



The Huntsville Times

Hearing will let public give ideas on hike in water rate

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Utility plans to raise price twice, starting in December

Huntsville Utilities water customers can pour out their thoughts Tuesday on a plan that would raise water rates in December and again next September.

The two-step rate hike is the subject of a public hearing at 6 p.m. at City Hall.

The move would add about a dollar to the average customer's bill in December and a slightly smaller amount next fall.

The City Council will have the final say, probably in its Nov. 20 meeting.

Utility officials say they need the money to increase the system's pumping capacity. A \$1,200-per-lot water impact fee for new developments is also planned, but it doesn't require council approval.

Plans call for a water treatment plant near Guntersville Dam and a major expansion of the south Huntsville water plant near the Whitesburg Bridge. Money from the rate increase would also be used for system maintenance and other upgrades as the utility struggles to meet growing demands amid the epic regional drought.

"We're raising rates mainly to build new capacity but also for infrastructure needs on our existing system," Utilities spokesman Bill Yell said. Other capital needs include refurbishing aging water tanks and lines and updating treatment equipment under tighter environmental standards imposed by EPA.

"Water is a precious resource we have to protect, but it's becoming more and more expensive to provide that water to our customers," he said.

Approval of the two-step rate increase would mark the first rate hike since a 12 percent increase approved in August 2005. The previous water hike was 5 percent in 1999.

The proposed rate increases would be in addition to a hike in the monthly "availability charge" based on meter size. The rate boost would add from 42 to 93 cents to the average monthly bill of most residential users, depending on use, beginning in December. Next September's rate adjustment would levy a slightly smaller increases.

Consumers who use 3,000 gallons or less per month would see their rate rise from \$1.15 per 1,000 gallons to \$1.20 per 1,000 gallons on the first increase and to \$1.24 per 1,000 gallons in September.

Customers using 3,000 to 6,000 gallons per month now pay \$1.28 per 1,000 gallons. The December rate would be \$1.45 per 1,000 rising to \$1.55 per 1,000 gallons next September.

Monthly meter availability charges would rise by 21 cents to \$3.66 for a standard one-inch line; 83 cents to \$11.26 for a 1 1/2-inch line; and by \$1.27 to \$17.10 monthly for a 2-inch line. The monthly September meter availability charges would rise to \$3.84, \$11.83 and \$17.95, respectively.

Consumers who have separate meters for sprinklers would also be hit with higher water charges under the proposed rate adjustment plan. Customers who now pay \$1.28 per 1,000 gallons on their second meter for outdoor watering would pay \$1.50 in December and \$1.73 in September.

The rate increases will also affect commercial accounts.

Utility officials say that, even with a water rate hike, Huntsville Utilities customers will still enjoy bargain rates compared to other area systems.

Using 8,000 gallons a month as a benchmark (what Huntsville Utilities considers a typical household), residential customers here will pay \$14.61 for water on December bills and \$15.57 beginning in September. Decatur residents pay \$12.68; Madison residents, \$22.54; Mobile, \$18.72; Chattanooga, \$27.69; Atlanta, \$29.81; and Birmingham, \$30.90. But water rates aren't the only thing that would be going up if the City Council approves the proposed two-tier adjustment.

The Tennessee Valley Authority recently announced plans to increase electrical rates by 6 to 9 percent, possibly as early as January, adding about \$10 to the typical monthly bill. October residential electrical rates saw a \$3 to \$6 increase under a fuel-adjustment plan approved in 2006. Huntsville Utilities typically passes on the cost of any TVA rate hikes to customers.

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