

Press Release

Anchorage Water & Wastewater Utility



Clearly Reliable



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AWWU Board Chair
Mayor, Municipality of Anchorage

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AWWU's 2019 Proposed Rate Increases

The Anchorage Assembly approved Anchorage Water & Wastewater Utility's (AWWU) 2019 proposed across-the-board rate increases of 7 percent for water service and 9.5 percent for wastewater service during their December 4, 2018 meeting.

With the Assembly's approval, the Utility now seeks approval from the Regulatory Commission of Alaska (RCA) for the proposed rate increases. All rate changes are subject to the approval of the RCA. Comments regarding the proposed rate increases can be submitted on the RCA's website under [Public Notices and Comments](#). Comments must be filed with the RCA no later than 5 P.M. on January 22, 2019.

The proposed new rates for single-family residential customers would be an approximate increase of \$3.59 per month for water services and \$4.28 per month for wastewater services. Combined, the average rate increase for both utilities will be approximately 8.2 percent over the 2018 final rates.

The proposed rate increases are based on the results of a 2017 Test Year Revenue Requirement Study, including 2017 operating expenses and capital costs associated with water and wastewater infrastructure serving existing customers. The main drivers of the proposed rate increases are: increases in capital costs related to updated depreciation rates that more appropriately reflect the useful lives of AWWU's infrastructure; increases in operating costs, including labor and benefit expense; increases in General & Administrative expense, primarily related to the implementation of SAP by the Municipality of Anchorage; and, increases in the Municipal Utility Service Assessment (MUSA) payment in lieu of tax, known as 'MUSA', resulting from new infrastructure put in place to serve customers.

Proposed Changes to the most common monthly rates are:

Water Utility Rates	2018 Final	2019 Proposed
Customer Charge	\$13.54	\$14.49
Flat Residential Usage Charge per unit	\$37.65	\$40.29
Metered Volume Rate per 1,000 gallons	\$5.23	\$5.60

Wastewater Utility Rates	2018 Final	2019 Proposed
Customer Charge	\$8.60	\$9.42
Flat Residential Usage Charge per unit	\$36.42	\$39.88
Metered Volume Rate per 1,000 gallons:	\$5.01	\$5.49
Residential	\$5.70	\$6.24
Commercial Low Strength	\$5.01	\$5.49
Commercial Medium Strength	\$6.65	\$7.28
Commercial High Strength	\$7.77	\$8.51

AWWU’s water and wastewater rates were last increased in January 2018 on an interim and refundable basis. On December 20, 2018, the RCA approved a settlement that was agreed upon by AWWU and the Office of the Attorney General’s Regulatory Affairs and Public Advocacy Section (RAPA). The settlement resulted in final 2018 rates equal to the interim and refundable rates for water service; and, resulted in final 2018 rates that were 1.52% less than the interim and refundable rates for wastewater service. Customers with active wastewater accounts may be eligible for a partial refund for the difference between the wastewater rate billed throughout 2018 and the final wastewater rate approved on December 20, 2018. Details on the timing of the refunds will be provided by AWWU in March 2019. Visit us on www.awwu.biz. We are also on Facebook and Twitter.

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For more information:

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