

Submitted by: Chairman of the Assembly  
at the Request of the Mayor  
Prepared by: Anchorage Water &  
Wastewater Utility  
For reading: September 28, 2010

*See AO 2010-66(S)*

**ANCHORAGE, ALASKA  
AO NO. 2010-66**

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

7  
8  
9 **THE ANCHORAGE ASSEMBLY ORDAINS:**

10  
11 Section 1. Rate changes to the tariff of AWU, as reflected in the "Anchorage  
12 Water Utility Revenue Requirements Study for the Test Year Ended December  
13 31, 2009" for rates effective no later than January 1, 2011, attached to the  
14 Assembly Memorandum and incorporated herein by reference, are hereby  
15 approved for submission to the Regulatory Commission of Alaska.

16  
17 Section 2. Rate changes to the tariff of ASU, as reflected in the "Anchorage  
18 Wastewater Utility Revenue Requirements Study for the Test Year Ended  
19 December 31, 2009" for rates effective no later than January 1, 2011, attached to  
20 the Assembly Memorandum and incorporated herein by reference, are hereby  
21 approved for submission to the Regulatory Commission of Alaska.

22  
23 Section 3. This Ordinance is effective immediately upon passage by the  
24 Anchorage Assembly.

25  
26 **PASSED AND APPROVED** by the Anchorage Assembly this \_\_\_\_\_ day of  
27 \_\_\_\_\_, 2010.

28  
29 \_\_\_\_\_  
30 Chair

31 ATTEST:

32  
33  
34 \_\_\_\_\_  
35 Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects – General Government**

AO 2010-66

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

Sponsor: Mayor

Preparing Agency: **Anchorage Water and Wastewater Utility – AWU**

Others Affected: **All General Govt., AFD and ASD**

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)**

Operating Revenues:	FY11	FY12	FY13	FY14	FY15
TOTAL OPERATING REVENUES:	\$0	\$0	\$0	\$0	\$0
Operating Expenses:					
General Government	\$115	\$115	\$115	\$115	\$115
Anchorage School District	\$24	\$24	\$24	\$24	\$24
Anchorage Fire Department	\$307	\$307	\$307	\$307	\$307
TOTAL OPERATING EXPENSES:	\$446	\$446	\$446	\$446	\$446
Non-Operating Revenues:	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPERATING REVENUES:					
Non-Operating Expenses:	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPERATING EXPENSES:	\$0	\$0	\$0	\$0	\$0
NET INCOME (REGULATED)	(\$446)	(\$446)	(\$446)	(\$446)	(\$446)
POSITIONS: FT/PT/TEMP					

**Public Sector Economic Effects:**

- **The effect on the public sector will be an increase in water rates by 8.0% effective January 1, 2011 subject to approval.**

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

Prepared by: Beau Disbrow, Regulatory Affairs Manager, AWWU

Telephone: 786-5507

Approved by: Mark Premo, General Manager, AWWU

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - Utilities**

AO 2010-66

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

Sponsor: Mayor

Preparing Agency: **Anchorage Water and Wastewater Utility – AWU**

Others Affected: **All Municipal Utilities**

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)**

Operating Revenues:	FY11	FY12	FY13	FY14	FY15
Anchorage Water Utility	\$3,736	\$3,736	\$3,736	\$3,736	\$3,736
<b>TOTAL OPERATING REVENUES:</b>	<b>\$3,736</b>	<b>\$3,736</b>	<b>\$3,736</b>	<b>\$3,736</b>	<b>\$3,736</b>
Operating Expenses:					
Uncollectible Accounts Expense	\$9	\$9	\$9	\$9	\$9
<b>TOTAL OPERATING EXPENSES:</b>	<b>\$9</b>	<b>\$9</b>	<b>\$9</b>	<b>\$9</b>	<b>\$9</b>
Non-Operating Revenues:	\$0	\$0	\$0	\$0	\$0
<b>TOTAL NON-OPERATING REVENUES:</b>					
Non-Operating Expenses:	\$0	\$0	\$0	\$0	\$0
<b>TOTAL NON-OPERATING EXPENSES:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET INCOME (REGULATED)</b>	<b>\$3,727</b>	<b>\$3,727</b>	<b>\$3,727</b>	<b>\$3,727</b>	<b>\$3,727</b>
POSITIONS: FT/PT/TEMP					

Impact on General Government (Yes or No) **Yes** (If yes, attach SEE for General Government agency impacted.)

Utility Public Sector Economic Effects:

- **The effect on public sector utilities will be an increase in water rates by 8.0% effective January 1, 2011 subject to approval.**

Private Sector Economic Effects:

- **The effect on the private sector will be an increase in water rates by 8.0% effective January 1, 2011 subject to approval.**

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

Prepared by: Beau Disbrow, Regulatory Affairs Manager, AWWU

Telephone: 786-5507

Approved by: Mark Premo, General Manager, AWWU

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects – General Government**

AO 2010-66

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

Sponsor: Mayor

Preparing Agency: **Anchorage Water and Wastewater Utility – ASU**

Others Affected: **All General Govt. and ASD**

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)**

	FY11	FY12	FY13	FY14	FY15
Operating Revenues:					
TOTAL OPERATING REVENUES:	\$0	\$0	\$0	\$0	\$0
Operating Expenses:					
General Government	\$73	\$73	\$73	\$73	\$73
Anchorage School District	\$27	\$27	\$27	\$27	\$27
TOTAL OPERATING EXPENSES:	\$100	\$100	\$100	\$100	\$100
Non-Operating Revenues:	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPERATING REVENUES:					
Non-Operating Expenses:	\$0	\$0	\$0	\$0	\$0
TOTAL NON-OPERATING EXPENSES:	\$0	\$0	\$0	\$0	\$0
NET INCOME (REGULATED)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
POSITIONS: FT/PT/TEMP					

**Public Sector Economic Effects:**

- **The effect on the public sector will be an increase in wastewater rates by 15.0% effective January 1, 2011 subject to approval.**

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

Prepared by: Beau Disbrow, Regulatory Affairs Manager, AWWU

Telephone: 786-5507

Approved by: Mark Premo, General Manager, AWWU

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - Utilities**

AO 2010-66

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

Sponsor: Mayor

Preparing Agency: **Anchorage Water and Wastewater Utility – ASU**

Others Affected: **All Municipal Utilities**

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)**

	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Operating Revenues:					
Anchorage Wastewater Utility	\$5,292	\$5,292	\$5,292	\$5,292	\$5,292
<b>TOTAL OPERATING REVENUES:</b>	<b>\$5,292</b>	<b>\$5,292</b>	<b>\$5,292</b>	<b>\$5,292</b>	<b>\$5,292</b>
Operating Expenses:					
Uncollectible Accounts Expense	\$16	\$16	\$16	\$16	\$16
<b>TOTAL OPERATING EXPENSES:</b>	<b>\$16</b>	<b>\$16</b>	<b>\$16</b>	<b>\$16</b>	<b>\$16</b>
Non-Operating Revenues:	\$0	\$0	\$0	\$0	\$0
<b>TOTAL NON-OPERATING REVENUES:</b>					
Non-Operating Expenses:	\$0	\$0	\$0	\$0	\$0
<b>TOTAL NON-OPERATING EXPENSES:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET INCOME (REGULATED)</b>	<b>\$5,276</b>	<b>\$5,276</b>	<b>\$5,276</b>	<b>\$5,276</b>	<b>\$5,276</b>
POSITIONS: FT/PT/TEMP					

Impact on General Government (Yes or No) **Yes** (If yes, attach SEE for General Government agency impacted.)

Utility Public Sector Economic Effects:

- **The effect on public sector utilities will be an increase in wastewater rates by 15.0% effective January 1, 2011 subject to approval.**

Private Sector Economic Effects:

- **The effect on the private sector will be an increase in wastewater rates by 15.0% effective January 1, 2011 subject to approval.**

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

Prepared by: Beau Disbrow, Regulatory Affairs Manager, AWWU

Telephone: 786-5507

Approved by: Mark Premo, General Manager, AWWU

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 513-2010

Meeting Date: September 28, 2010

1 From: MAYOR

2  
3 Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE,  
4 ALASKA APPROVING SUBMISSION BY THE ANCHORAGE  
5 WATER AND WASTEWATER UTILITY ON BEHALF OF THE  
6 ANCHORAGE WATER UTILITY (AWU) AND THE ANCHORAGE  
7 WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES  
8 TO THE REGULATORY COMMISSION OF ALASKA  
9

10 In accordance with AMC 26.10.035 the Administration is submitting an ordinance  
11 concurrent with this memorandum for review and approval by the Assembly of  
12 submission by the Anchorage Water & Wastewater Utility (AWWU) of 2009 test  
13 year Revenue Requirements Studies for both the Anchorage Water Utility (AWU)  
14 and the Anchorage Wastewater Utility (ASU) to the Regulatory Commission of  
15 Alaska (RCA).  
16

17 AWWU has prepared the aforementioned revenue requirement studies in  
18 accordance with the regulations and practices prescribed by the RCA and Alaska  
19 Statutes. The proposed across the board rate increases for 2011 will not exceed  
20 8.0 percent for AWU and 15.0 percent for ASU. AWWU's proposed 2011  
21 Operating Budgets include revenue from the proposed rate increases. Upon  
22 Assembly approval of AWWU's submission of these studies, AWWU intends to  
23 request interim and refundable rates effective no later than January 1, 2011 from  
24 the RCA. The RCA will notice AWWU's requested rate increase to the public for  
25 comment. All rate changes are subject to the approval of the RCA.  
26

27 **Impacts of the Study**

28 The Utilities use uniform rates for customer charges, unmetered usage charge per  
29 dwelling unit, metered volumetric rates, and meter charges. These basic rate  
30 components make up the individual customer bills. The proposed rate increases  
31 will be applied across the board to all recurring rates. Changes in the most  
32 common monthly rates are:  
33

34 **Water:**

	2010	2011
	<u>Current</u>	<u>Proposed</u>
35 Customer Charge	\$ 10.59	\$ 11.44
36 Flat Residential Usage Charge per unit	\$ 29.45	\$ 31.81
37 Metered Volume rate per 1,000 gallons	\$ 4.09	\$ 4.42
38 Anchorage Fire Department	\$319,908	\$345,501

39  
40  
41

	<b>2010</b>	<b>2011</b>
	<b><u>Current</u></b>	<b><u>Proposed</u></b>
<b>Wastewater:</b>		
Customer Charge	\$ 5.59	\$ 6.43
Flat Residential Usage Charge per unit	\$23.67	\$27.22
Metered Volume rate per 1,000 gallons:		
Residential	\$ 3.70	\$ 4.26
Commercial Low Strength	\$ 3.25	\$ 3.74
Commercial Medium Strength	\$ 4.32	\$ 4.97
Commercial High Strength	\$ 5.04	\$ 5.80

**Typical Customer Bill Impacts**

The single-family residential water bill will increase by \$3.21 per month in 2011 from the current \$40.04 to \$43.25 per month. The single-family residential wastewater bill increases by \$4.39 per month in 2011 from \$29.26 to \$33.65 per month. The combined water and wastewater bill for a single family residential customer increases from the current \$69.30 to \$76.90 in 2011. The combined water and wastewater rate increase as a percentage over 2010 for single-family residential customers is approximately 11.0% in 2011.

**RCA Approval Required**

Revenue from these rate increases is included in AWWU's budget. AWWU will file the 2009 test year Revenue Requirement Studies with the RCA upon Assembly approval of the proposed ordinance.

The RCA will then notice the filing and proposed rate changes to the public and allow a thirty-day comment period. RCA staff will review the filing and make a recommendation to the Commissioners whether to approve the filing or suspend it for further investigation. Then, the Commission will render a decision whether to approve or suspend the filing for further investigation within 45 days of the filing date. In the event the RCA suspends the filing for further investigation, AWWU will request interim and refundable rates be made effective no later than January 1, 2011 for both AWU and ASU.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THE SUBMISSION BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTILITY (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF ALASKA.**

Prepared by: Anchorage Water and Wastewater Utility  
Recommended by: Mark Premo, P.E., General Manager, AWWU  
Concur: Rhonda Fehlen Westover, Deputy Municipal Attorney  
Concur: George J. Vakalis, Municipal Manager  
Respectfully Submitted: Daniel A. Sullivan, Mayor

**Content ID:** 009371

**Type:** Ordinance - AO

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA APPROVING SUBMISSION BY THE ANCHORAGE WATER AND

**Title:** WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTILITY (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF ALASKA.

**Author:** maglaquijp

**Initiating Dept:** AWWU

**Date Prepared:** 9/2/10 5:03 PM

**Director Name:** Mark Premo

**Assembly Meeting Date:** 9/28/10

**Public Hearing Date:** 10/12/10

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	9/17/10 12:13 PM	Exit	Joy Maglaqui	Public	009371
MuniManager_SubWorkflow	9/17/10 12:13 PM	Approve	Joy Maglaqui	Public	009371
MuniManager_SubWorkflow	9/17/10 12:11 PM	Checkin	Joy Maglaqui	Public	009371
Legal_SubWorkflow	9/17/10 11:56 AM	Approve	Dean Gates	Public	009371
Finance_SubWorkflow	9/16/10 4:17 PM	Approve	Lucinda Mahoney	Public	009371
Finance_SubWorkflow	9/16/10 9:03 AM	Checkin	Nina Pruitt	Public	009371
OMB_SubWorkflow	9/10/10 3:59 PM	Approve	Cheryl Frasca	Public	009371
AWWU_SubWorkflow	9/2/10 5:05 PM	Approve	Mark Premo	Public	009371
AllOrdinanceWorkflow	9/2/10 5:04 PM	Checkin	Alyssa Gibson	Public	009371