

City of Alexandria, Virginia

# Virginia American Water Rate Case



# Background (1)



- Virginia American Water (VAWC) filed for rate increase to SCC in November 2021
  - Increased infrastructure capital investment
  - Continued rates consolidation across service districts
- Average Alexandria residential customer:
  - \$94 / year increase (36%)
- Last VAWC rate increase filed in November 2018, decided in November 2020.

# Background (2)



- Primary Issues:
  - \$11.6 million (~28%) revenue increase across whole system
    - Appropriateness of capital investment
    - Uncollected COVID-19 revenues
    - Acquisition of Town of Waverly Water System
  - 10.9% proposed ROE
  - Pace of rate consolidation

# Background (3)



- Additional Issues:
  - Revenue Stabilization Mechanism
  - Collect uncollected revenues through automatic Rate Adjustment Clause
  - Cost allocations among customer classes

# Recommendations



- Support City staff to intervene in rate case at SCC to:
  1. Minimize magnitude of rate increase for Alexandria residents and businesses
  2. Oppose unreasonable requests in rate application