

HB 1168 - Service Charges WSSC Water Testimony 4.1

Uploaded by: John Curry

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March 28, 2025

The Honorable Brian Feldman and
Members of the Senate Education, Energy
and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Good afternoon Chair Feldman and Members of the Environment and Transportation Committee,

My name is John Curry, and I am the Director of Customer Service at WSSC Water. I am here to testify in support of HB 1168 Washington Suburban Sanitary Commission – Service Charges.

WSSC Water requests this legislation to authorize the Commission to establish customer classes based on meter size. Rather than authorize customer classes broadly as originally intended, this bill was amended to narrowly focus on the Commission's ability to distinguish fixed fees between residential customers and commercial customers of the same sized meter.

Customer classes are standard for most water utilities. In fact, WSSC Water is one of the few water utilities in the nation that cannot tailor rates or fees based on customer class. Under the Public Utilities Article, WSSC Water's rates and fees must be uniform throughout the service area. Therefore, WSSC Water cannot distinguish between residential, commercial, or industrial customers for billing purposes. Establishing customer classes has the potential to provide more equitable fees and rates, broaden customer assistance programs, and enhance customer service.

All WSSC Water customers are required to pay an Infrastructure Investment Fee (IIF). This fee is established based on a comprehensive analysis of water use, projected demand on the system, and various factors, including meter size. The amount set for the IIF is approved by both Montgomery and Prince George's County Councils during the Commission's budget approval process.

Currently, all customers with 1.5-inch meters must pay \$169 quarterly in IIF. 1.5-inch meters are predominantly used by commercial customers; however, a limited number of residential customers also have 1.5-inch meters that are oversized for their daily water usage but have been installed due to past fire code policies. All residential customers with 1-inch meters pay \$26 quarterly in IIF, a \$142 quarterly difference between homeowners with 1.5-inch meters and those with 1-inch meters.

Chair Feldman and Members of the Environment and Transportation Committee

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With authorization under this bill, WSSC Water would be able to distinguish between residential and commercial customers with 1.5-inch meters for billing purposes and would reclassify residential customers with 1.5-inch meters to be charged the same \$26 IIF as residential customers with 1-inch meters. This change would provide an annual savings of \$560 to residential customers with 1.5-inch meters.

HB 1168 is a customer-friendly bill intended to demonstrate how establishing customer classes can provide greater benefits. The Commission will not raise any rates or fees on other customers to offset the reduction in revenue, which the Commission will cover with financial credits from programs WSSC Water is participating in.

Therefore, WSSC Water respectfully requests a favorable report from the Committee on HB 1168, and we look forward to working with you as this bill progresses.

Sincerely,

DocuSigned by:



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John P. Curry

Customer Service Director

HB 1168 - MoCo_Boucher_FAV (GA 25) (Senate).pdf

Uploaded by: Kathleen Boucher

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Montgomery County

Office of Intergovernmental Relations

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HB 1168

DATE: April 1, 2025

SPONSOR: Montgomery County Delegation and Prince George's County Delegation

ASSIGNED TO: Education, Energy, and the Environment

CONTACT PERSON: Kathleen Boucher (Kathleen.boucher@montgomerycountymd.gov)

COUNTY POSITION: Support

Washington Suburban Sanitary Commission – Service Charges MC/PG 112-25

House Bill 1168, which was requested by the Washington Suburban Sanitary Commission (WSSC Water), allows WSSC Water to establish customer classes within any given meter size. The preamble to the bill outlines WSSC Water's desire to create a distinction between commercial and residential customers who have a 1.5-inch meter size for the purpose of imposing the fixed rate Account Maintenance Fee and Infrastructure Investment Fee. According to WSSC Water, there are 4,858 customers with 1.5-inch meters, of which 969 are residential customers, and the combined fixed rate quarterly charge for customers with 1.5-inch meters is \$169, as compared to the combined fixed rate quarterly charge of \$26 for residential customers with a 1-inch meter. Although the preamble to the bill refers only to concerns about 1.5-inch meters, the bill would give WSSC Water authority to create customer classes within any meter size.

Montgomery County supports the bill and respectfully requests that the Education, Energy, and the Environment Committee vote favorable on the bill.