

# STONINGTON WATER COMPANY

**Water Rate Increase**

**Public Hearing**

**February 20, 2023**

**Docket # 2022-00353**





# Stonington Water Company Rate Increase

- Purpose of Water Rate Increase
  - Cover cost of routine Operation and Maintenance Costs
  - Power, Electrical and Chemical costs have increased significantly
  - Overall inflation has caused increases in materials and supplies
  - Cover costs for improvements of infrastructure (Transmission Line Project)
  - Even though grants are being obtained, the cost of improvements has increased
- The last rate increase was completed in 2018 which is about 4 years ago.
- The overall increase is approximately 25% for most customers.
- The rates increased proportional to the existing rate structure except for overage charges which were increased by 40%.
- Planned Effective Date – April 1, 2023



# Stonington Water Company Rate Increase

- Current Predicted Revenue:

Metered Water	\$176,100
Fire Protection	\$ 77,600
Other Revenues, Interest	\$ 50.00
Sanitary District Fees	\$ 1,500
Seasonal Turn On's	\$ 15,000
<u>Private Fire Protection</u>	<u>\$ 2,200</u>
Total Predicted Revenue	\$272,450
Actual Revenue (2021)	\$253,775
Actual Revenue (2020)	\$261,708



# Stonington Water Company Rate Increase

- Proposed Revenue with full rate increase for year (2024):

Metered Water	\$232,240
Fire Protection	\$110,500
Other Revenues, Interest	\$ 550.00
Sanitary District Fees	\$ 1,750
Seasonal Turn On's	\$ 20,000
<u>Private Fire Protection</u>	<u>\$ 2,750</u>
Total Predicted Revenue	\$367,790



# Stonington Water Company Rate Increase

- Comparison of Rates at Minimum Charges:

Meter Size, inches	Current Rates	Proposed Rates	Quarterly Difference
5/8	\$128.00	\$160.00	\$32.00
3/4	\$231.00	\$288.75	\$57.75
1	\$441.00	\$551.25	\$110.25
1.5	\$918.00	\$1147.50	\$229.50
2	\$1,545.00	\$1931.25	\$386.25

- Overage is proposed to be increased from \$12.00/100 CF to \$20.00/100 CF to encourage conservation.
- Overage is applied after 1200 CF of water is utilized for the typical residential meter which is unchanged.



# Stonington Water Company Rate Increase

- Seasonal Customers
  - Annual Rate – Up from \$512.00 to \$640.00 up to 2400 CF per season – this is also a 25% increase.
  - Any overage from over the 2400 CF will also be charged at \$20/100 CF
- Turn On/Off for Seasonal Customers
  - This will be increased from \$100 to \$125 per establish or shutoff the service for a total seasonal charge of \$250.



# Stonington Water Company Rate Increase

- Public Fire Protection

- Public Fire Protection is computed using Chapter 69 of the PUC Rules.
  - The maximum of gross revenue that can be charged to the Town for Fire Protection is 30% based on the fire protection curve for this system.
  - This results in an increase from \$77,600 per year to \$110,500 per year charged to the Town.
- Private Fire Protection – private fire flow services for sprinklers or other such connections is proposed to be increased from \$125 per inch of the connection to \$156.25 per inch.
- Private hydrants have increased by 25% but there are not any in the system.