

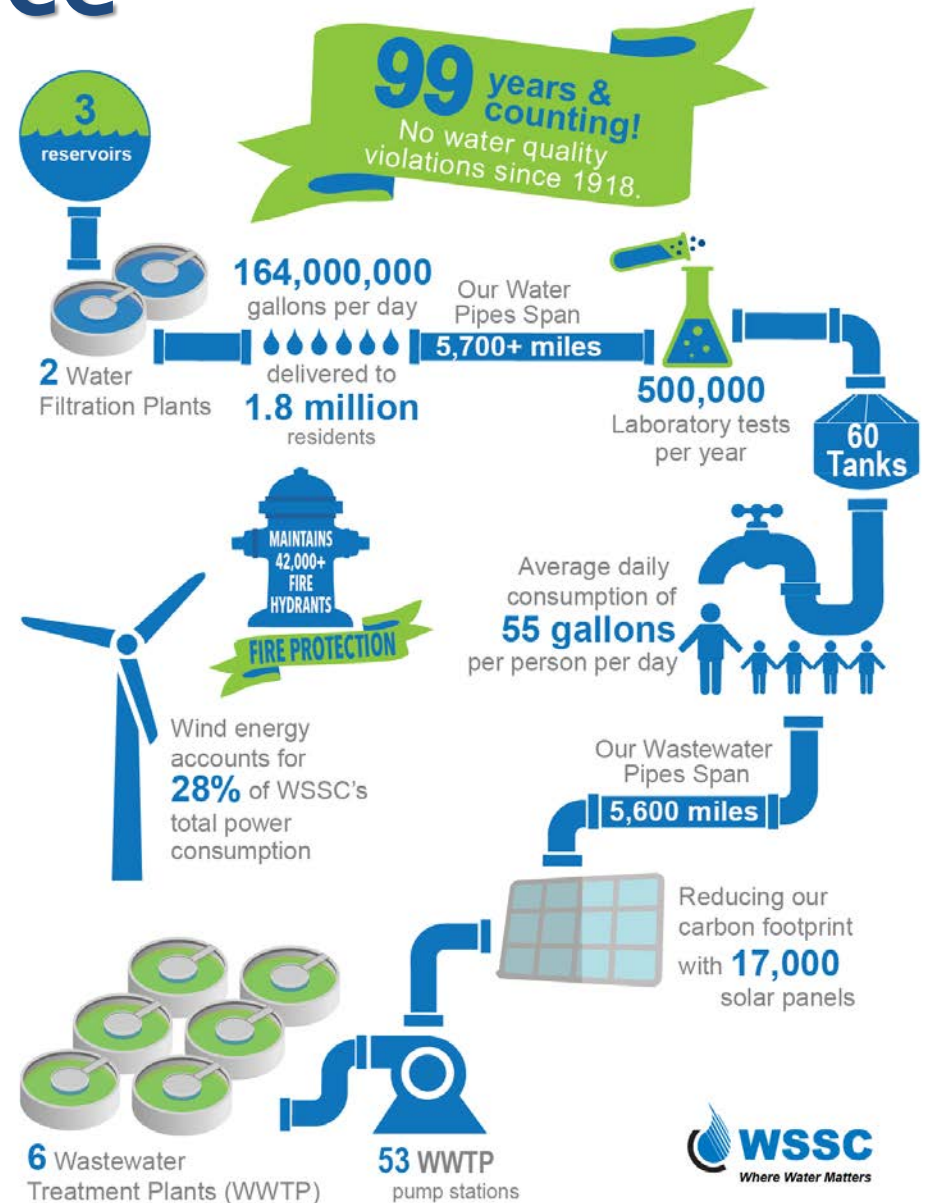
Proposed New Rate Structure

Informational Meeting

Tuesday, June 6, 2017

WSSC At A Glance

- 2 Water Filtration Plants
- 6 Wastewater Treatment Plants (WWTP)
- 3 Water Storage Dam/Reservoirs
- 60 Water Storage Tanks
- 53 WWTP Pumping Stations
- 42,000+ Fire Hydrants
- 17,000 Solar Panels
- 0 Water Quality Violations



WSSC Rate Structure Review

- Why Change?
- Examples and Impacts
- Features of a New Rate Structure
- Policy Considerations
- Schedule for Adoption
- Q & A Session

Why Change?

Maryland Public Service Commission (PSC) Ruling (*Richard D. Boltuck v. WSSC*)

- WSSC's current rate structure deemed unreasonable because:
 - Unduly preferential to low-usage customers
 - No cost of service study to support it
- Current rate structure adopted 25 years ago
 - Good management practice to review

Why Change?

- Current 16-Tier rate structure charges customers at their highest ADC range back to 1st drop
- Best Practices are to charge for usage within each ADC range

WSSC's Current 16-Tier Rate Structure

	Combined Water & Sewer Rates Per 1,000 Gallons
Average Daily Consumption (ADC)	Effective
Range (Gallons Per Day)	July 1, 2017
0-49	\$ 7.95
50-99	9.12
100-149	10.38
150-199	11.83
200-249	13.27
250-299	14.38
300-349	15.29
350-399	15.99
400-449	16.46
450-499	16.95
500-749	17.28
750-999	17.68
1,000-3,999	18.26
4,000-6,999	18.67
7,000-8,999	18.94
9,000 & Greater	19.36

Why Change?

- Align rates with costs to provide service
 - Currently 95% of WSSC customers only pay for 74% of the water that they use
- Provide predictable revenue stream to pay for infrastructure improvements
 - More than 1 / 3 of WSSC water mains are more than 50 years old.

Examples and Impacts

Why show only two examples?

- WSSC is trying to address the PSC order while keeping customer affordability a priority
- Your input and feedback will help the WSSC General Manager/CEO and staff develop a recommendation for WSSC Commissioners
- Additional rate structure examples are available at: wsscwater.com/ratestudy

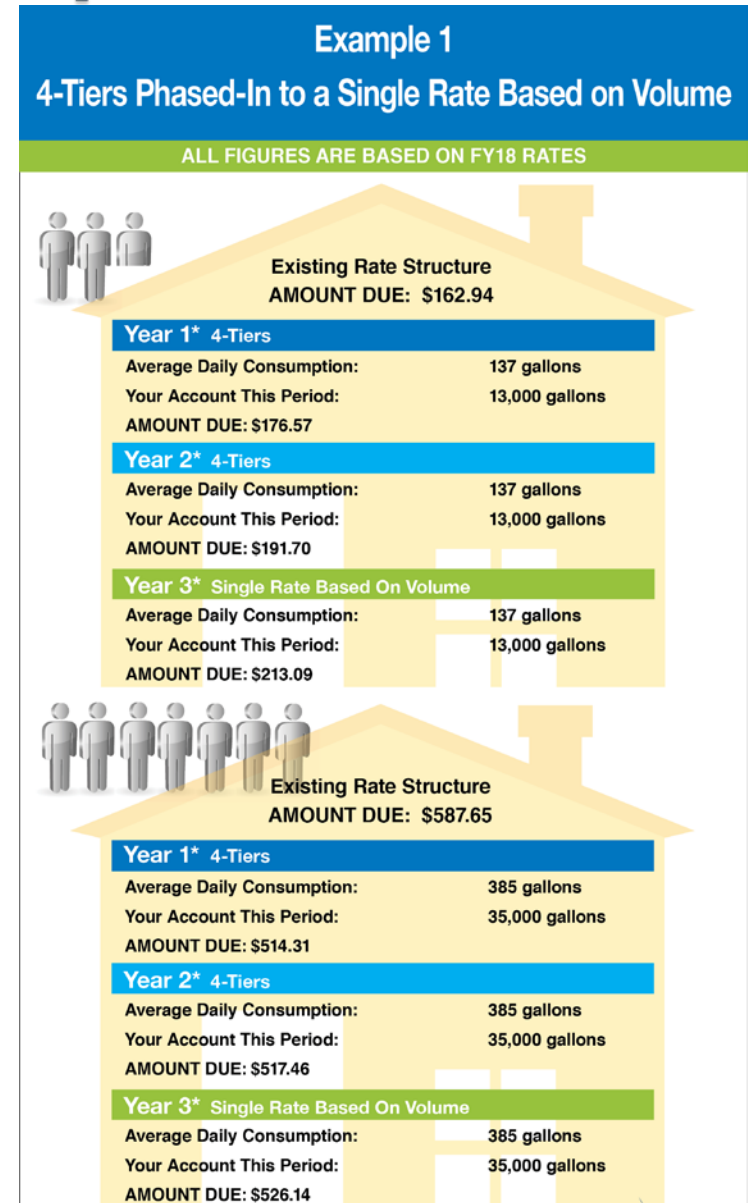
Examples and Impacts

Example 1

4-Tiers Phased in to a Single Rate Based on Volume

Combined Water & Sewer Rate per
1,000 gallons

	Year 1	Year 2	Year 3
Tier 1: 0–99 gallons/day	\$10.62	\$12.22	\$14.23
Tier 2: 100–249 gallons/day	\$13.27	\$13.44	\$14.23
Tier 3: 250–8,999 gallons/day	\$17.00	\$15.89	\$14.23
Tier 4: 9,000+ gallons/day	\$19.12	\$17.11	\$14.23



*This is an example of a 3-year Phase In on a quarterly bill.
The time frame could vary.

Examples and Impacts

Example 1

4-Tiers Phased in to a Single Rate Based on Volume

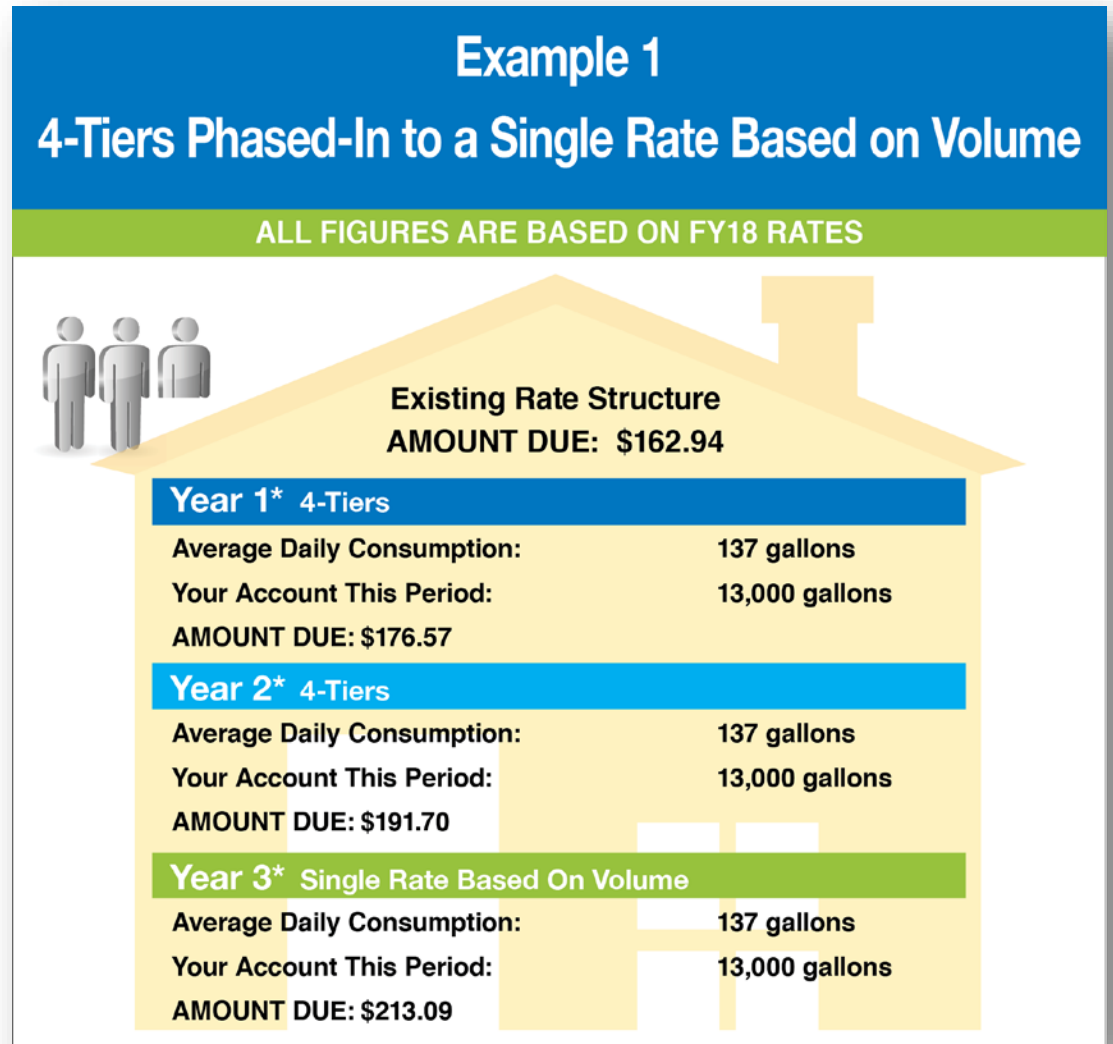
Combined Water & Sewer Rate per 1,000 gallons

	Year 1	Year 2	Year 3
Tier 1: 0-99 gallons/day	\$10.62	\$12.22	\$14.23
Tier 2: 100-249 gallons/day	\$13.27	\$13.44	\$14.23
Tier 3: 250-8,999 gallons/day	\$17.00	\$15.89	\$14.23
Tier 4: 9,000+ gallons/day	\$19.12	\$17.11	\$14.23

Examples and Impacts

Example 1

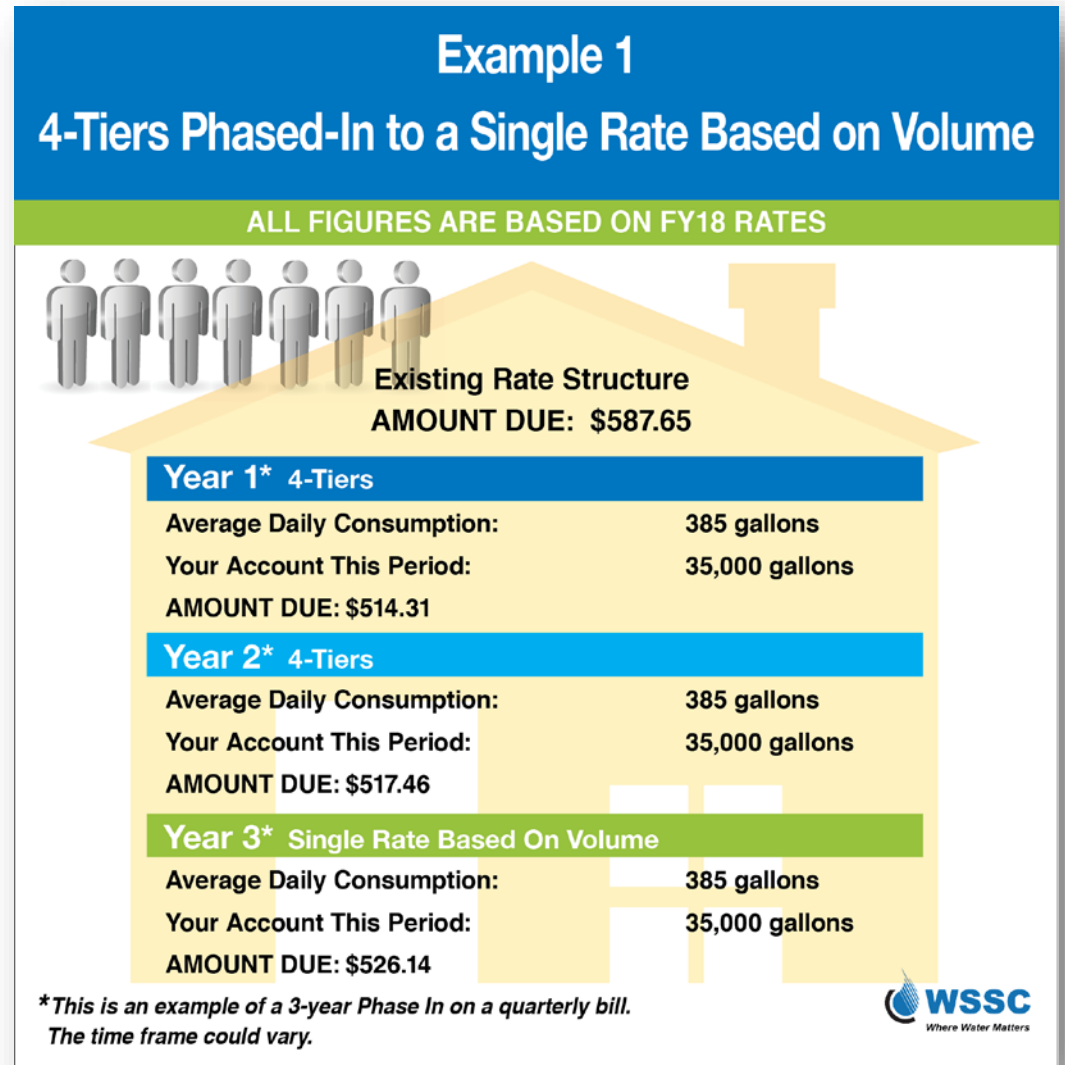
4-Tiers Phased in to a Single Rate Based on Volume



Examples and Impacts

Example 1

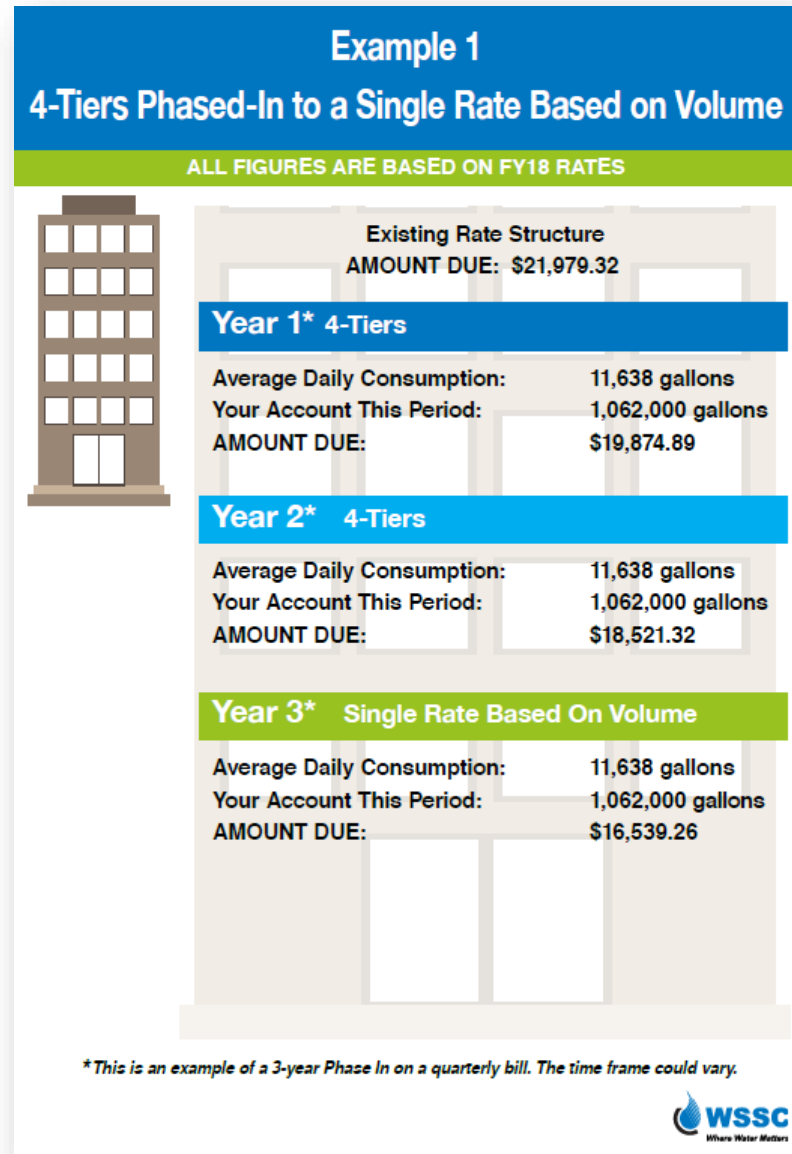
4-Tiers Phased in to a Single Rate Based on Volume



Examples and Impacts

Example 1

4-Tiers Phased in to a Single Rate Based on Volume



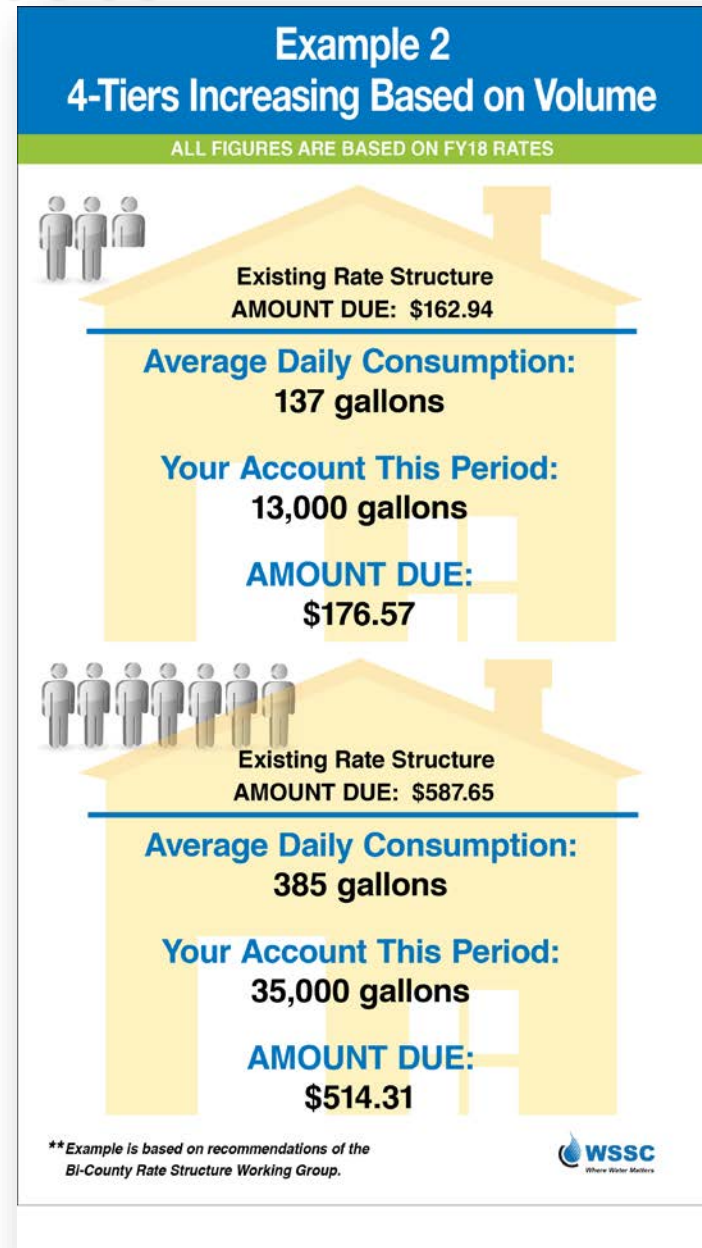
Examples and Impacts

Example 2

4-Tiers Increasing Rate Based on Volume

Combined Water & Sewer Rate per
1,000 gallons

Tier 1: 0-99 gallons/day	\$10.62
Tier 2: 100-249 gallons/day	\$13.27
Tier 3: 250-8,999 gallons/day	\$17.00
Tier 4: 9,000+ gallons/day	\$19.12



Examples and Impacts

Example 2

4-Tiers Increasing Rate Based on Volume

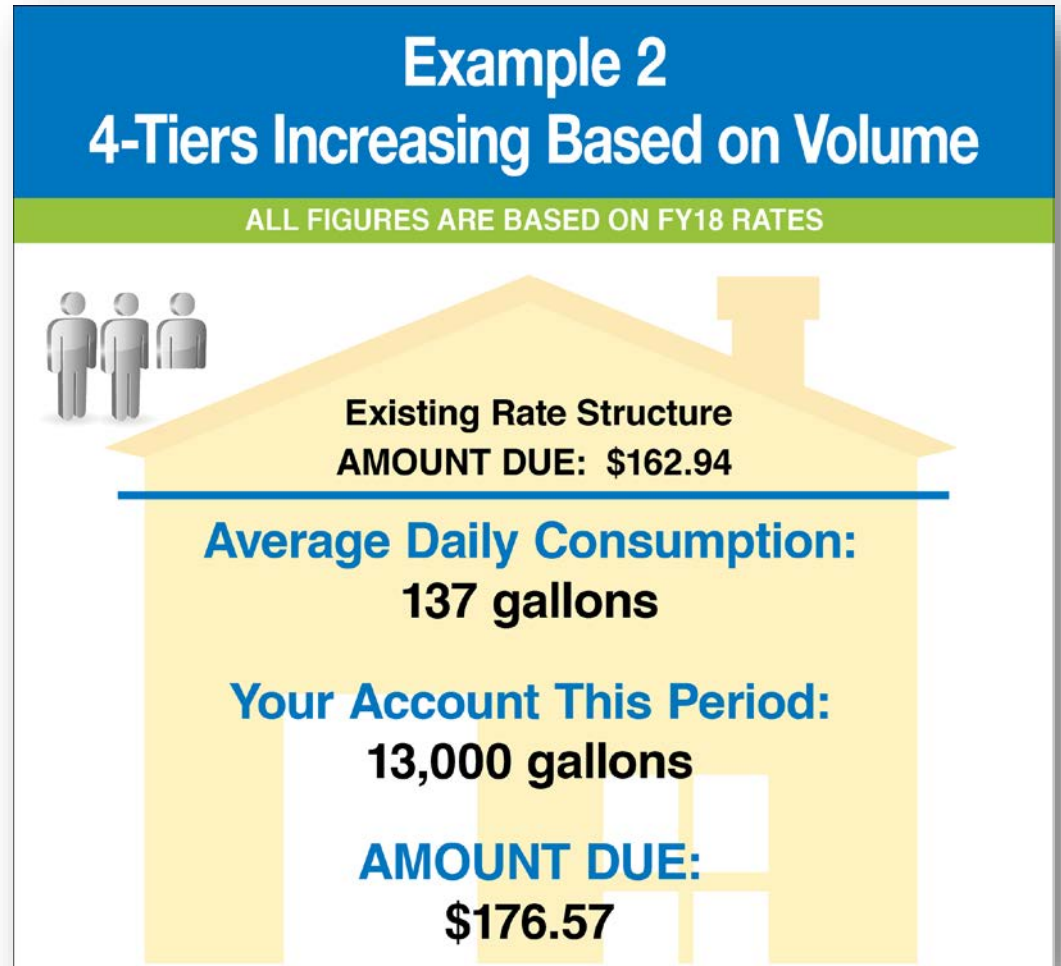
Combined Water & Sewer Rate per 1,000 gallons

Tier 1: 0-99 gallons/day	\$10.62
Tier 2: 100-249 gallons/day	\$13.27
Tier 3: 250-8,999 gallons/day	\$17.00
Tier 4: 9,000+ gallons/day	\$19.12

Examples and Impacts

Example 2

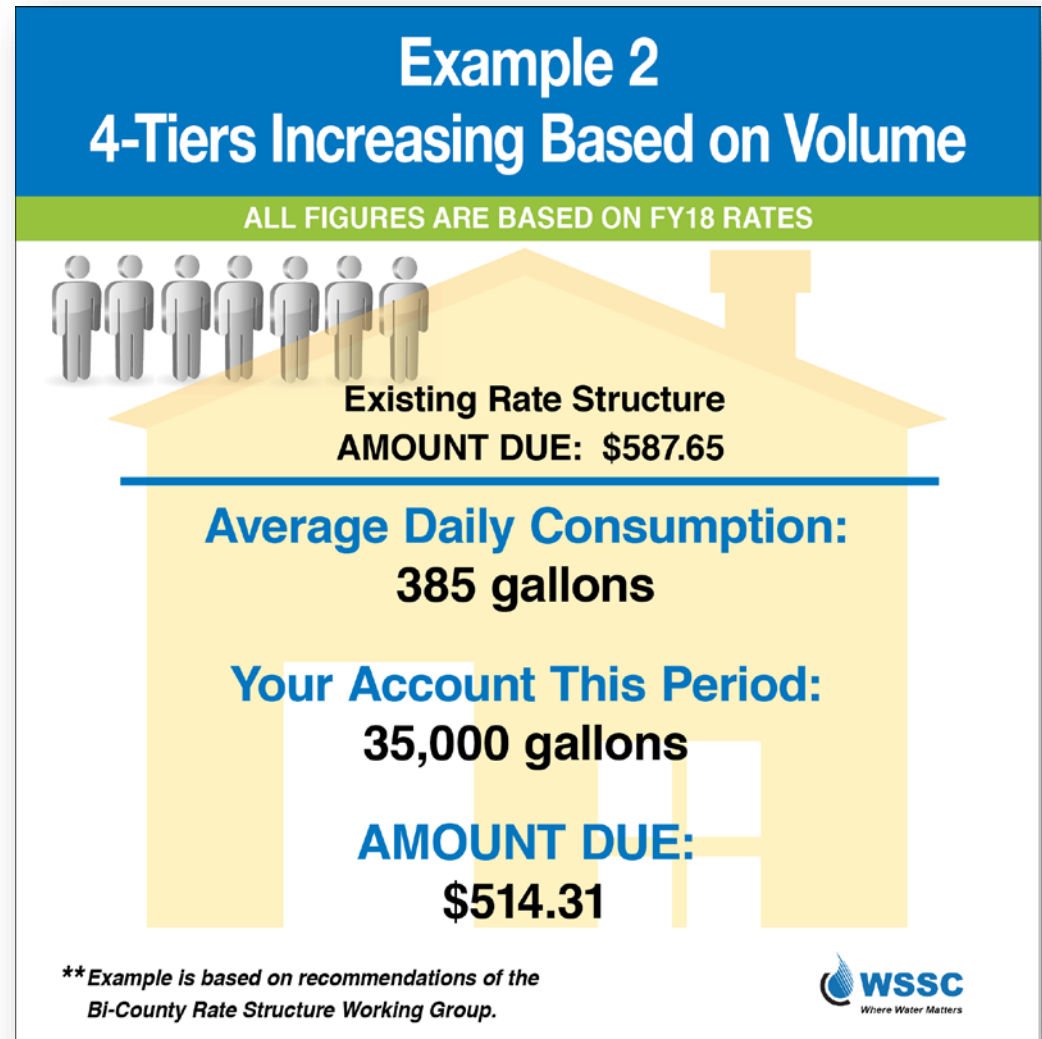
4-Tiers Increasing Rate Based on Volume



Examples and Impacts

Example 2

4-Tiers Increasing Rate Based on Volume



Examples and Impacts

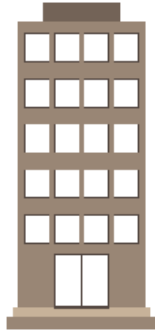
Example 2

4-Tiers Increasing Rate Based on Volume


Example 2

4-Tiers Increasing Based on Volume

ALL FIGURES ARE BASED ON FY18 RATES



Existing Rate Structure
AMOUNT DUE: \$21,979.32
Average Daily Consumption: 11,638 gallons
Your Account This Period: 1,062,000 gallons
AMOUNT DUE: \$19,874.89



Summary of Estimated Bill Changes

Example 1	Current Bill	Revised Bill: Year 1	Revised Bill: Year 2	Revised Bill: Year 3
Small Family (137 GPD)	\$ 162.94	\$ 176.57	\$ 191.70	\$ 213.09
Large Family (385 GPD)	\$ 587.65	\$ 514.31	\$ 517.46	\$ 526.14
Commercial Customer (11,638 gpd)	\$ 21,979.32	\$ 19,874.89	\$ 18,521.32	\$ 16,539.26
Example 2	Current Bill	Revised Bill		
Small Family (137 GPD)	\$ 162.94	\$ 176.57		
Large Family (385 GPD)	\$ 587.65	\$ 514.31		
Commercial Customer (11,638 gpd)	\$ 21,979.32	\$ 19,874.89		

Features of a New Rate Structure

- More fairly allocate the cost of providing service among customers
- Utilizes Best Practices
 - Customers charged for usage that falls within their ADC range instead of to the highest range for all water used

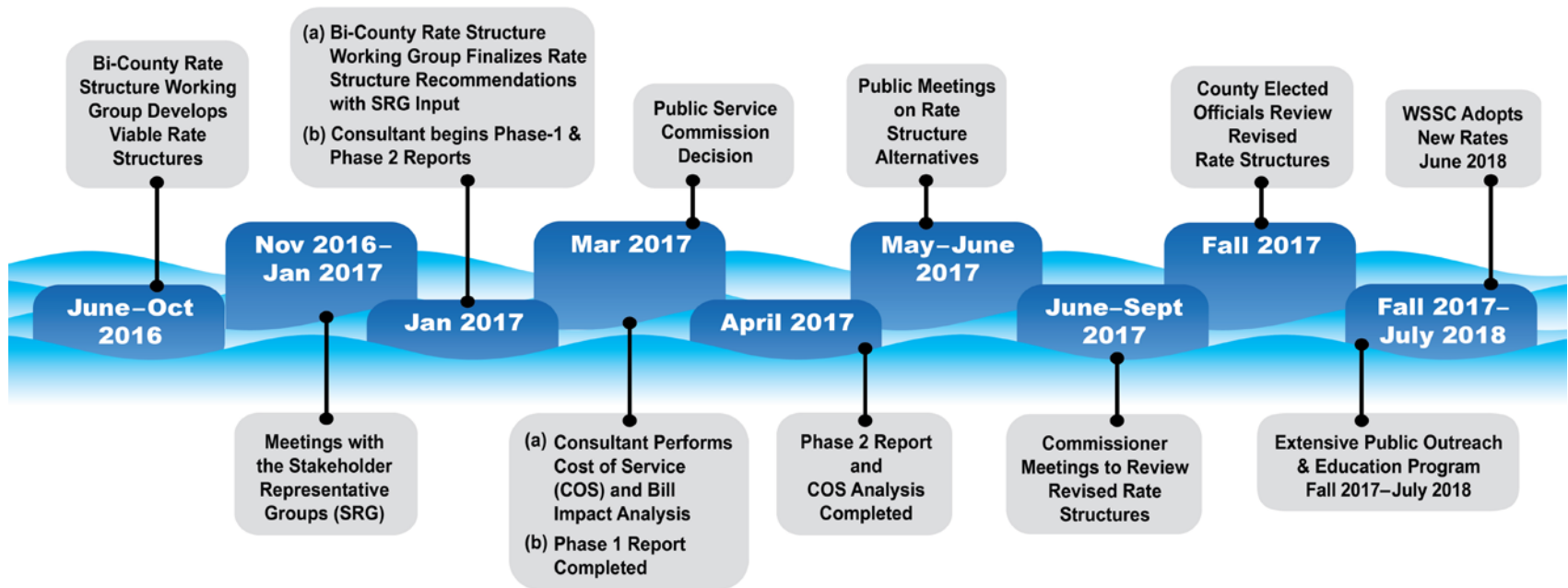
Policy Considerations

- Keep it affordable
- Minimize impact on low-income and fixed-income households
- Provide conservation incentive
- Provide stable funding for continued infrastructure investment
- Considerations put customers first

Schedule for Adoption

Rate Study Timeline/Milestones


Timeline for Adoption of New Rate Structure



Q & A Session

Questions? Please fill out comment card.

- Customers may also submit written comments to:
 - BudgetGroup@wsscwater.com
or 14501 Sweitzer Lane,
Laurel, Md. 20707
 - Comments deadline: June 30, 2017
 - Two additional June meetings
 - More info at wsscwater.com/ratestudy



Name: _____

Address: _____

Email: _____

Phone: _____

Comments: _____

