



## WSSC Rate Structure

### Frequently Asked Questions

#### 1. Why is WSSC proposing to adopt a new rate structure?

There are several key reasons:

- WSSC's current rate structure was adopted 25 years ago and good management practice dictates periodic review of rate structure alternatives.
- The Maryland Public Service Commission (PSC) [directed](#) WSSC to develop a new rate structure after ruling the current 16-tier structure was unreasonable.

#### 2. What are the benefits of a new rate structure?

A new rate structure is intended to better align costs with rates, to reflect customer and Commission rate setting policy goals and objectives, and to provide a more predictable revenue stream to pay for infrastructure improvements. Additionally, all recommended rate structures will charge customers for usage that falls within each tier, instead of being charged for all their usage at the highest tiered rate. Under WSSC's current rate structure, customers are billed at the highest rate back to the first drop of water. This leads to revenue instability for WSSC.

#### 3. What is the current status?

WSSC Commissioners will receive [management's final rate structure recommendation](#) at their sixth special public meeting on Tuesday, July 17, starting at 11 a.m., at WSSC's headquarters in Laurel. Management's recommended combined water/sewer rate structure is a 4-tier inclining block structure, identified as one of three alternatives that were [unanimously approved on November 15](#) for transmission to the County Executives and County Councils of Prince George's and Montgomery counties (*see chart below*). The basis for these proposed rate structures included: customer input, Commissioners' policy priorities, Cost of Service Study, Maryland Public Service Commission's (PSC) directive to develop a reasonable rate structure, WSSC customer information, and consideration of the impact of various rate structures on water conservation, customer affordability, revenue stability and rate stability.

Type of Rate Structure	Options	Gallons Per Day	Example Rate per 1,000 Gallons
3 Tier Inclining	Option A	0-80	\$10.66
		81-165	\$13.43
		>165	\$17.61
3 Tier Inclining	Option B	0-165	\$10.41
		166-275	\$13.89
		>275	\$19.96
4 Tier Inclining	Option A	0-80	\$10.66
		81-165	\$12.25
		166-275	\$14.86
		>275	\$18.74

*Note: The rates in the table above are illustrative only and based on FY18 revenue requirements. Final rates for FY20, when the new rate structure will take effect, will be adopted in June 2019.*

#### **4. When did WSSC start examining new rate structures?**

In 2010, WSSC formed the Bi-County Infrastructure Funding Working Group, made up of representatives from Montgomery and Prince George's county governments, WSSC staff and external subject matter experts, to solicit input on the rate study. Based on the recommendation of the Bi-County Infrastructure Funding Working Group, WSSC initiated a comprehensive rate structure analysis in 2016. Since that time, WSSC has been actively engaged in a transparent process involving input and recommendations from customers, stakeholders and county government representatives.

#### **5. Has the public been involved in this process?**

Yes. Throughout the rate structure development process, WSSC engaged in an extensive public outreach campaign to garner input and feedback from residential and non-residential customers, elected officials and other interested stakeholders in both counties. In total, WSSC held or participated in more than 30 public meetings and/or hearings since spring 2017, which were attended by approximately 1,500 customers and generated more than 300 total comments on the proposed rate structures. Additionally, all WSSC meetings were livestreamed and seen by nearly 2,500 viewers.

#### **6. When will WSSC adopt the new rate structure?**

WSSC Commissioners are expected to vote on the final rate structure at their regularly scheduled monthly meeting on Wednesday, July 18, 2018. The selected new tiered rate structure is expected to go into effect on July 1, 2019. Until then, WSSC will be programming and testing the rate structure in WSSC's new billing system, which is expected to launch next spring.

#### **7. Will my bills increase or decrease?**

Depending on the rate structure selected and a customer's water usage, some bills will increase, while some will decrease. For a household of three people (typical household size in WSSC service area) using 55 gallons of water per person per day (average per person consumption for a WSSC customer), two of the three recommended rate structures (3B, 4A) will lower the quarterly WSSC water/sewer bill.

#### **8. Where can I go to learn more about the rate structure alternative and study?**

Please visit [www.wsscwater.com/ratestudy](http://www.wsscwater.com/ratestudy) for information on the proposed new rate structure. This website includes videos from all public meetings hosted by WSSC.

**9. What can I do to conserve water and lower my WSSC bill?**

There are numerous ways to conserve water to lower your bill. Visit

[www.wsscwater.com/conservation](http://www.wsscwater.com/conservation) to find out what you can do to conserve water and save money.

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