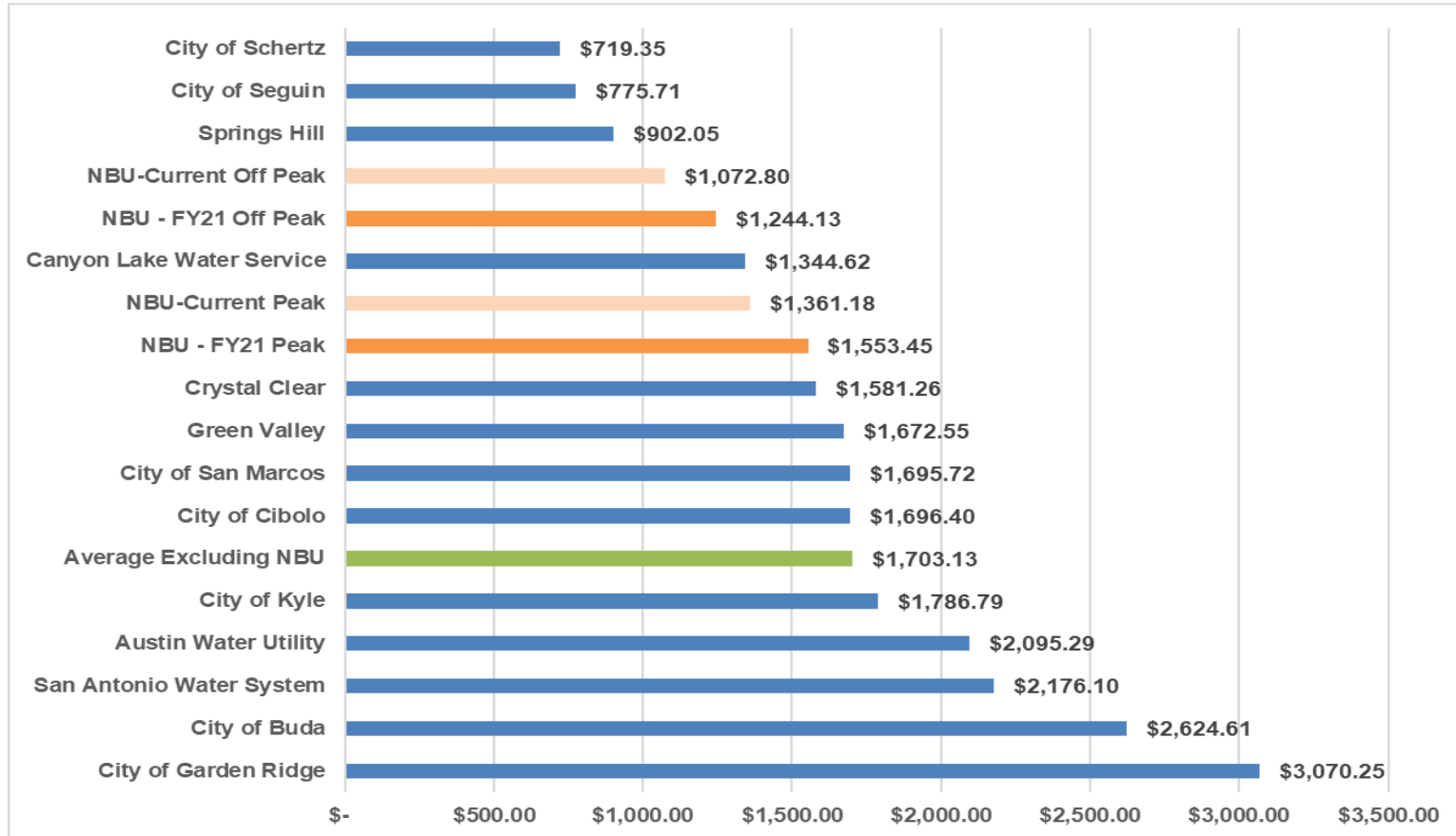
Residential Water Bill Comparison 75,000 Gal.



Residential Water Bill Comparison 100,000 Gal.

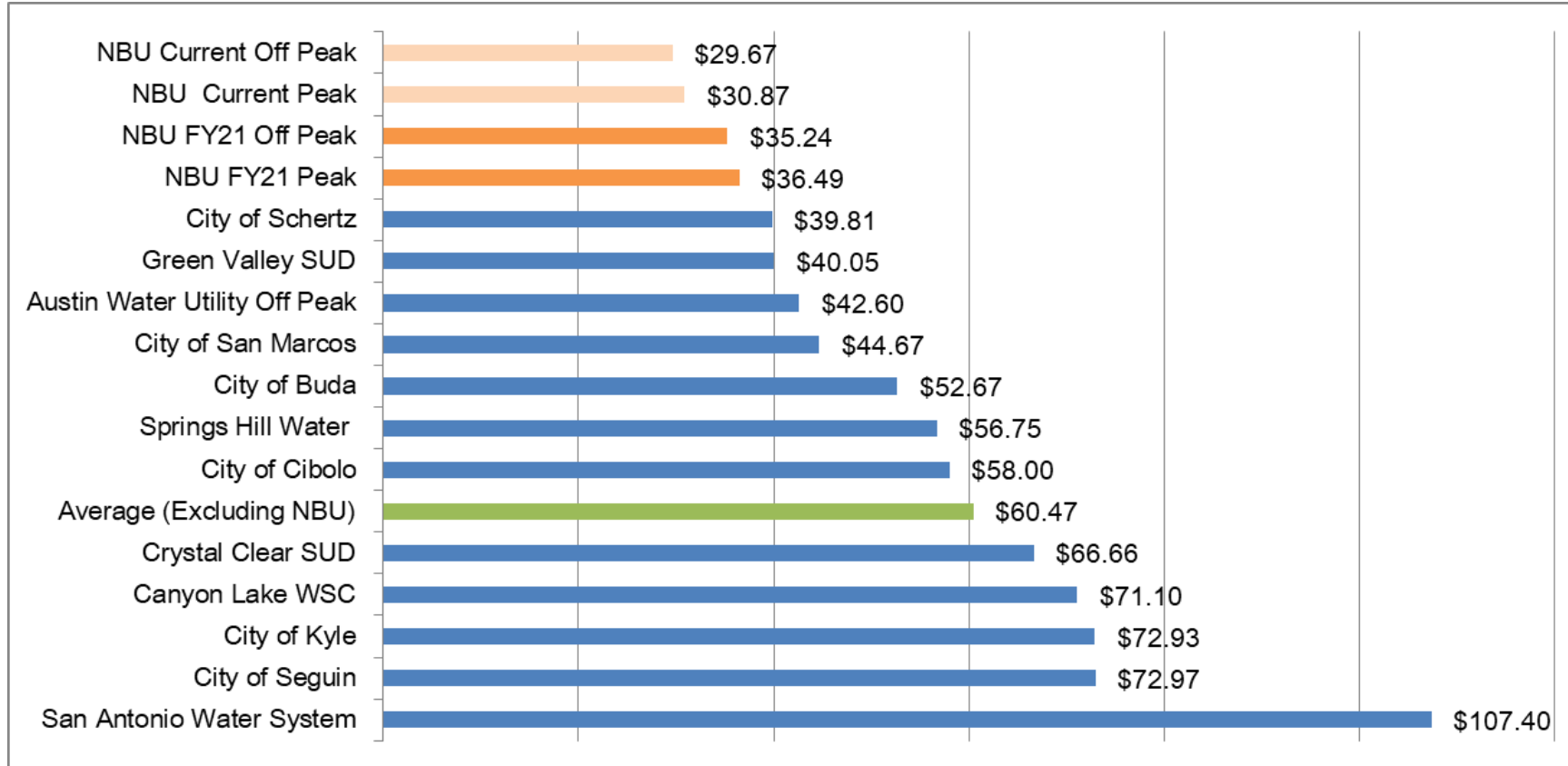


Residential Water Bill Comparison 150,000 Gal.



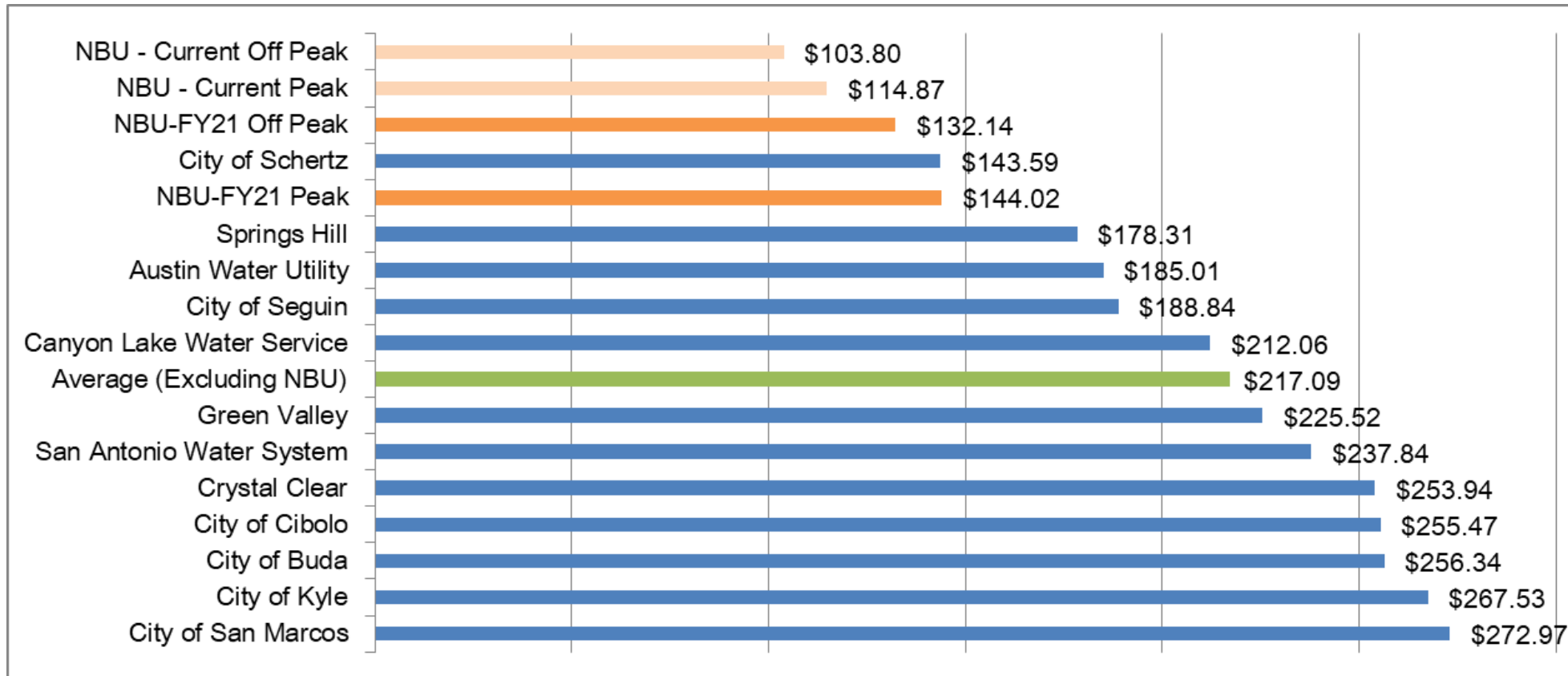
Commercial Bill Comparisons, 5,000 Gal.

54% of Commercial Customers Use 5,000 Gallons or Less



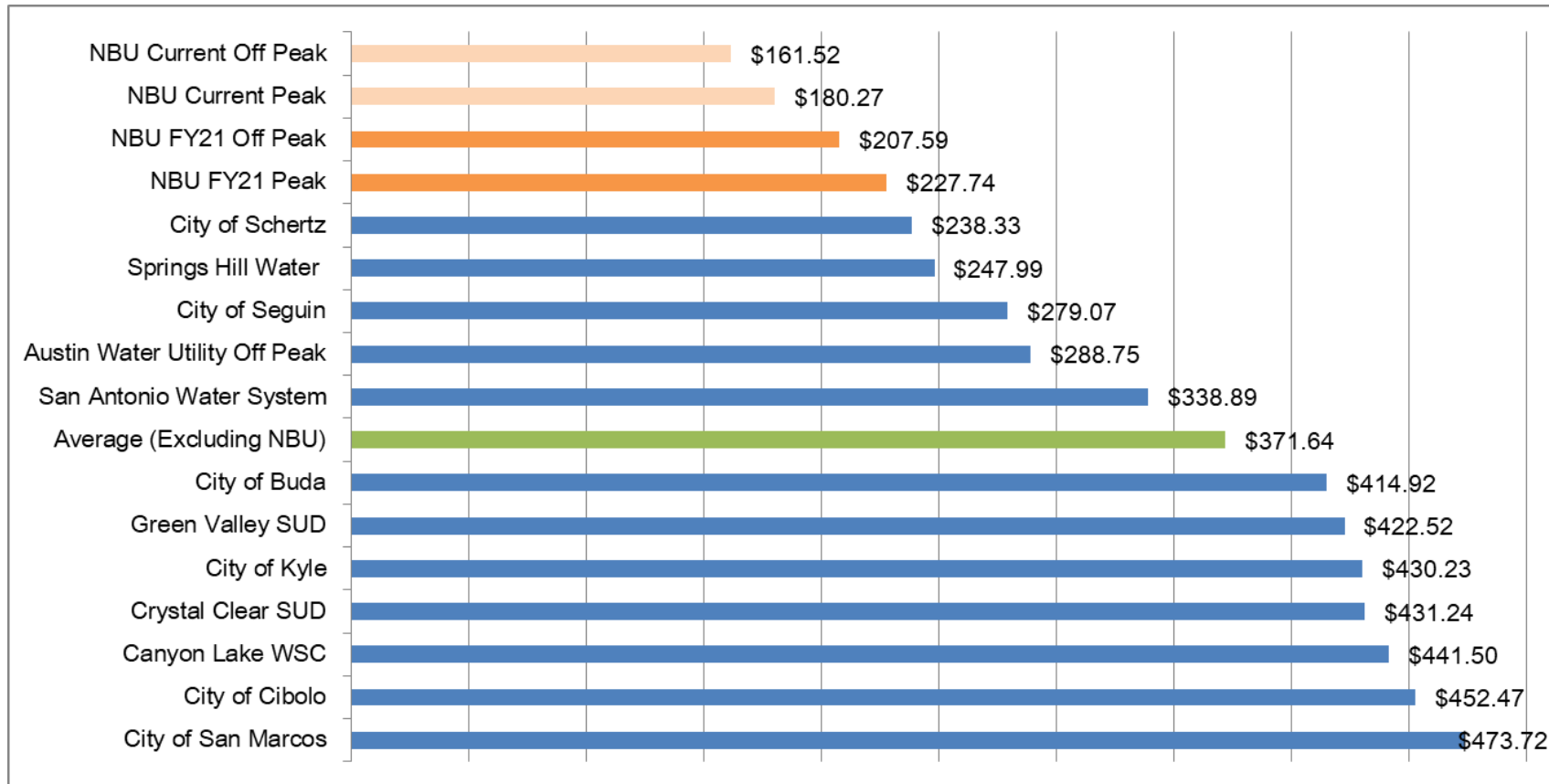
Commercial Bill Comparisons, 30,000 Gal.

34% of Commercial Customers Use 5,001 to 50,000 Gallons



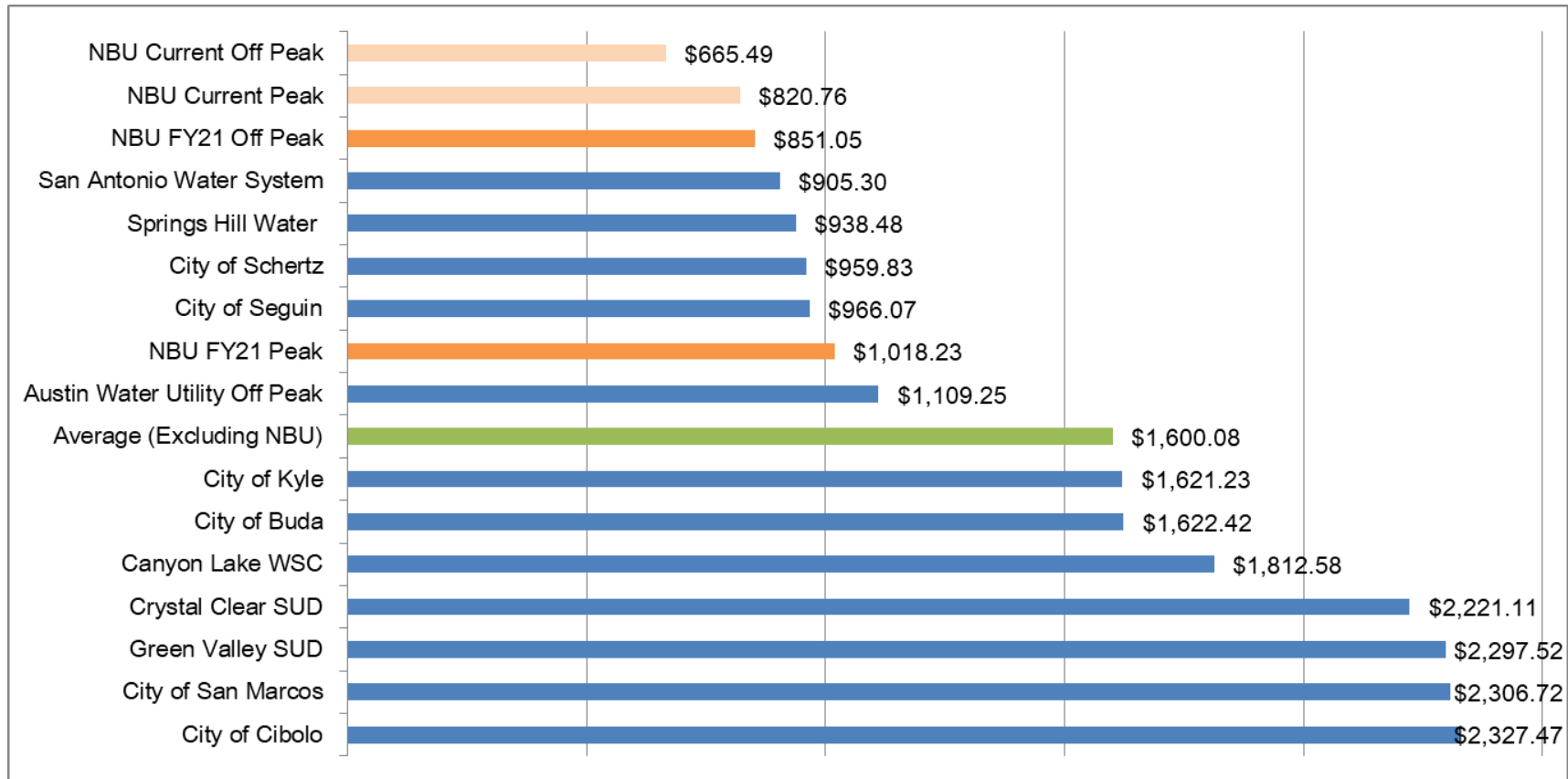
Commercial Bill Comparisons, 50,000 Gal.

34% of Commercial Customers Use 5,001 to 50,000 Gallons



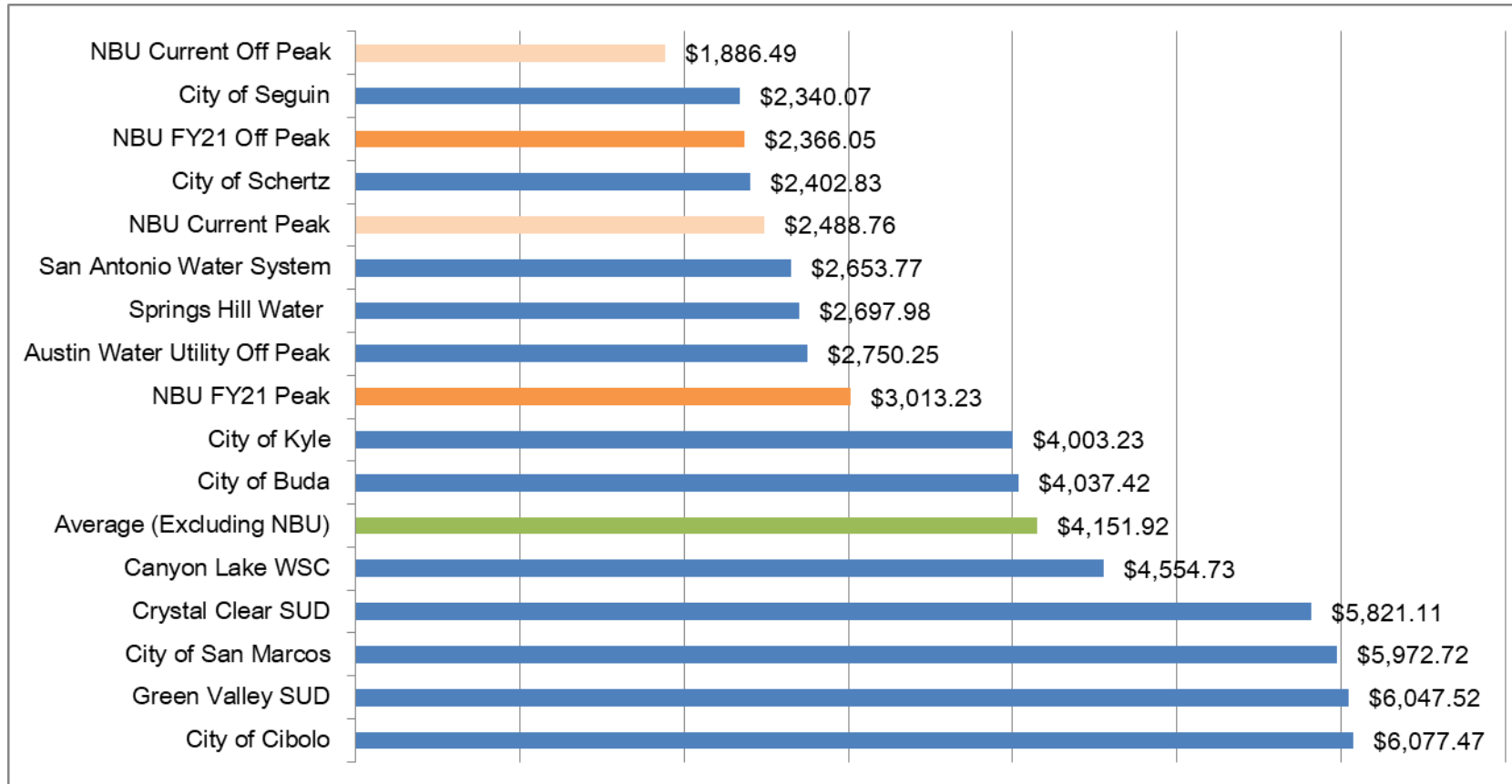
Commercial Bill Comparisons, 200,000 Gal.

9% of Commercial Customers Use 50,001 to 200,000 Gallons



Commercial Bill Comparisons, 500,000 Gal.

3% of Commercial Customers Use >200,000 Gallons



Sewer Rates

Sewer Rate Design

- Three-Year Rate Plan
 - FY 2021-2023: 16.5%, 13.0%, 13.0%
- Updated Fees:
 - Chemical Oxygen Demand (COD) & Total Suspended Solids (TSS) Surcharges
 - Purpose is to allocate costs of treatment for commercial accounts that discharge high strength wastewater to the sanitary sewer
 - Samples are collected from food service establishments and car washes annually
 - Surcharges applied for any discharge in excess of normal domestic wastewater

Residential Sewer Bill Impacts – FY 2021

Usage Charges	FY 2020 Current Bill	FY 2021 Proposed Bill	Percent Increase	Dollar Increase
3000	\$31.55	\$36.76	16.50%	\$5.21
4600	\$38.51	\$44.87	16.50%	\$6.36
6000	\$44.60	\$51.97	16.50%	\$7.37
10000	\$62.00	\$72.25	16.50%	\$10.25
15000	\$83.75	\$97.60	16.50%	\$13.85
25000	\$127.25	\$148.30	16.50%	\$21.05

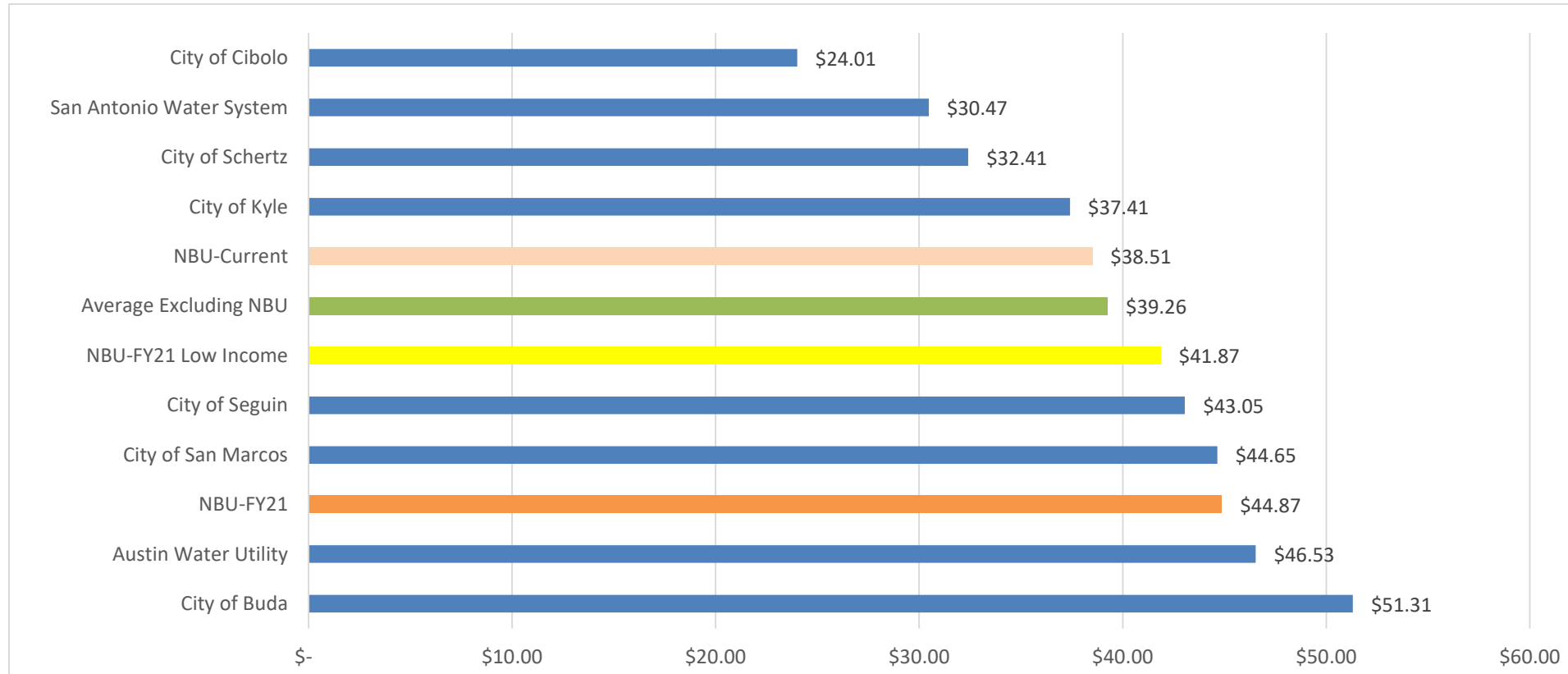
Residential Sewer Bill Impacts – FY 2022

Usage Charges	FY 2021 Proposed Bill	FY 2022 Proposed Bill	Percent Increase	Dollar Increase
3000	\$36.76	\$41.54	13.0%	\$4.78
4600	\$44.87	\$50.70	13.0%	\$5.83
6000	\$51.97	\$58.73	13.0%	\$6.76
10000	\$72.25	\$81.64	13.0%	\$9.39
15000	\$97.60	\$110.29	13.0%	\$12.69
25000	\$148.30	\$167.58	13.0%	\$19.28

Residential Sewer Bill Impacts – FY 2023

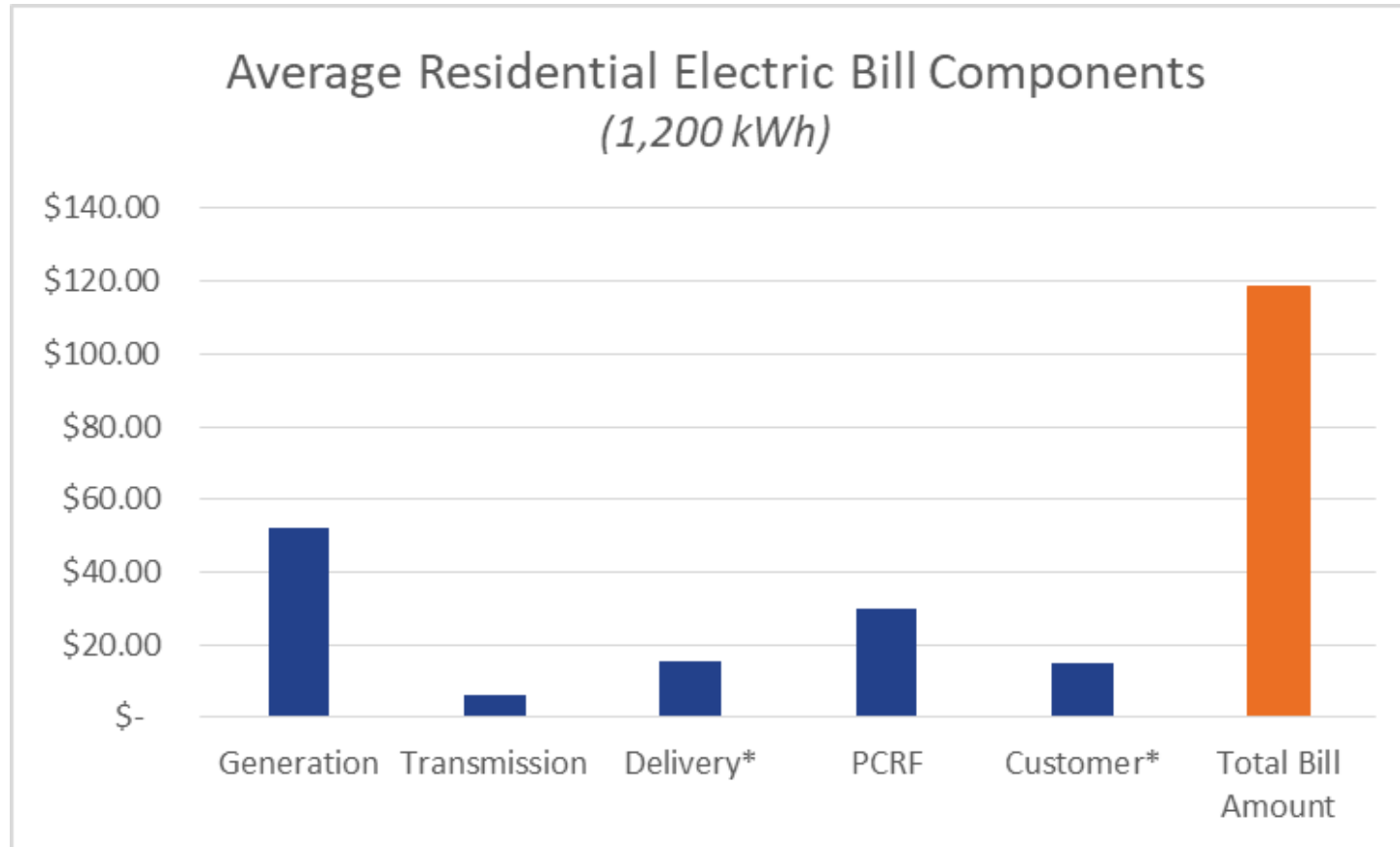
Usage Charges	FY 2022 Proposed Bill	FY 2023 Proposed Bill	Percent Increase	Dollar Increase
3000	\$41.54	\$46.94	13.0%	\$5.40
4600	\$50.70	\$57.29	13.0%	\$6.59
6000	\$58.73	\$66.36	13.0%	\$7.63
10000	\$81.64	\$92.25	13.0%	\$10.61
15000	\$110.29	\$124.63	13.0%	\$14.34
25000	\$167.58	\$189.37	13.0%	\$21.79

Average Residential Sewer Bill Comparisons 4,600 gallons



Electric Rates

Electric Rate Design



**Components impacted by proposed rate increases*

Electric Rate Design

- Three-Year Rate Plan
 - Distribution Component (which includes delivery and customer charges)
 - FY 2021-2023: 0.0%, 5.0%, 10.0%
- Overall impact on electric bill
 - FY 2022: 1.3%
 - FY 2023: 2.6%
- Since purchased power and transmission costs are directly “passed through to customers,” the proposed rate adjustments will be assessed on and recovered through the distribution component.

Electric Rate Design

- Assumptions:
 - Average residential usage of 1,200 kWh
 - Generation is based on a weighted average of \$0.04/kWh for 8 months and \$0.05/kWh for 4 months over the course of the year
 - Generation, Transmission and PCRFB Charges are held constant for purposes of illustration

Residential Electric Bill Impacts – FY 2021

Bill Component	FY 2020 Current Bill	FY 2021 Proposed Bill	Percent Increase	Dollar Increase
Generation	\$52.00	\$52.00	0.00%	\$0.00
Transmission	\$6.24	\$6.24	0.00%	\$0.00
Delivery	\$15.48	\$15.48	0.00%	\$0.00
PCRF	\$30.00	\$30.00	0.00%	\$0.00
Customer	\$14.77	\$14.77	0.00%	\$0.00
Total Bill	\$118.49	\$118.49	0.00%	\$0.00

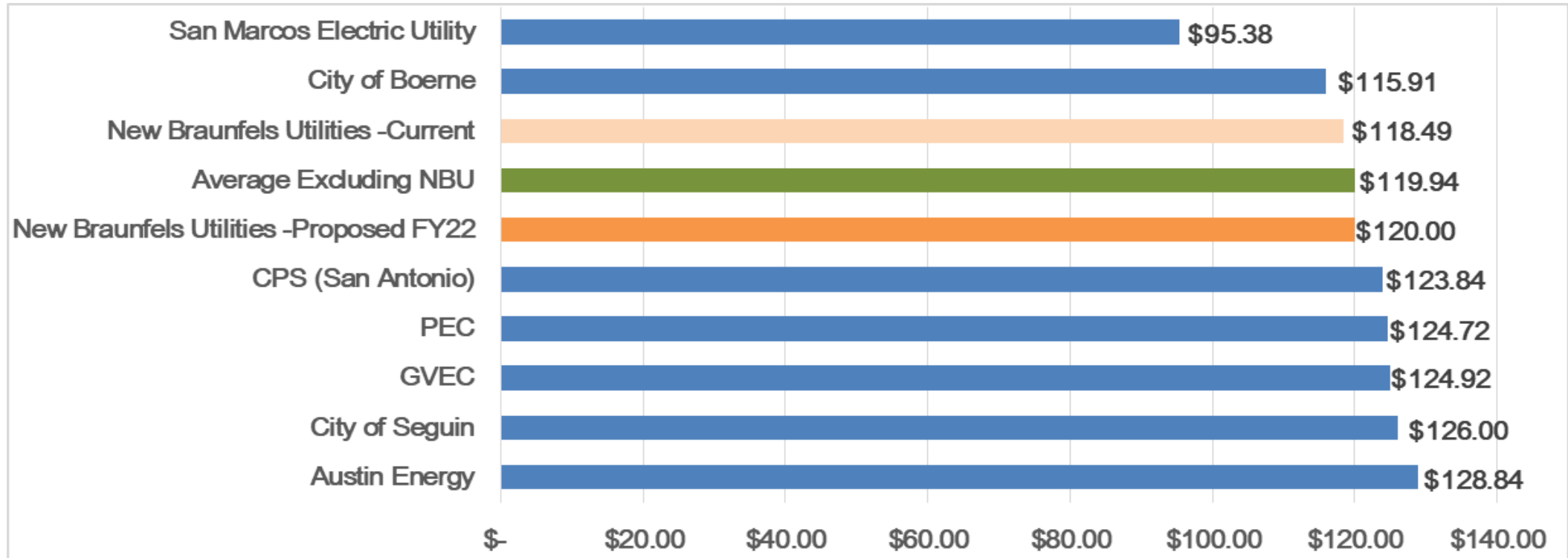
Residential Electric Bill Impacts – FY 2022

Bill Component	FY 2021 Proposed Bill	FY 2022 Proposed Bill	Percent Increase	Dollar Increase
Generation	\$52.00	\$52.00	0.00%	\$0.00
Transmission	\$6.24	\$6.24	0.00%	\$0.00
Delivery	\$15.48	\$16.25	5.00%	\$0.77
PCRF	\$30.00	\$30.00	0.00%	\$0.00
Customer	\$14.77	\$15.51	5.00%	\$0.74
Total Bill	\$118.49	\$120.00	1.30%	\$1.51

Residential Electric Bill Impacts – FY 2023

Bill Component	FY 2022 Proposed Bill	FY 2023 Proposed Bill	Percent Increase	Dollar Increase
Generation	\$52.00	\$52.00	0.00%	\$0.00
Transmission	\$6.24	\$6.24	0.00%	\$0.00
Delivery	\$16.25	\$17.88	10.00%	\$1.63
PCRF	\$30.00	\$30.00	0.00%	\$0.00
Customer	\$15.51	\$17.06	10.00%	\$1.55
Total Bill	\$120.00	\$123.18	2.60%	\$3.18

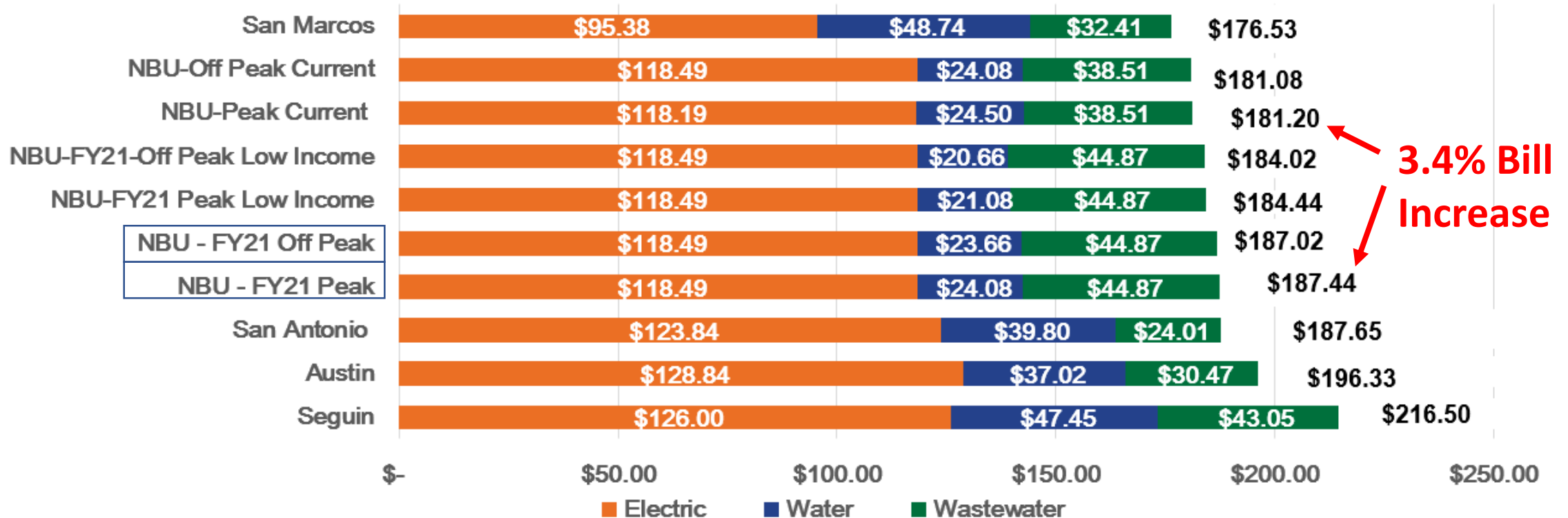
Average Residential Electric Bill Comparisons 1,200 kWh



Residential Total Bill Impact

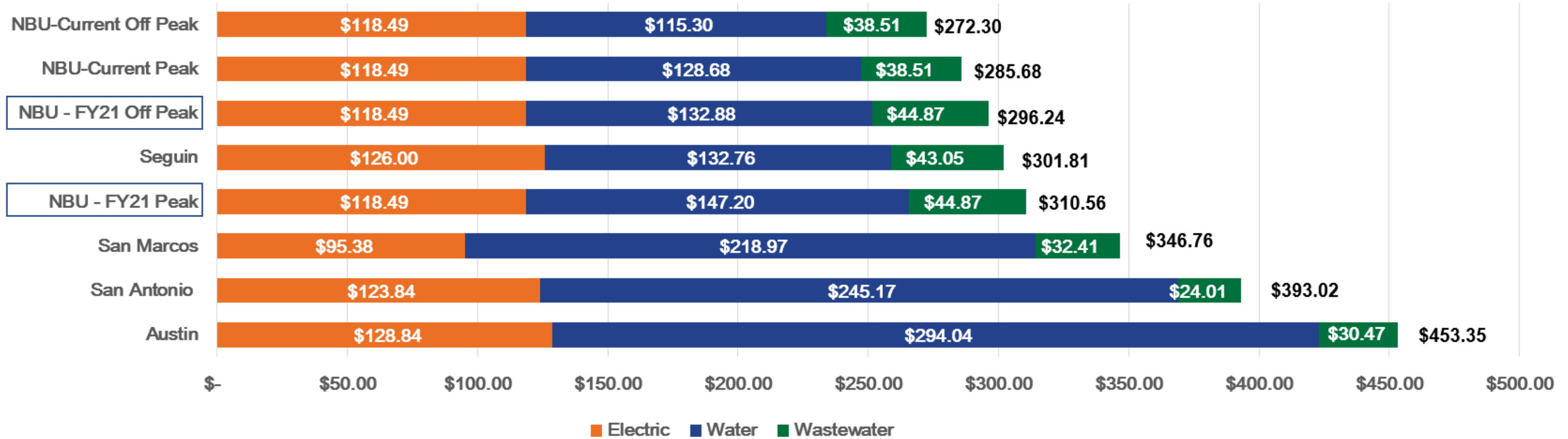
Residential Total Bill Impact

Electric: 1,200 kWh. Water: 6,000 Gal. Sewer: 4,600 Gal.



Residential Total Bill Impact

Electric: 1,200 kWh. Water: 25,000 Gal. Sewer: 4,600 Gal.



Residential Total Bill Impact

Electric: 1,200 kWh. Water: 40,000 Gal. Sewer: 4,600 Gal.

