

Water Rate and Structure Changes

The State of Minnesota has mandated that utilities use rate structures to encourage water conservation. The Duluth Public Utilities Commission approved City of Duluth, Public Works and Utilities Department to comply with this mandate by replacing a decreasing block water rate with a constant block rate structure. Under the new rate structure a customer is charged the same amount for each unit of water regardless of how much is used.

A customer's water bill has two components. The first is the fixed monthly charge. For customers with water meters 1" in diameter and smaller, the charge is now \$6.27 compared to \$6.71 before this rate schedule went into effect. The second component is the commodity charge for the amount of water used each month. Water consumption is metered in units of one hundred cubic feet of water. One hundred cubic feet contains 748 gallons of water. The commodity rate for R1 customers is less than half a cent per gallon of water used.

Residential and commercial customers can determine their rate category by totaling water consumption from the last 12 utility bills and dividing by 12 to find their average monthly usage.

Customers can then use that average to determine into which rate class their monthly usage falls. Ninety nine percent of residential customers fall into residential rate category R1, using between zero and 3,200 cubic feet (32 CCF) of water per month.

The new rate structure will provide the funding necessary to maintain the high quality of drinking water and reliability of service Duluth residents and businesses expect from their water utility.

- A large part of Duluth's water system is more than 80 years old, has deteriorated, and needs to be replaced. The system averages 140 breaks per year, costing more than \$1,000,000 to repair; water lost through system leaks costs \$345,000 annually; and the number of line breaks continues to increase.
- Water reservoirs, pump stations, and water treatment facilities need \$25 million in upgrades as well.
- At least \$4 million needs to be invested annually to reduce repair costs and keep Duluth's water supply safe and reliable.



ComfortSystems

Serving the City of Duluth

520 Garfield Ave., Duluth, MN 55802 • <http://www.comfortsystemsduluth.com/>

City of Duluth Public Works and Utilities Department

Customer Service	730-4050
Water, Sewer 24-Hour Response	730-4000
Natural Gas 24-hour Response.	

730-4100 Effective January 1, 2017

Water, Sewer and Natural Gas Service Rates



ComfortSystems

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MONTHLY WATER RATES

Effective with meter readings after May 1, 2016

Fixed Charges This fixed monthly charge varies with the size of the meter

Up to 1".....	\$6.27	2".....	\$18.80	4".....	\$87.71	8".....	\$181.69
1.5".....	\$10.97	3".....	\$68.92	6".....	\$131.57	10".....	\$238.07

RESIDENTIAL Four residential classes have been created based on the following average monthly metered volume of water:

RESIDENTIAL 1 (R1) Up to 3,200 cubic feet (32 CCF)	\$3.51 per CCF
RESIDENTIAL 2 (R2) More than 3,200 cubic feet (32 CCF) up to 8,000 cubic feet (80 CCF)	\$3.29 per CCF
RESIDENTIAL 3 (R3) More than 8,000 cubic feet (80 CCF) up to 24,000 cubic feet (240 CCF)	\$2.89 per CCF
RESIDENTIAL 4 (R4) More than 24,000 cubic feet (240 CCF)	\$2.54 per CCF

COMMERCIAL/INDUSTRIAL Six commercial/industrial classes have been created based on the following average monthly metered volume of water:

COMMERCIAL/INDUSTRIAL 1 (CI1) Up to 4,000 cubic feet (40 CCF)	\$3.51 per CCF
COMMERCIAL/INDUSTRIAL 2 (CI2) More than 4,000 cubic feet (40 CCF) of water up to 20,000 cubic feet (200 CCF)	\$2.94 per CCF
COMMERCIAL/INDUSTRIAL 3 (CI3) More than 20,000 cubic feet (200 CCF) of water up to 100,000 cubic feet (1,000 CCF)	\$2.36 per CCF
COMMERCIAL/INDUSTRIAL 4 (CI4) More than 100,000 cubic feet (1,000 CCF) of water up to 750,000 cubic feet (7,500 CCF)	\$2.05 per CCF
COMMERCIAL/INDUSTRIAL 5 (CI5) More than 750,000 cubic feet (7,500 CCF) of water	\$1.82 per CCF
COMMERCIAL/INDUSTRIAL 6 (CI6) Those services that receive 90% of their annual volume within a three (3) month period in any twelve (12) month period for commercial snow making purposes	\$1.54 per CCF

WATER FOR INDIVIDUALS BEYOND CITY LIMITS per 100 cubic feet **\$4.37 per CCF**

MONTHLY SANITARY SEWER SERVICE RATES

Effective with meter readings after March 1, 2017

Fixed charge, \$5.89 per month	
Class I Customers (Residential) – per 100 cubic feet of water consumed	\$5.68 per CCF
Class II Customers – per 100 cubic feet of water consumed	\$7.88 per CCF
Class III Customers – per 100 cubic feet of water consumed	\$9.72 per CCF

MONTHLY NATURAL GAS RATES

Effective with meter readings after October 1, 2013

Gas sales services for each 100 cubic feet (1 CCF) of natural gas consumed

	Fixed Monthly Charge	Commodity Rate per CCF	
RESIDENTIAL FIRM			
Rate 10 Small Volume	\$8.63		\$0.934
Rate 15 Large Volume	\$230.00		\$0.833
COMMERCIAL / INDUSTRIAL FIRM			
Rate 20 Small Volume	\$46.00		\$0.850
Rate 30 Large Volume	\$230.00		\$0.817
COMMERCIAL / INDUSTRIAL INTERRUPTIBLE			
Rate 50 Large Volume	\$517.50		\$0.698
COMMERCIAL / INDUSTRIAL INTERRUPTIBLE TRANSPORT		YEAR 1	AFTER YEAR 1
Rate 90 Large Volume	\$517.50	\$0.1661	\$0.1490

Purchase Gas Adjustment (PGA): If the wholesale price of gas purchased by the City of Duluth is increased or decreased as compared to the residential small volume customer rate listed in the Customer Rate Schedule, the unit commodity charge (\$ per CCF) for gas sold under the applicable rate schedule shall be increased or decreased on the customer's monthly bill in the same amount as the unit cost of gas has been increased or decreased. The PGA calculation will be made by adding or subtracting from the rate per CCF set forth in the Customer Rate Schedule above for each class of customer an amount equal to the rate and the wholesale price of such gas plus an adjustment to reflect the amount of the PILOT resulting from the difference between the applicable Customer Rate and the wholesale price.

MONTHLY STORM WATER RATES Effective January 1, 2016 (per ERU) **\$6.75**

MONTHLY CLEAN WATER SURCHARGE Effective January 1, 2016 **\$4.90**

ANNUAL SAFE WATER FEE **\$6.36**

The State of Minnesota requires Comfort Systems to collect this fee each June and send the funds directly to the State. The funds are used by the State to do additional water testing as required by the U.S. EPA.

MONTHLY STREET LIGHTING CHARGE

 Effective January 1, 2017

Single family.....	\$3.25	Triplex.....	\$ 9.75	Commercial.....	\$11.70
Duplex.....	\$6.50	Fourplex.....	\$11.70		