



# Cost Allocation & Rates

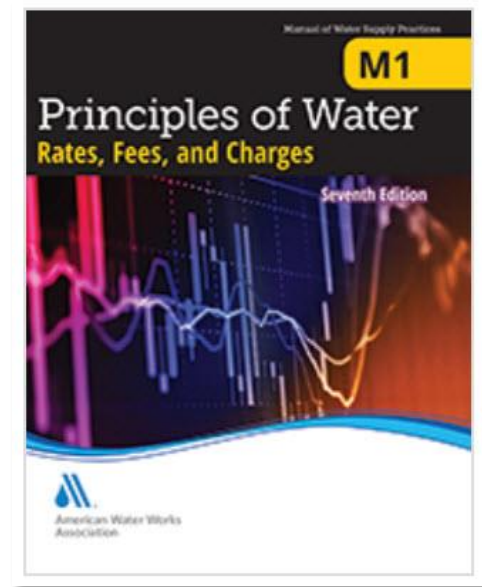
## City of Bloomington, Indiana

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# Objectives of Cost of Service Analysis

- The total cost of service is the annual revenue requirement of the utility for the Test Year as defined by Crowe
- Used 2024 billing units as basis for analysis
- Leveraged Automated Metering Infrastructure (AMI) to develop data-driven peaking factors.
- Applied base extra capacity methodology for cost allocation
- Aligned with AWWA Industry guidance to reflect functional system use across varying customer classes.



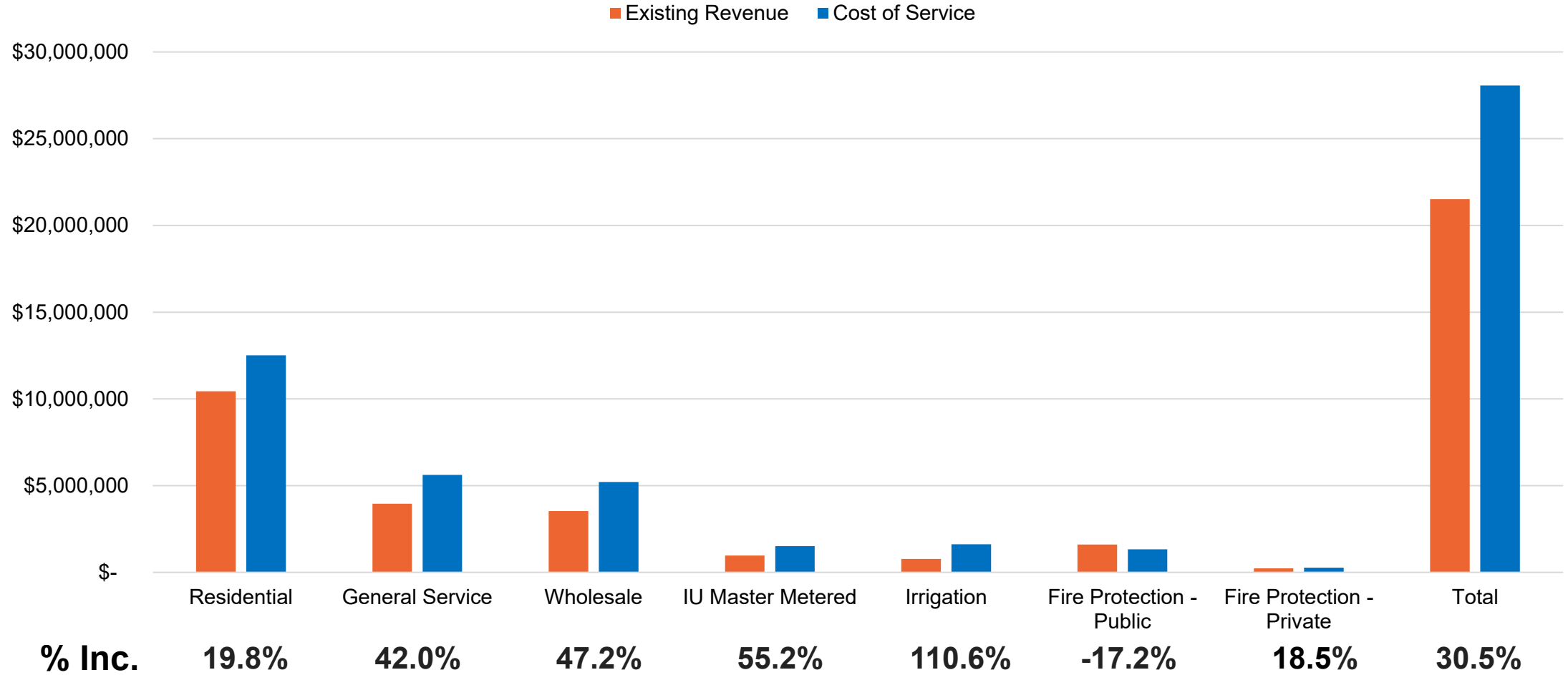
**American Water Works  
Association (AWWA)  
Manual M-1**

**Goal:** Determine the **cost to serve** each class and collect revenue from each class consistent with the cost of providing service.



# Cost of Service Summary

30.5% Overall Increase





# Proposed Monthly Water Fixed & Usage Charges

## Fixed Charges

Meter Size (Inches)	Current Rates	Proposed Rates
5/8"	\$6.50	<b>\$8.16</b>
3/4"	\$7.93	<b>\$9.58</b>
1"	\$10.68	<b>\$12.41</b>
1 1/2"	\$22.12	<b>\$19.50</b>
2"	\$29.70	<b>\$28.01</b>
3"	\$61.06	<b>\$47.87</b>
4"	\$100.40	<b>\$76.23</b>
6"	\$198.78	<b>\$147.14</b>
8"	\$297.17	<b>\$232.23</b>
10"	\$395.53	<b>\$331.50</b>

## Usage Charges

Water Rates	Current Rates (\$/1,000 gal)	Proposed Rates (\$/1,000 gal)
Residential	\$4.38	<b>\$5.31</b>
General Service	\$3.98, \$3.71	<b>\$5.83</b>
Wholesale	\$3.03	<b>\$4.49</b>
Indiana University - Master	\$2.99 (Master) \$3.98 (Other IU)	<b>\$4.76 (Master)</b> <b>\$5.83 (Other IU)</b>
Irrigation	\$4.92	<b>\$10.92</b>

*Current Rates presented are as of 1/1/2024*



# Proposed Monthly Fire Protection Rates

## Public Fire Protection

Meter Size (Inches)	Current Rates (Inside)	Proposed Rates (Inside)	Current Rates (Outside)	Proposed Rates (Outside)
5/8"	\$2.20	<b>\$1.93</b>	\$3.67	<b>\$2.64</b>
3/4"	\$3.28	<b>\$2.90</b>	\$5.52	<b>\$3.96</b>
1"	\$5.48	<b>\$4.83</b>	\$9.21	<b>\$6.60</b>
1 1/2"	\$10.95	<b>\$9.65</b>	\$18.38	<b>\$13.20</b>
2"	\$17.52	<b>\$15.44</b>	\$29.44	<b>\$21.12</b>
3"	\$38.34	<b>\$28.95</b>	\$64.40	<b>\$39.60</b>
4"	\$65.70	<b>\$48.25</b>	\$110.34	<b>\$66.00</b>
6"	\$136.93	<b>\$96.50</b>	\$229.90	<b>\$132.00</b>
8"	\$197.17	<b>\$154.40</b>	\$331.00	<b>\$211.20</b>
10"	\$317.64	<b>\$221.95</b>	\$533.40	<b>\$303.60</b>

## Private Fire Protection (Fire Lines)

Connection Size (Inches)	Current Rates	Proposed Rates
4" or Less	\$11.04	<b>\$15.83</b>
6"	\$30.69	<b>\$35.84</b>
8"	\$62.88	<b>\$70.36</b>
10"	\$110.15	<b>\$122.29</b>
12"	\$173.65	<b>\$194.25</b>

*Current Rates presented are as of 1/1/2024*



## Monthly Bill Impacts (Residential, 5/8” Meter)

Usage (kgal)	Total Current Bill*	Total Proposed Bill*	\$ Change	% Change
0	\$8.70	\$10.09	\$1.39	16.0%
1	\$13.08	\$15.40	\$2.32	17.8%
2	\$17.46	\$20.72	\$3.26	18.7%
3	\$21.84	\$26.03	\$4.19	19.2%
4	\$26.22	\$31.35	\$5.13	19.5%
5	\$30.60	\$36.66	\$6.06	19.8%
10	\$52.50	\$63.23	\$10.73	20.4%
15	\$74.40	\$89.80	\$15.40	20.7%
20	\$96.30	\$116.37	\$20.07	20.8%
25	\$118.20	\$142.94	\$24.74	20.9%
30	\$140.10	\$169.51	\$29.41	21.0%
50	\$227.70	\$275.80	\$48.10	21.1%

\* Includes inside city public fire protection charge



# Monthly Bill Impacts (General Service, 3/4” Meter)

Usage (kgal)	Total Current Bill*	Total Proposed Bill*	\$ Change	% Change
20	\$85.41	\$129.03	\$43.62	51.1%
30	\$122.51	\$187.31	\$64.80	52.9%
40	\$159.61	\$245.58	\$85.97	53.9%
50	\$196.71	\$303.86	\$107.15	54.5%
100	\$382.21	\$595.25	\$213.04	55.7%
200	\$753.21	\$1,178.03	\$424.82	56.4%
500	\$1,866.21	\$2,926.38	\$1,060.17	56.8%

\* Includes inside city public fire protection charge



# **Thank you**

## **Questions & Answers?**

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