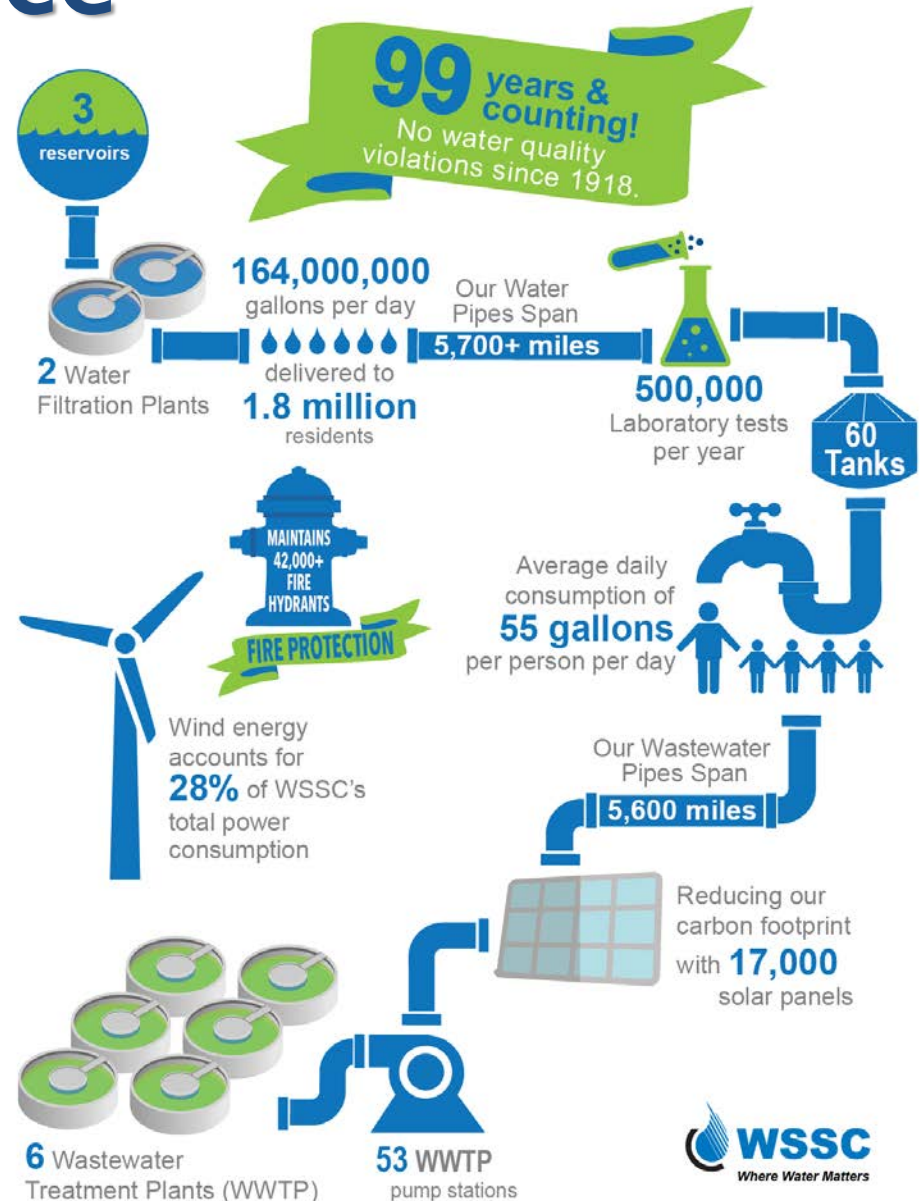


Rate Structure Informational Meetings

Tuesday, May 9, 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
- Benefits of 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
- Industry Standard is 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

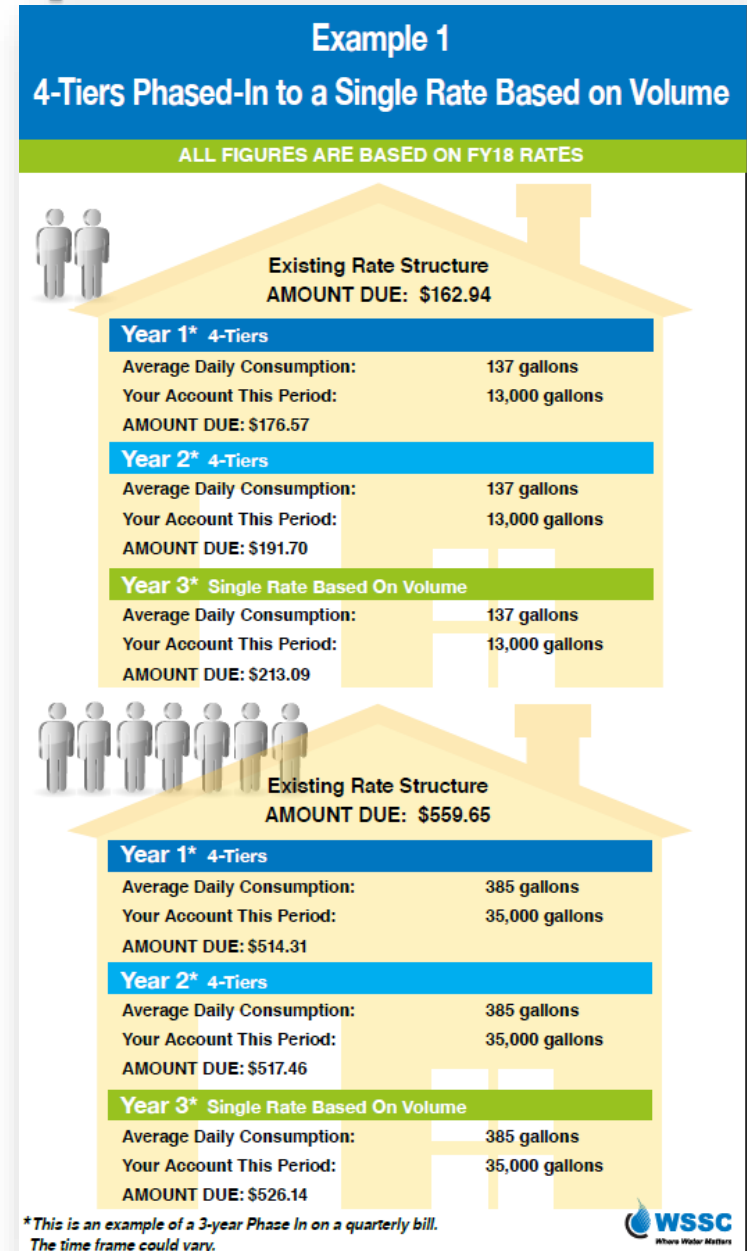
Examples and Impacts

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.



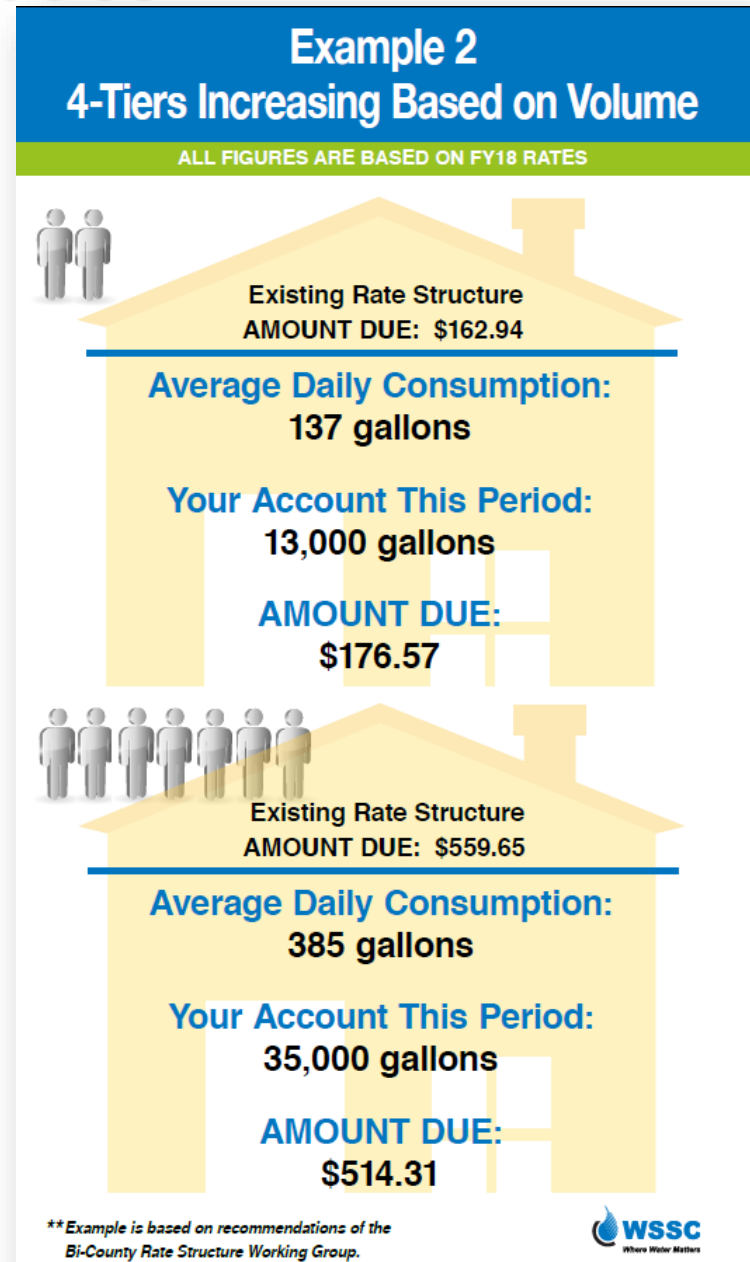
Examples and Impacts

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

Benefits of New Rate Structure

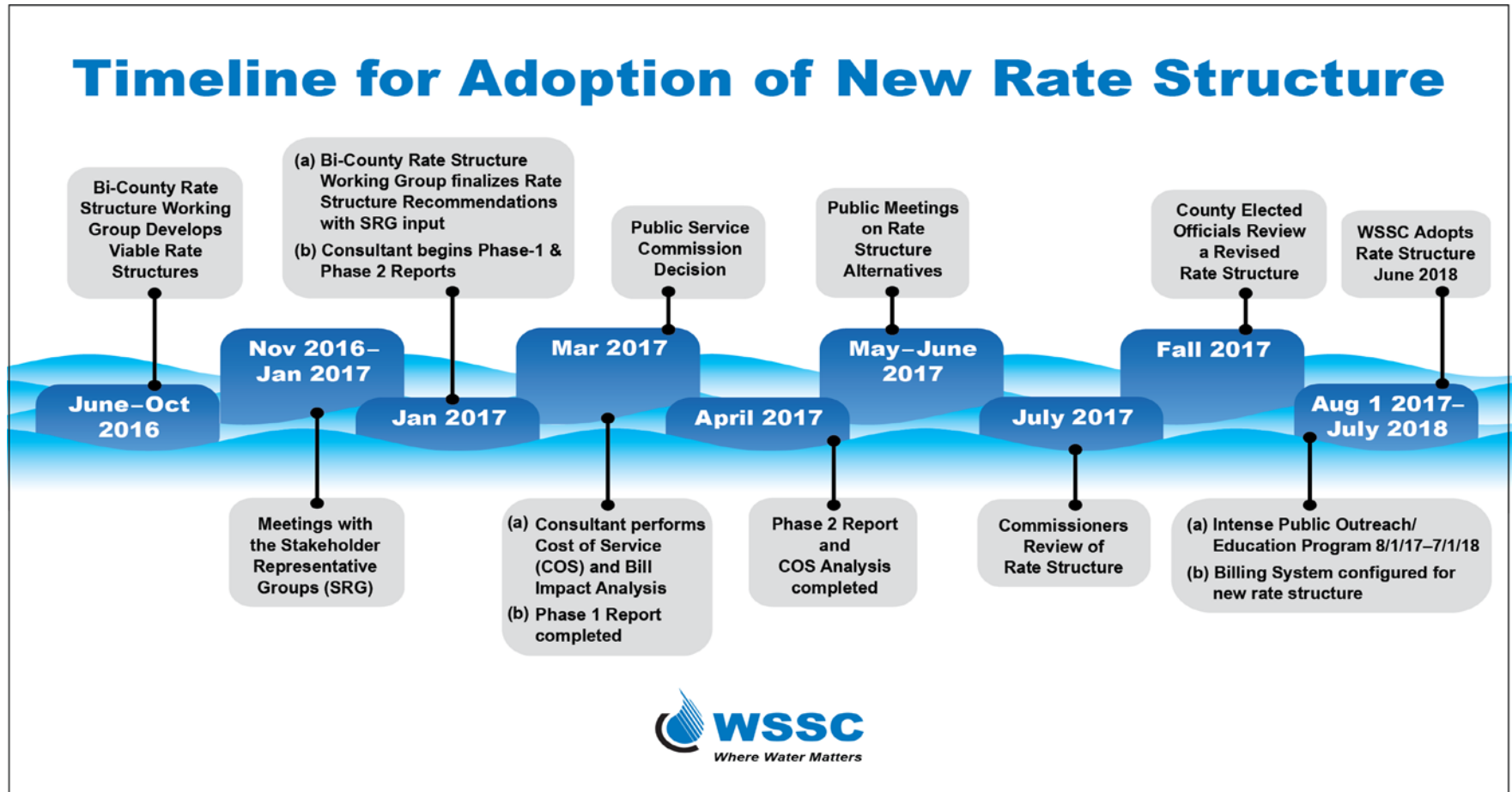
- More fairly allocate the cost of providing service among customers
- Align to industry standard
 - Customers will be charged for usage falls within their ADC range instead of to the highest range for all water used
 - Currently, customers are charged the highest rate for entire bill – back to first 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
 - Additional meetings are scheduled
 - More info at wsscwater.com/ratestudy

The screenshot shows the WSSC (Washington Suburban Sanitary Commission) website. The main heading is "Rate Study Report" with a sub-heading "Comprehensive Cost of Service Analysis and Rate Study". The text explains that the Maryland Public Service Commission (PSC) recently ordered WSSC to develop a new rate structure. It mentions that the current rate structure was adopted 25 years ago and needs to be updated. The study's goal is to help WSSC establish water and wastewater rate structures that achieve multiple objectives: revenue stability, equitable cost recovery, and rate payer affordability. It also mentions "Background Information".

Under the heading "Informational Meetings", it states that WSSC will hold a series of seven informational meetings to share rate structure examples and potential impacts to water and sewer bills. Customers are invited to attend these scheduled meetings to provide feedback. The meetings begin on Monday, May 8, 2017, and will conclude on Monday, June 19, 2017. A sidebar for details is mentioned.

Below this, under "Details", it states the rate study was conducted in two phases, with new rates expected to be adopted July 1, 2018. A bullet point for "Phase I" describes the initial phase, including a definition of objectives, an evaluation of current rate structures and WSSC policies, and an identification of feasible rate structure alternatives. WSSC conducted this phase.

On the right side of the page, there is a section titled "Reporte del Estudio Tarifario" with a sub-heading "Análisis completo del costo de servicio y de tarifas". Below this is a yellow box with the text "Atienda a Esta Reunión Importante".

Below that is a section titled "Rate Structure Alternatives Informational Meetings". It features a video player showing a man speaking, with the text "WSSC - Rate Structure Informational Me..." and "Rate Structure Informational Meeting". Below the video player is a blue banner with the WSSC logo and the text "wsscwater.com/ratestudy".

At the bottom right, it says "May 8, 2017, 7:30 PM" and "Prince George's County Prince George's County RMS Building, Room 308".