

RATE DESIGN-STEAM/HOT WATER

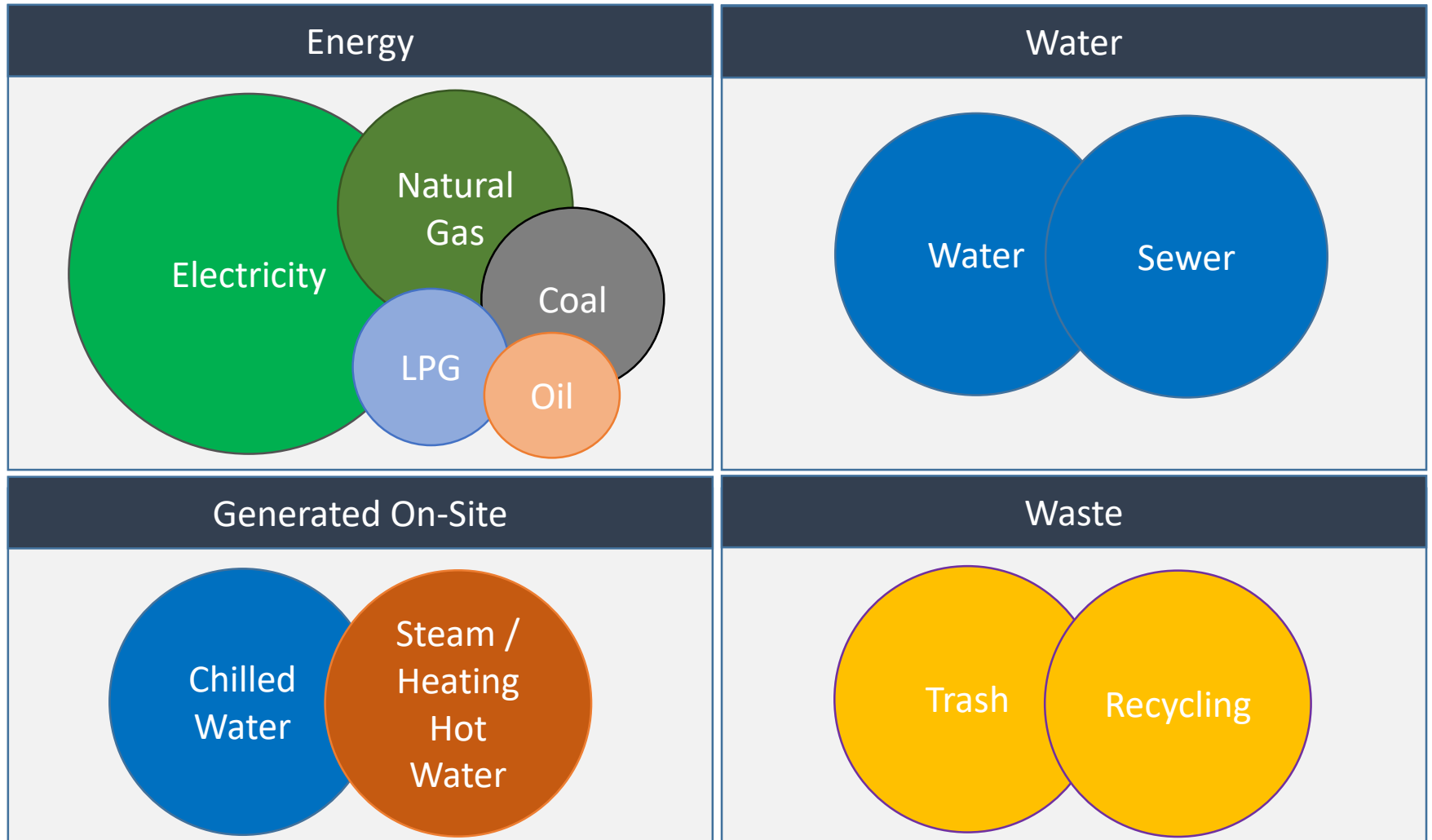
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Rate Setting

- Overview of UVA Commodities
- Calculating Revenue
- Identifying Expenses
- Types of Rate Structures

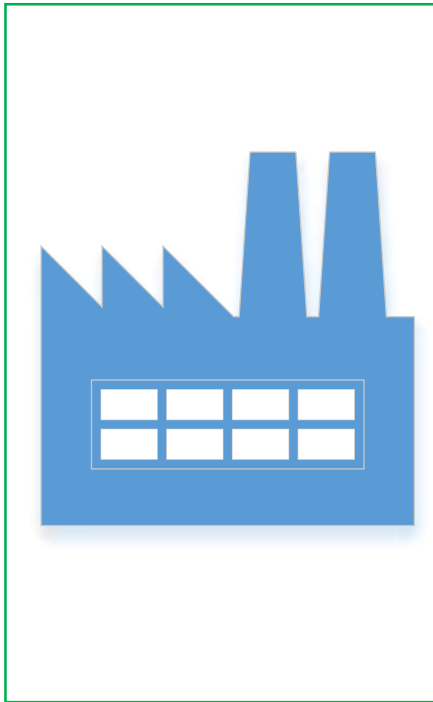
UVA Metered Commodities



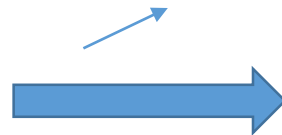
Revenues: Units Sold

Plant Production – Losses = Building Meters

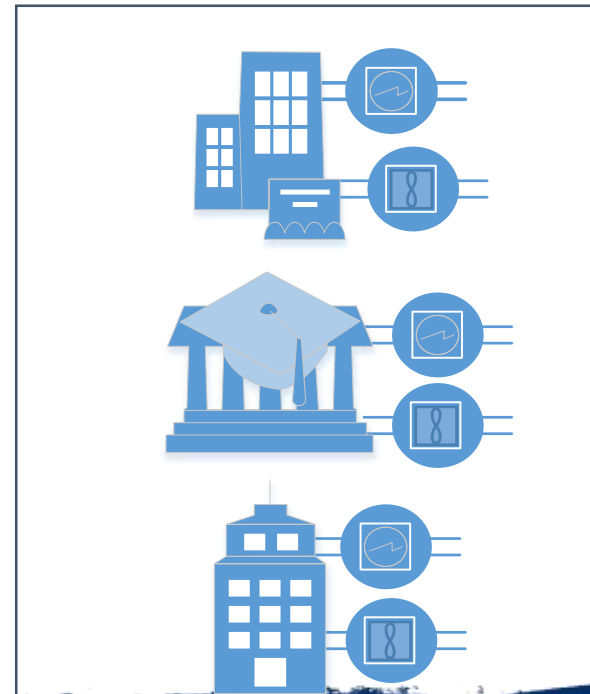
Production
Meters



Distribution
Losses

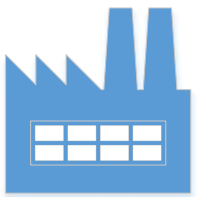


Building Meters
(Steam: 75-78% of the
original fossil fuel)

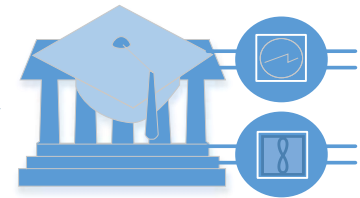


Expenses

Utility Rates need to consider a number of expenses incurred in the generation and distribution processes



- Fuel/Thermal Efficiency of systems
- Non-Fuel Operating expenses
(e.g., electricity, water, sewer, trash, storm water)
- Plant Labor
- Materials, Tools, & Equipment
- Capitalization & Growth
- Energy efficiency, carbon, and/or renewable tax
- Overhead
(e.g., Safety, HR, Sustainability, Finance, IT, etc.)



- Distribution System Labor
- Operation and Maintenance
- Capitalization & Growth

Types of Rate Structures

- **Fixed**

The amount billed is based on a fixed rate per unit of commodity (\$/MMBtu).

- **Variable**

The amount billed varies based on season or other factor.

- **Incremental**

The amount billed varies based on level of consumption.

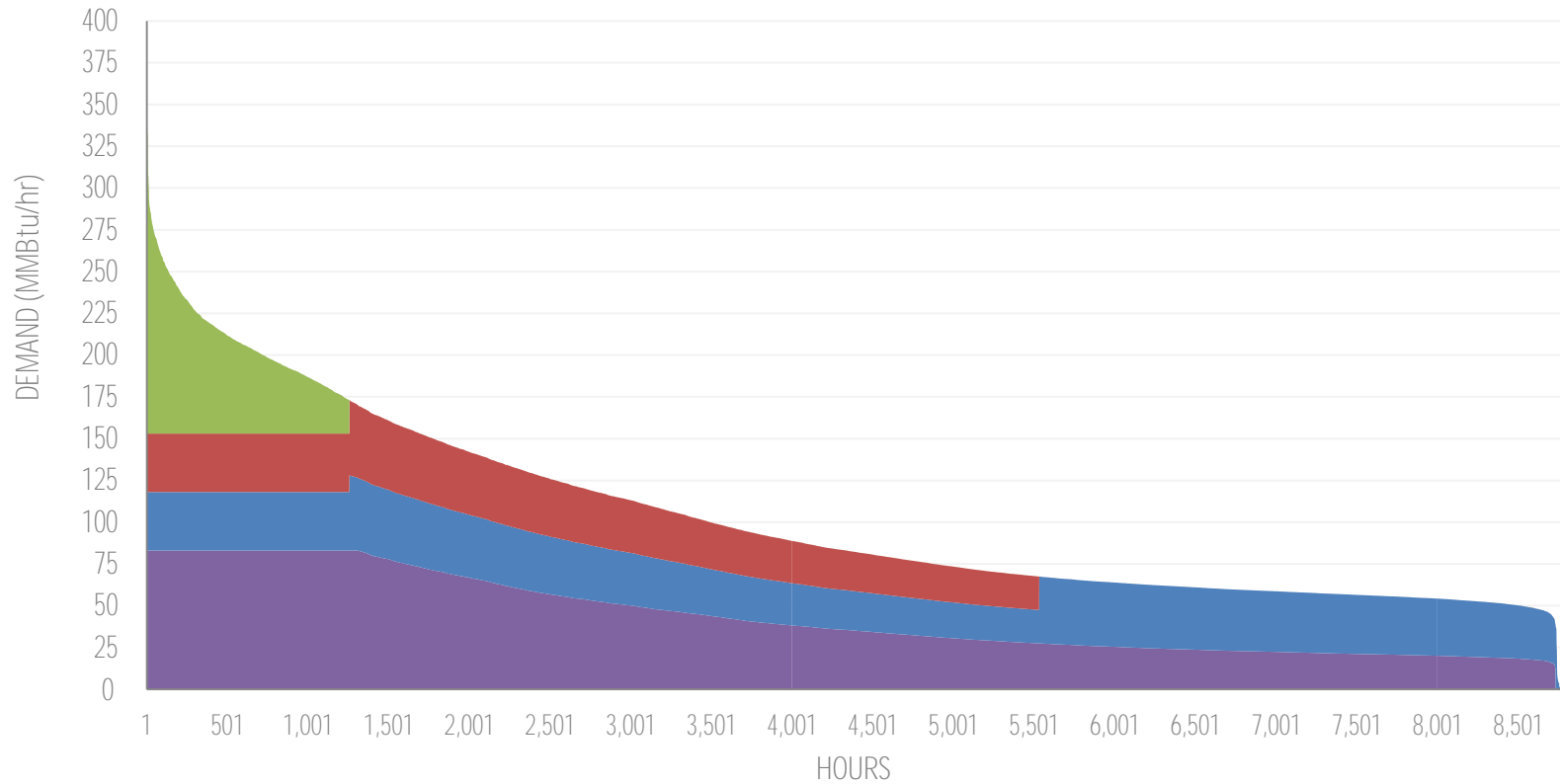
- **Fuel Cost Adjustment**

Costs above or below the budget are passed onto the customer.

Rate Structures

- Demand Component

Future Load Durations HW & 1 Steam Boiler Operation



Steam & Hot Water Schematic

