



**Rate Changes  
Effective, October 2022 billing**

The Utilities Board is required under the provisions of its operating agreement with the City of Andalusia to perform a systematic rate review to assure that the rates set by the Utilities Board are adequate to meet the financial needs of the three utility systems: Electric, Water and Wastewater services.

In 2009, the Andalusia Utilities Board began the process of realigning its utility rates towards the industry standard of a cost base rate structure. As operating expenses continue to increase, it is more economically sound to allocate those fixed charges to the customer base facility charge, rather than the usage charge. The base facility charge covers only those expenses incurred by the utility, while a usage charge reflects the changes in wholesale power. Because wholesale power continues to rise and fall, both the customer and the utility will benefit from a cost-based rate structure. The customer can realize more of a savings as they practice practical energy saving techniques while the utility is able to maintain a utility system at the most affordable cost.

	<b>Facility Charge</b>	<b>Demand</b>	<b>Energy</b>
<b>Residential</b>	\$36.00	n/a	\$0.106
<b>Commercial 1Ph</b>	\$72.00	n/a	\$0.11
<b>General Commercial 3Ph</b>	\$295.00	n/a	\$0.1
<b>Medium Commercial 3Ph</b>	\$580.00	\$12.00	\$0.09

In addition, adequate revenues are necessary to operate and maintain the water and wastewater systems under the strict regulations of both State and Federal environmental agencies. A significant portion of the City's water distribution and wastewater collection systems are now more than 50 years old and it is crucial to continue with necessary upgrades and replacements of these systems. In 2021, the City of Andalusia Utilities completed a \$16 million project to upgrade its water and sewage lines.

<b>Water Rates</b>		
	<b>Access Charge</b>	<b>Usage Per Kgal</b>
<b>Residential (In)</b>	\$23.50	\$1.50
<b>Residential (Out)</b>	\$29.38	\$1.875
<b>Commercial (In)</b>	\$30.50	\$1.5
<b>Commercial (Out)</b>	\$38.13	\$1.875

Notes: (In): Inside City Limits (Out): Outside City Limits

<b>Sewer Rates</b>		
	<b>Access Charge</b>	<b>Usage per Kgal</b>
<b>Residential (In)</b>	\$23.00	\$3.20
<b>Residential (Out)</b>	\$28.75	\$4.00
<b>Commercial (In)</b>	\$40.00	\$3.20
<b>Commercial (Out)</b>	\$50	\$4.00

Notes: (In) Inside City Limits  
(Out): Outside City Limits

The Utilities Board is committed to providing our customers with a safe, reliable and efficient utility system. To ensure that the City of Andalusia will continue to meet the ever-increasing operating expenses and to provide funding or on-going system improvements, it regularly reviews its costs and rate structures.