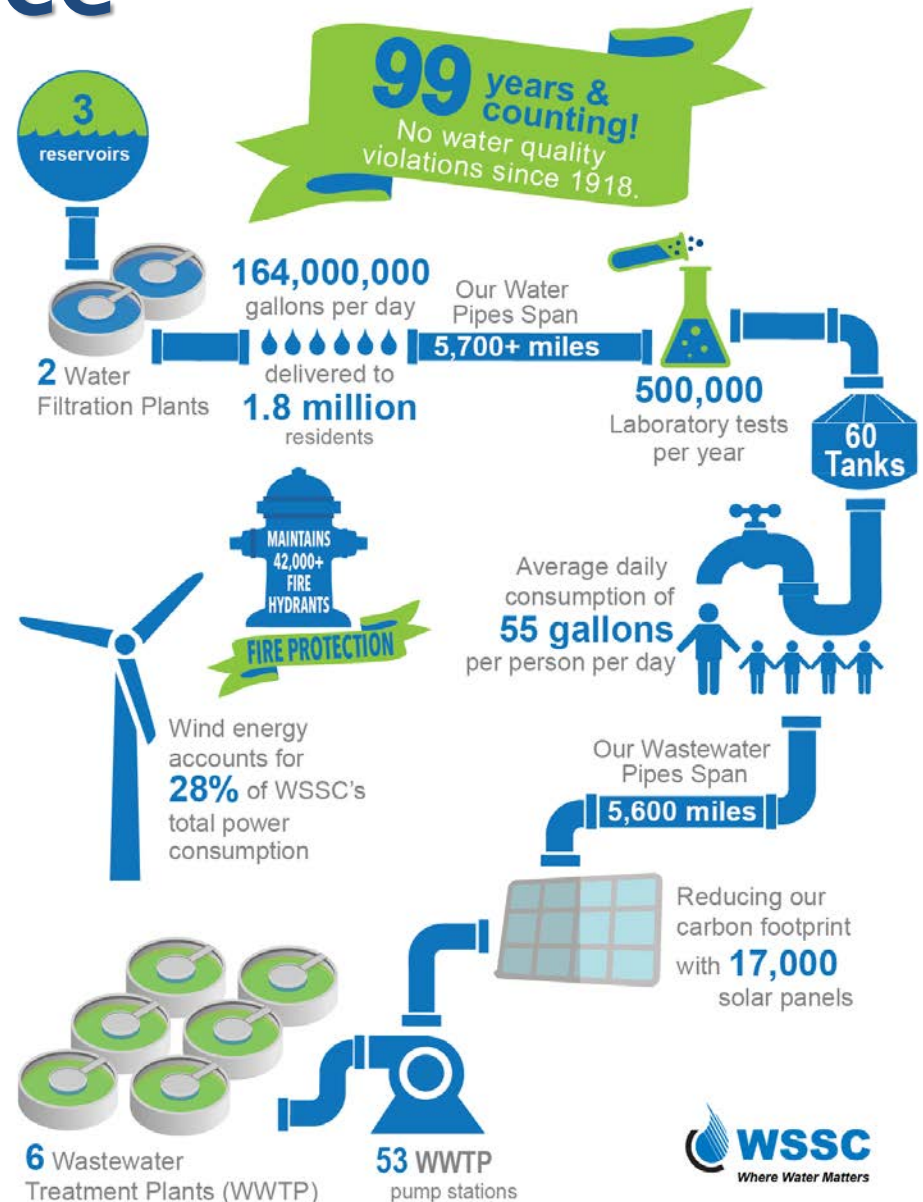


Rate Structure Informational Meetings

Wednesday, May 10, 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
- Considerations for Customer Impact
- 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

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	July 1, 2017
(Gallons Per Day)	
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



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
- Additional rate structure examples are available at: wsscwater.com/ratestudy

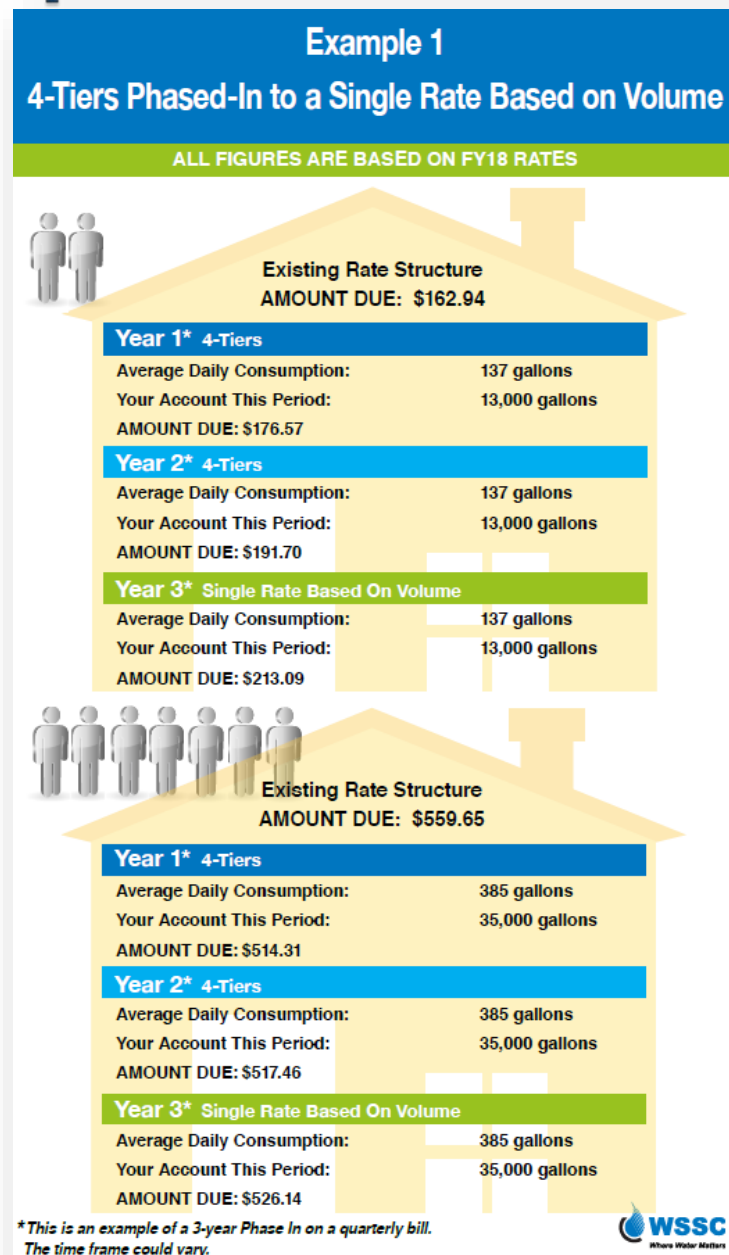
Examples and Impacts

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



Examples and Impacts

Example 1

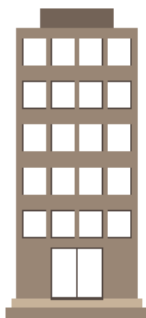
4-Tiers Phased in to a Single Rate Based on Volume

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

Example 1
4-Tiers Phased-In to a Single Rate Based on Volume

ALL FIGURES ARE BASED ON FY18 RATES



Existing Rate Structure

AMOUNT DUE: \$21,979.32

Year 1* 4-Tiers

Average Daily Consumption: 11,638 gallons

Your Account This Period: 1,062,000 gallons

AMOUNT DUE: \$19,874.89

Year 2* 4-Tiers

Average Daily Consumption: 11,638 gallons

Your Account This Period: 1,062,000 gallons

AMOUNT DUE: \$18,521.32


Year 3* Single Rate Based On Volume

Average Daily Consumption: 11,638 gallons

Your Account This Period: 1,062,000 gallons

AMOUNT DUE: \$16,539.26

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



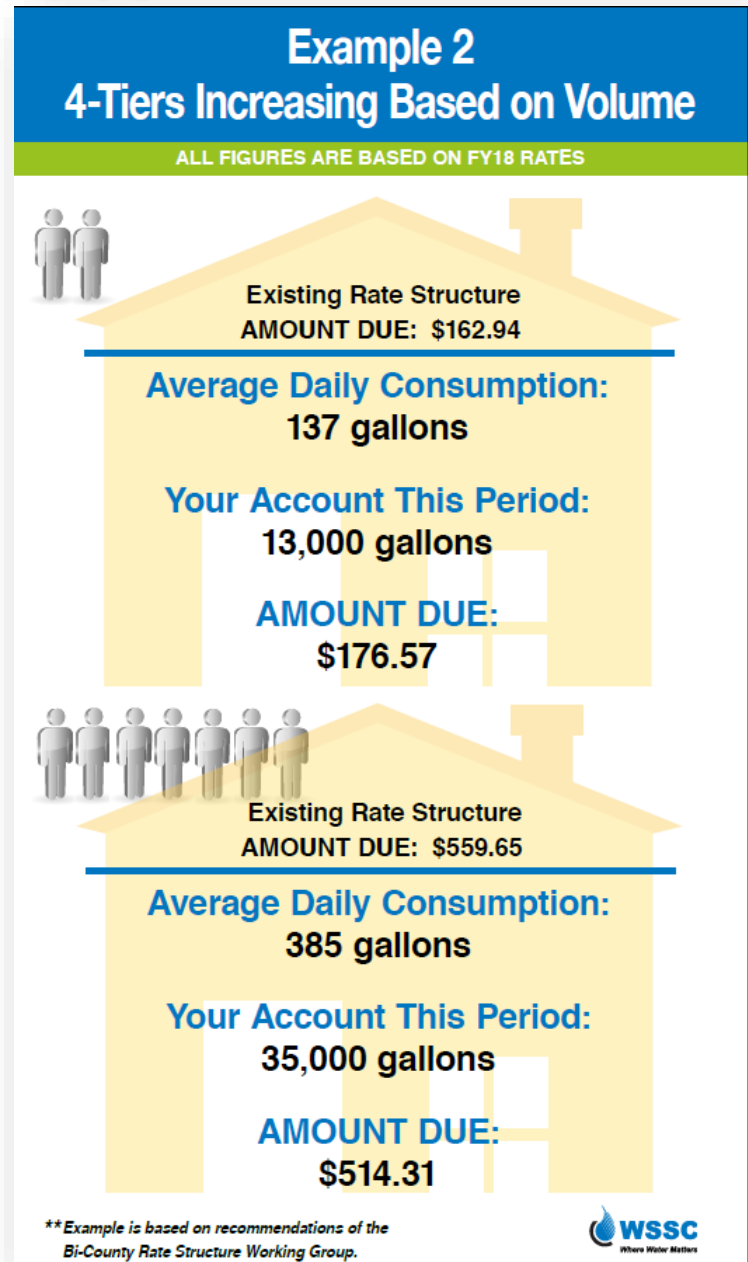
Examples and Impacts

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

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

Features of a New Rate Structure

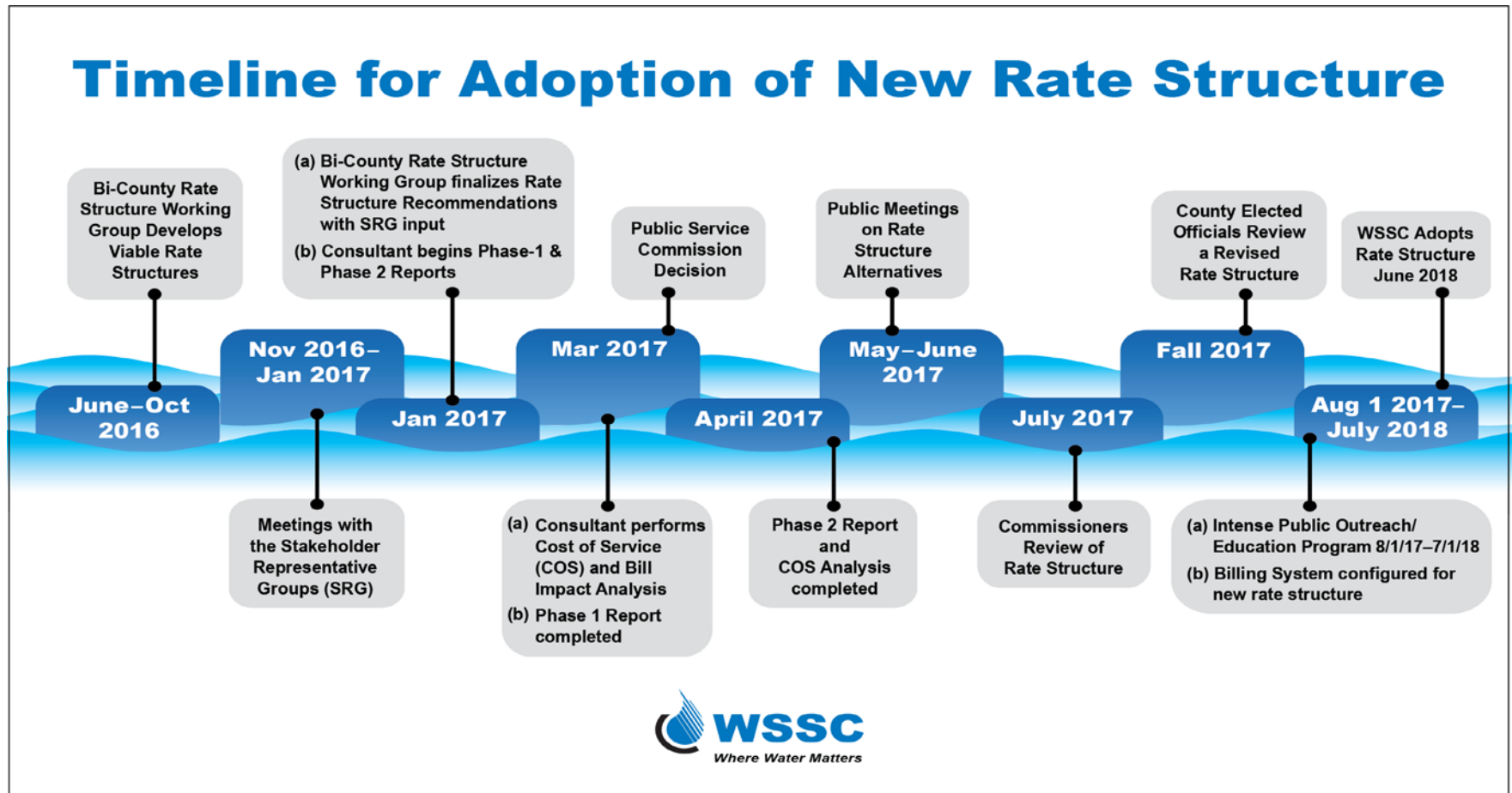
- More fairly allocate the cost of providing service among customers
- Utilizes Best Practices
 - Customers will be charged for usage falls within their ADC range instead of to the highest range for all water used
 - Currently, customers are charged the highest rate for entire bill – back to first drop

Considerations for Customer Impact

- Keep it affordable (minimize “rate shock”)
- Minimize impact on low-income and fixed-income households
- Provide conservation incentive
- Provide stable funding for continued infrastructure investment

Schedule for Adoption

Rate Study Timeline/Milestones



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
 - Deadline is June 30, 2017
 - Leave Comment Cards tonight
 - Additional meetings are scheduled for June
 - More info at wsscwater.com/ratestudy

The screenshot shows the WSSC (Washington Suburban Sanitary Commission) website. The header includes navigation links: Log In, Register, Newsroom, Events, Careers, Employee Portal, Contact Us, Search, and Select Language. The main navigation bar lists: Customer Service, Water Quality & Stewardship, Business & Construction, Education & Recreation, and About WSSC. The breadcrumb trail reads: About Us > Financial Information > Rate Study Report.

Rate Study Report

Comprehensive Cost of Service Analysis and Rate Study

The Maryland Public Service Commission (PSC) recently ordered WSSC to develop a new rate structure. The PSC ruled that WSSC's current rate structure is unduly preferential to low-usage customers. WSSC's current rate structure was adopted 25 years ago and needs to be updated to comply with this order and reflect currently available data and costs.

In May 2016, WSSC initiated a comprehensive water and wastewater cost of service analysis and rate study. The study's goal: to help WSSC establish water and wastewater rate structures that achieve the multiple objectives of revenue stability, equitable cost recovery and rate payer affordability. [Background Information](#)

Informational Meetings

WSSC will hold a series of seven informational meetings to share the rate structure examples and the potential impacts to water and sewer bills. Customers are invited to attend these scheduled meetings to provide feedback. These meetings begin on **Monday, May 8, 2017**, and will conclude on **Monday, June 19, 2017**, - see sidebar for details.

If you are unable to attend a meeting, written comments can be submitted until **Friday, June 30, 2017** to BudgetGroup@wsscwater.com or mailed to **Budget Division Manager, 14501 Sweitzer Lane, Laurel, Maryland 20707**.

Details

The rate study was conducted in two phases, with new rates expected to be adopted **July 1, 2018**.

- **Phase I:** The initial phase includes a definition of the objectives, an evaluation of the current rate structures and WSSC policies and an identification of feasible rate structure alternatives. WSSC conducted this phase

Reporte del Estudio Tarifario

Análisis completo del costo de servicio y de tarifas

Atienda a Esta Reunión Importante

Rate Structure Alternatives Informational Meetings

WSSC - Rate Structure Informational Me...

Washington Suburban Sanitary Commission

Rate Structure Informational Meeting

WSSC wsscwater.com/ratestudy

May 8, 2017, 7:30 PM

Prince George's County
Prince George's County
RMS Building, Room 308