



**THE UNIVERSITY OF  
ALABAMA AT BIRMINGHAM**

**UAB Facilities  
Energy Management  
March 26, 2018**

MEMORANDUM

**TO:** Stephanie B Mullins,  
Chief Financial Officer

Tim McMinn  
Assistant VP of Budget Administration, Payroll, and Tax Services

**RE:** Proposed FY19 Utility Rate Changes

Below please find the proposed FY19 utility rate changes. These projections are based on consultations with the various utility providers, and analysis by the Energy Management Department. Projected utility rates should not be considered guaranteed as additional, unanticipated rate adjustments may occur, but should provide a *framework for budgeting*.


Energy Management will continue to monitor all utility rates for fluctuations and projections and promptly notify you of any changes.

UTILITY	PROJECTED	
	FY18	FY19
Natural Gas	+3.5%	<b>+2.50%</b>
Water & Sewer	+7.00%	<b>+7.00%</b>
Electricity	+3.00 %	<b>+5.00%</b>
Chilled Water	<del>+9.90%</del>	<b>+9.90%</b>
Steam	+5.00%	<b>+5.00%</b>

*\$20.75 Per 1000/gals \* Condensate credit will continue to be applied where appropriate.*

Requested by : Mike Gebeke   
Assistant VP for Facilities Management

Recommended by : Dede Moore   
Director of Financial Management

Jolene King   
Assistant VP for Facilities Administration

Approved by : Robert E. McMains   
Senior Facilities Officer

STEAM RATE PROPOSAL

	FY17			FY18			FY19	
	April Projections	Approved Budget	Actual	April Projections	Approved Budget	Projected Actual as of 2/18	April Projections	Rate Increase %
Beginning Fund Balance			4123779			3,228,236	171,166	
<b>Rates</b>								
Internal	26.82	26.82	26.82	28.16	28.16	28.16	29.57	5.00%
external	28.23	28.23	28.23	29.64	29.64	29.64	31.12	5.00%
<b>Volume</b>								
Internal	463,533	547,143	417,941	490,708	490,708	481,440	512,004	
external	64,495	111,377	79,802	93,645	93,645	99,041	89,805	
Revenue	528,028	658,520	497,743	584,353	584,353	580,481	601,809	
Internal	12,431,955	14,674,375	11,209,178	13,818,337	13,818,337	13,557,350	15,138,934	
external	1,820,694	3,144,173	2,252,810	2,775,638	2,775,638	2,935,575	2,794,911	
Gross Revenue	14,252,649	17,818,548	13,461,988	16,593,975	16,593,975	16,492,926	17,933,845	
Less:								
Central reallocation	(91,035)	(157,209)	(112,641)	(138,782)	(138,782)	(146,779)	(139,746)	
Condensate Credit	(1,000,000)	(1,200,000)	(775,637)	(1,000,000)	(1,200,000)	(999,999)	(999,999)	
Adjustments	1	1	(3)	770	1	1	1	
Net Revenue	13,161,615	16,461,340	12,573,708	15,455,963	15,255,194	15,346,149	16,794,102	
<b>Expense</b>								
Salaries	1,758,464	1,841,153	1,693,096	1,841,153	1,889,404	1,903,144	2,050,878	3% merit
Benefits	599,637	627,833	577,347	651,768	668,849	614,266	723,960	CFB 35.3%
Other Expenses	646,420	953,320	580,940	981,920	1,009,210	957,899	986,636	3% inflation
Electricity	157,012	187,812	156,464	142,320	142,320	151,596	150,000	0.25
Water & Sewer	209,480	371,522	197,482	223,495	223,495	225,563	267,427	0.44
Gas	3,588,002	4,974,607	3,842,372	3,722,226	3,722,226	4,087,369	4,345,988	7.22
Utility Tax	53,745	299,420	56,764	110,791	110,791	59,544	89,920	
Net Investment plant	100,222	100,222	53,676	45,000	100,222	100,222	65,000	
<b>Transfers</b>								
Debt Service	5,421,508	5,332,508	4,588,344	5,642,234	5,679,570	5,574,570	5,682,868	
EM fee	146,509	158,486	122,764	118,642	118,642	129,045	138,027	
Reserve	1,500,000	1,500,000	1,531,969	1,500,000	1,500,000	1,500,000	1,525,000	
Other Transfers	-	-	68,033	-	-	-	-	
Total Expenses and Transf	14,180,999	16,346,883	13,469,251	14,979,549	15,164,729	15,303,218	16,125,704	
Net Income	(1,019,384)	114,457	(895,543)	476,414	90,465	42,931	668,398	
Project Transfers	-	-	-	-	-	3,100,000	-	
Net Income	(1,019,384)	114,457	(895,543)	476,414	90,465	(3,057,069)	668,398	
Ending Fund Balance			3,228,236			171,166	839,564	

CHILLED WATER RATE PROPOSAL

	FY17			FY18			FY19		
	April Projections	Approved Budget	Actual	April Projections	Approved Budget	Projected Actual as of 2/18	April Projections	Rate Increase %	
Beginning Fund Balance			15,533,780			3,304,053			
Rates									
Internal	16.31	16.31	16.31	17.92	17.92	17.92	19.69	9.90%	
external	17.17	17.17	17.17	18.863	18.863	18.863	20.73	9.90%	
Volume									
Internal	1,148,345	1,335,716	1,224,690	1,279,820	1,279,820	1,219,231	1,286,484		
external	-	-	14,791	7,018	7,018	13,987	13,090		
Revenue	1,148,345	1,335,716	1,239,481	1,286,838	1,286,838	1,233,218	1,299,574		
Internal	18,729,507	21,785,528	19,974,694	22,934,374	22,934,374	21,848,620	25,336,119		
external	-	-	253,954	132,381	132,381	263,837	271,361		
Gross Revenue	18,729,507	21,785,528	20,228,648	23,066,755	23,066,755	22,112,456	25,607,480		
Less:									
Central reallocation	-	-	(12,698)	(6,619)	(6,619)	(13,192)	(13,568)		
Adjustments	-	-	-	-	-	-	-		
Net Revenue	18,729,507	21,785,528	20,215,950	23,060,136	23,060,136	22,099,264	25,593,912		
Expense									
Salaries	2,643,418	2,707,687	2,626,019	2,707,687	2,707,687	2,896,971	2,983,880	3% merit	
Benefits	898,593	923,321	892,660	958,521	958,521	927,287	1,053,310	CFB 35.3%	
Other Expenses	1,025,985	1,035,454	1,202,432	1,087,227	1,087,227	1,168,542	1,203,598	3% inflation	
Electricity	6,919,088	8,328,760	7,063,849	7,136,276	7,136,276	7,291,485	8,028,889		
Water & Sewer	1,532,493	1,850,871	1,355,369	1,490,267	1,490,267	1,423,403	2,231,446		
Gas	12,563	9,127	16,542	11,917	11,917	10,433	21,382		
Utility Tax	309,550	483,597	138,781	143,071	143,071	178,516	161,005		
Net investment plant	65,000	65,000	28,847	65,000	65,000	65,000	65,000		
Transfers									
Debt Service	2,772,077	2,772,077	2,990,851	3,012,567	3,012,567	3,049,903	3,049,903		
EM fee	231,857	255,973	261,974	219,450	219,450	349,075	247,143		
Chilled Water fee	385,724	458,820	388,559	447,937	447,937	432,793	454,851		
Reserve	1,500,000	1,500,000	1,550,000	1,500,000	1,500,000	1,500,000	3,625,000		
Other Transfers	-	-	16,865	-	-	-	-		
Total Expenses and Transf	18,296,348	20,390,687	18,532,748	18,779,920	18,779,920	19,293,408	23,125,407		
Net Income	433,159	1,394,841	1,683,202	4,280,216	4,280,216	2,805,856	2,468,505		
Project Transfers	-	-	13,912,929	-	-	5,450,000	-		
Net Income	433,159	1,394,841	1,394,841	4,280,216	4,280,216	(2,644,144)	2,468,505		
Ending Fund Balance			3,304,053	4,280,216	4,280,216	659,909	3,128,414		