



Considerations for Water Conservation Rates

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July 12, 2010

Overview

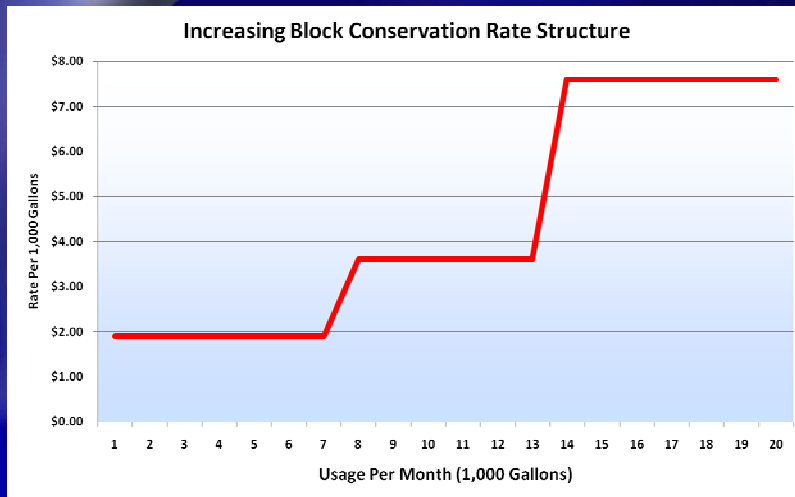
- ◆ Regulatory Requirements for Conservation Rates
- ◆ Features of Increasing Block Rates
- ◆ Data Needs for Developing Increasing Block Rates

Regulatory Requirement

- ◆ **SFWMD Basis of Review** requires as part of water conservation plans that public water suppliers include:
 - ◆ “The adoption of water conservation-based rate structures. Such rate structures should include at least one of the following alternative components: increasing block rates, seasonal rates, quantity based surcharges and/or time of day pricing as a means of reducing demands.” [Subparagraph 2.6.1.D, page WU BOR-55.]
- ◆ **Most utilities elect increasing block rates**

Features of Increasing Block Rates

- ◆ **Eliminate Any Allowances in Base Monthly Charges**
- ◆ **Residential Accounts– Typical 3 Block Structure:**
 - ◆ 1st block: basic health and sanitation use
 - ◆ 2nd block: discretionary use
 - ◆ 3rd block: outdoor use/irrigation
- ◆ **Nonresidential Accounts – Can Scale Blocks by Meter Equivalents**
- ◆ **Irrigation Accounts – Can Set Rate at Highest Block to Foster Conservation**



Data Needs for Increasing Block Rates

- ◆ AWWA Manual M1 Includes Bill Tabulation Methodology in Appendix C
- ◆ Methodology Yields Historical Usage by Customer Class by 1,000 Gallon Increment
- ◆ Utilities Should Plan in Advance of Rate Analysis to Acquire Capability to Generate Bill Tabulation



QUESTIONS?