



# Water and Sewer Rates and Rate Structures in Georgia September 2011

*This document details the results of a survey of water and sewer rates and rate structures conducted by the Georgia Environmental Finance Authority and the Environmental Finance Center in 2011. Rates and rate structures are analyzed for public water and sewer utilities throughout the State. For more information or to download a listing of water and sewer rate tables, to use interactive Rates Dashboards designed to allow the user to compare rates among groups of utilities and analyze the affordability of services and the extent to which rates are financially sustainable, or to view rate sheets of individual utilities, please visit [www.gefa.org](http://www.gefa.org) and [www.efc.unc.edu](http://www.efc.unc.edu).*

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## Introduction

Water and sewer rate setting is one of a local government's most important environmental and public health responsibilities. Water and sewer rates ultimately determine how much revenue a community will have to maintain vital infrastructure. The purpose of this report is to help utilities in rate setting by providing an up-to-date, detailed survey of current statewide rate structures and trends. This report represents a collaborative effort between the [Georgia Environmental Finance Authority](#) (GEFA) and the [Environmental Finance Center](#) (EFC).

This survey was funded primarily by GEFA. Additional support came from the Georgia Association of Water Professionals, the Georgia Municipal Association, the Georgia Department of Natural Resources' Environmental Protection Division, the Georgia Department of Community Affairs, the Association County Commissioners of Georgia, the Georgia Rural Water Association, and the US Environmental Protection Agency.

Over the course of this survey, 523 water and sewer utilities were contacted by email, fax, letter or phone, and 466 utilities (89 percent) responded by sending in their rate schedules. These utilities account for more than 98 percent of the population served by all public community water and sewer utilities in the State. Table 1 describes the utilities analyzed. Some utilities use more than one rate structure for different portions of their service areas, raising the total number of rate structures in our sample to 488. Copies of the 488 rate structures of those participating utilities are available online at [www.efc.unc.edu/ga/](http://www.efc.unc.edu/ga/).

**Table 1: Number of Participating Utilities with Rates Data for 2011**

<b>Institutional Arrangement</b>	<b>Provides Water and Sewer</b>	<b>Provides Water Only</b>	<b>Provides Sewer Only</b>	<b>Total</b>
Municipality	278	99	3	<b>380</b>
County/District Authority	21	14	0	<b>35</b>
Consolidated Government	27	19	0	<b>46</b>
Other	3	1	0	<b>4</b>
	1	0	0	<b>1</b>
<b>Total Number of Utilities</b>	<b>330</b>	<b>133</b>	<b>3</b>	<b>466</b>
<b>Number of Rate Structures</b>	<b>345</b>	<b>138</b>	<b>5</b>	<b>488</b>

In addition to this report, tables of each utility's rates and key components of their rate structures are available from GEFA ([www.gefa.org](http://www.gefa.org)) and the EFC ([www.efc.unc.edu](http://www.efc.unc.edu)). **It is important to stress that an examination of rates and rate structures will only tell part of the story.** Pressure to maintain low or relatively low rates has the potential to force utilities to run a deficit or avoid making necessary operational and capital expenditures. Ideally, rates should reflect the cost of providing service which depends on diverse factors including size of treatment facilities, customer base, age of assets, type of water supply, and quality of receiving waters. Two neighboring utilities with similar customer bases may have very different costs that justify very different rate structures and rates. **Therefore, policy decisions drawn from the comparative information in this document should also consider many other factors such as age of system, geographic location, site-specific regulatory requirements, source of water, demand, and availability of resources.** Free, interactive Rates Dashboards that combine utility financial, physical and customer characteristics with the capability of comparing rates among utilities that are similar in various categories are available on the web at [www.efc.unc.edu/RatesDashboards](http://www.efc.unc.edu/RatesDashboards).

**High rates do not necessarily reflect poor or inefficient management.** In fact, some utilities with low rates do not generate sufficient revenue to properly maintain their system's assets, thereby reducing short-term investments that are likely to have long-term adverse cost and service impacts. Other utilities may have low rates because they have not re-examined their rate structures in many years. Even when a utility customer base

does not grow, operating costs rise every year and rates should be examined and potentially readjusted on a yearly basis.

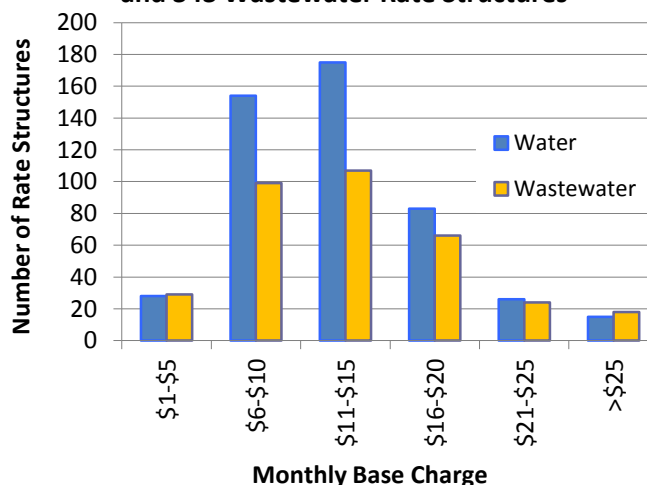
## Overview of Rates and Rate Structures

Utilities employ a range of rate structures to determine what their customers pay. Almost all utilities use a combination of base charges and variable charges in their rate structures. There is considerable variation in how these are calculated and how they are charged for different classes of customers.

### Base Charges

Base charges contribute to revenue stability because they do not vary from month to month, regardless of consumption. However, high base charges can also make it difficult for a utility to encourage conservation for the same reason. The number of rate structures with base charges and the range of the charges are shown in Figure 1<sup>1</sup>. The median<sup>2</sup> base charges are presented in Table 2 by utility size. The median residential base charge applied by utilities in 2011 is \$12.00 per month for water and \$12.00 per month for sewer. For combined utilities, the median combined water and sewer base charge is \$24.00 per month.

**Figure 1: Monthly Base Charges for Residential Customers among 481 Water and 343 Wastewater Rate Structures**



**Table 2: Monthly Base Charges in Water and Sewer Rate Structures, by Utility Size**

Size of Utility (Service Population)	Water Rate Structures			Sewer Rate Structures		
	Total Number of Structures	Number with Base Charge	Median Base Charge	Total Number of Structures	Number with Base Charge	Median Base Charge
1 – 999	136	135	\$14.00	50	49	\$14.95
1,000 – 2,499	92	92	\$13.19	73	72	\$14.58
2,500 – 4,999	74	74	\$11.00	62	62	\$11.60
5,000 – 9,999	62	61	\$10.50	56	55	\$10.50
10,000 – 24,999	64	64	\$12.00	60	59	\$12.65
25,000+	55	55	\$9.60	49	46	\$10.00
<b>All Rate Structures</b>	<b>483</b>	<b>481</b>	<b>\$12.00</b>	<b>350</b>	<b>343</b>	<b>\$12.00</b>

While nearly every rate structure (100 percent of water and 98 percent of sewer rate structures) has a base charge, their amounts vary by utility size. The largest utilities have smaller base charges than the smallest utilities. This may be a reflection of the fact that larger utilities have broader customer bases that provide a more

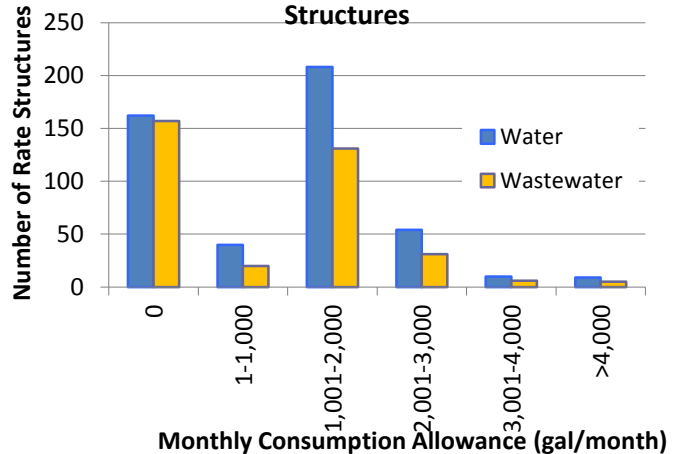
<sup>1</sup> “Sewer” and “wastewater” are used interchangeably in this report.

<sup>2</sup> Most of the statistics reported in this report refer to *medians*. Exactly half of the rate structures in the sample have a value that is equal to or greater than (or equal to or lower than) the median value. The median is preferred over the average because averages are influenced by exceptionally high or low values whereas medians are not.

stable revenue stream. Smaller utilities may, on average, have less stable customer consumption and therefore decide to shift a greater portion of their operating costs into the base charge.

The majority of rate structures (67 percent of water and 56 percent of sewer rate structures) include a minimum amount of water consumption or sewer disposal with their base charges (see Figure 2). For these utilities, the variable portion of the rate structure only takes effect when a customer uses more than the minimum included in the base charge. Thus, all customers of these utilities who consume or dispose of an amount up to the minimum allocation would receive the same bill, which is equal to the base charge. For both water and sewer utilities, the median amount of allowance included with the base charge is 2,000 gallons per month (gallons/month). Only 4 percent of water and 3 percent of sewer utilities include more than 3,000 gallons/month with the base charge.

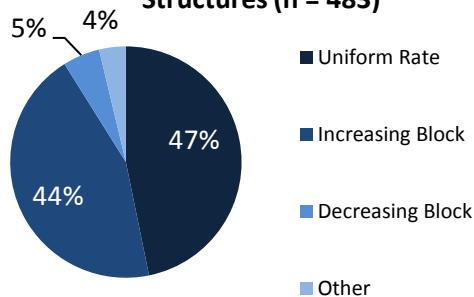
**Figure 2: Consumption included with Base Charge for Residential Customers among 481 Water and 343 Wastewater Rate Structures**



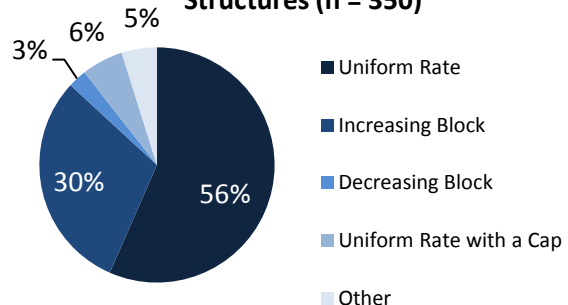
**Variable Charges: Uniform, Increasing Block, Decreasing Block, and Other Rate Structures**

Figures 3-6 present information on water and sewer rate structures for “inside” customers: those who live within a utility’s political jurisdiction or municipal boundaries. The three most common rate structures are uniform, increasing block, and decreasing block. In an uniform rate structure, the rate at which water or sewer is charged for each unit of use does not change as the customer uses more water. In an increasing block structure, the rate increases with greater water consumption. This structure is often employed by utilities that want to encourage conservation. In a decreasing block structure, rates decrease as consumption rises. This structure might be used to encourage economic development. Other rate structures used in Georgia include a hybrid of increasing and decreasing blocks where rates increase or decrease for specific targeted blocks of consumption, seasonal rate structures, rates that are capped at a maximum billable consumption amount, and tiered flat fees. Seasonal uniform rate structures support conservation, especially for those utilities that experience large seasonal consumption changes (e.g. tourist locations). Sewer bills are almost always calculated based on the amount of metered water consumption; however, a fraction of sewer utilities use rate structures with a cap on residential sewer consumption. For example, if a utility caps their sewer bill at 20,000 gallons, a customer that uses 25,000 gallons of water will only be charged for 20,000 gallons of sewer disposal. This sewer structure does not send strong conservation message and provides less incentive for conservation among high volume users.

**Figure 3: Residential Water Rate Structures (n = 483)**

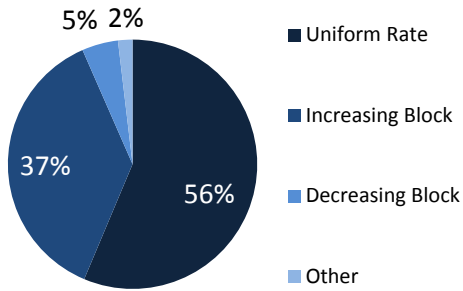


**Figure 4: Residential Sewer Rate Structures (n = 350)**

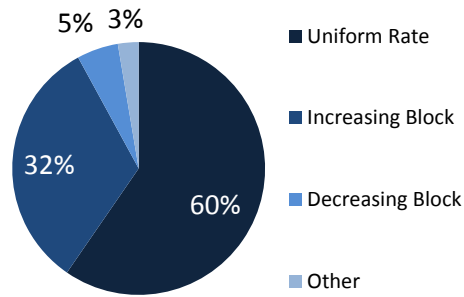


Most water and sewer utilities use the same rate structure for residential, commercial, and industrial customers, but some have separate rates for different customer classes. In this survey, 44 percent of water utilities have a separate rate structure for their commercial customers, and a fraction of these utilities also has a separate structure that pertains to their industrial customers. On the sewer side, 43 percent have a separate rate structure for their commercial customers. Information on the types of commercial rate structures for those utilities with designated commercial customer classes is presented in Figures 5 and 6.

**Figure 5: Commercial-Specific Water Rate Structures (n = 213)**

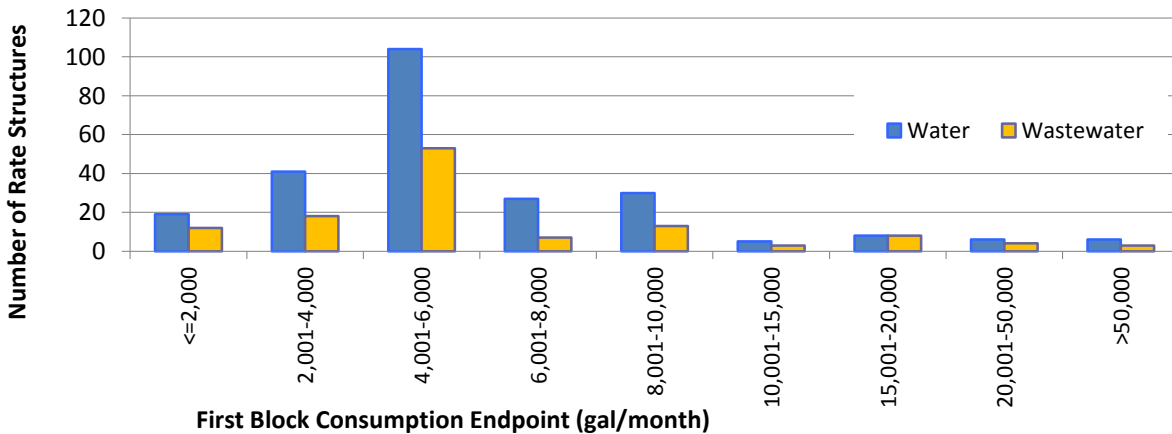


**Figure 6: Commercial-Specific Sewer Rate Structures (n = 151)**



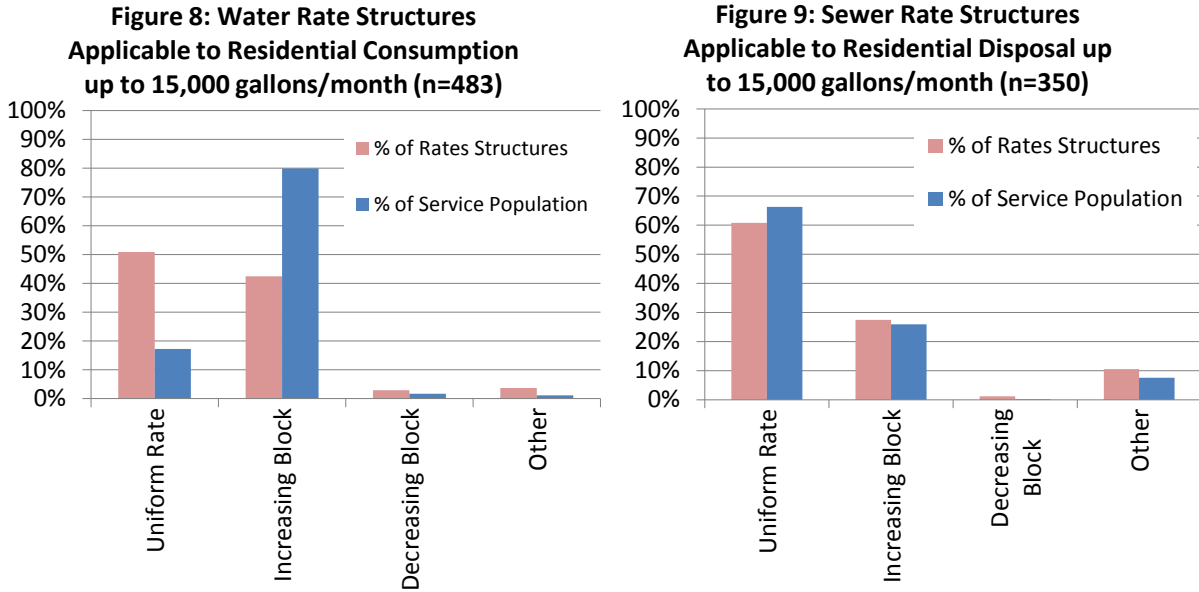
While some utilities design separate rate structures for commercial users, other utilities use only one rate structure but design the blocks so that they inherently distinguish residential use from that of large commercial customers. A common practice is to set the first block high enough so that essentially all residential consumption is charged one rate (which is equivalent to a uniform rate for these customers) while most large commercial customers will typically exceed the first block, thus paying an increasing or decreasing block rate. Figure 7 shows how many rate structures include various amounts of consumption and disposal in the first block of their residential block rate structure.

**Figure 7: Maximum Quantity in the First Block among 246 Water and 121 Sewer Residential Block Rate Structures**



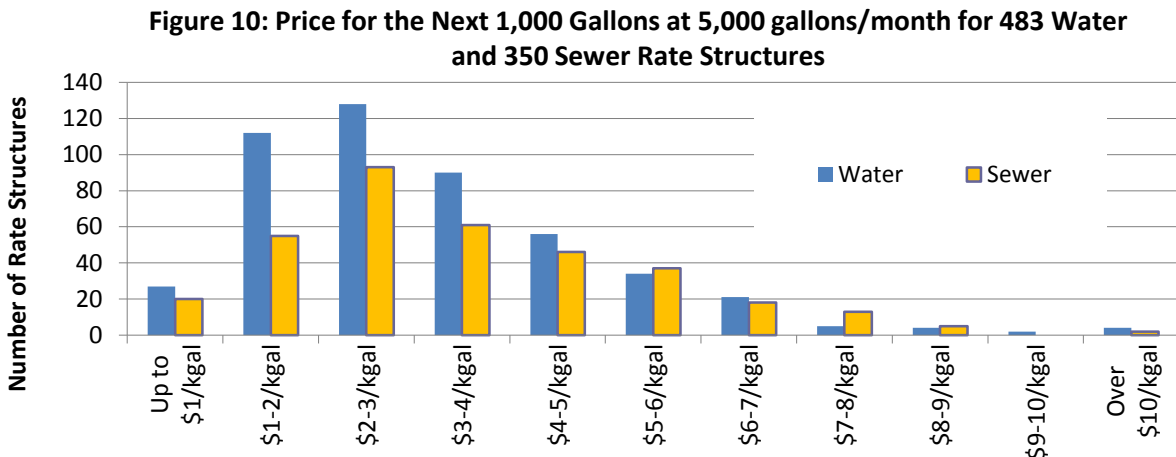
An examination of rate structures over the range of typical residential consumption reveals that many increasing and decreasing block structures are effectively uniform below 15,000 gallons/month (shown in Figures 8 and 9). For example, whereas 5 percent of residential water rate structures are decreasing block structures (Figure 3), only 3 percent actually apply decreasing rates within the first 15,000 gallons/month of consumption (Figure 8) – the other 2 percent have a first block that exceeds the range of typical residential use. Figures 8 and 9 also show

the percent of the population served under each rate structure applicable to consumption/disposal levels of up to 15,000 gallons/month. While only 42 percent of the water rate structures are increasing block structures through 15,000 gallons/month, 80 percent of all residential customers are served by these rate structures. Figure 9 shows that the vast majority of residential customers pay uniform rates for sewer disposal.



Residential customers in the Southeast consume an average of 4,000 – 6,000 gallons/month. Among the 483 water rate structures in the sample, the median price for the next 1,000 gallons (not including base charges) at the consumption level of 5,000 gallons/month is \$3.00 per 1,000 gallons – 50 percent of the water rate structures have a price that is between \$2.00 and \$4.05 per 1,000 gallons. This \$3.00 per 1,000 gallons compares to a median price of \$2.73 per 1,000 gallons for the water rate structures studied in the 2010 survey.

The price for sewer is slightly higher. Among the 350 sewer rate structures in the sample, the median sewer price for the next 1,000 gallons at 5,000 gallons/month is \$3.23 per 1,000 gallons – 50 percent of the sewer rate structures have a price that is between \$2.20 and \$4.72 per 1,000 gallons. This \$3.23 per 1,000 gallons compares to a median price of \$3.00 per 1,000 gallons for the sewer rate structures studied in the 2010 survey. The range of water and sewer prices for the next 1,000 gallons at the 5,000 gallons/month consumption level is shown on Figure 10.

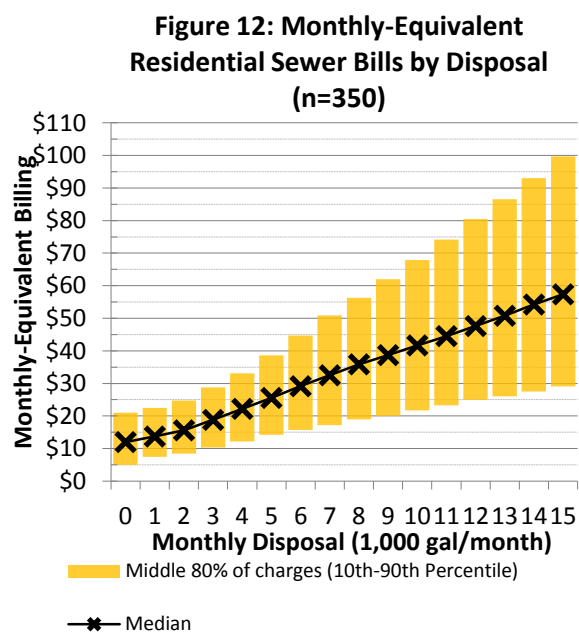
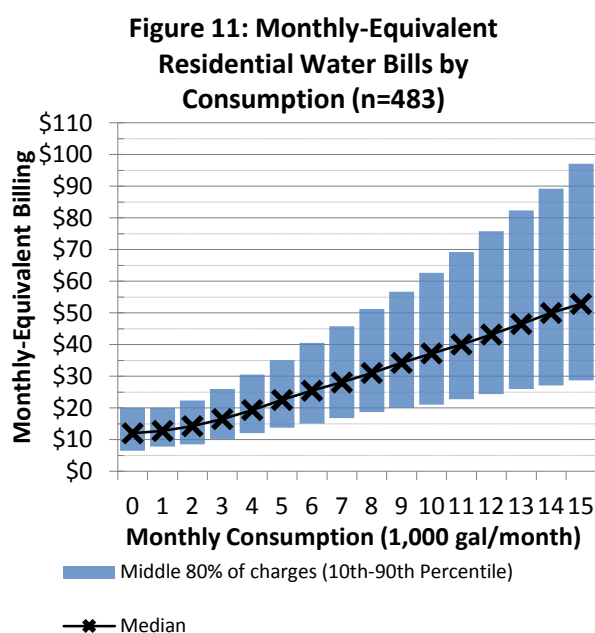


Among the 345 combined water and sewer rate structures, the median combined price for the next 1,000 gallons is \$6.19 per 1,000 gallons (compared to \$5.90 in 2010) – 50 percent of the combined rate structures have a price that is between \$4.40 and \$8.96 per 1,000 gallons.

## What Utilities Charge their Customers

### Residential Water and Sewer Bills

Figures 11 and 12 show the amount utilities bill their residential water and sewer customers, respectively, for a range of consumption/disposal amounts on a monthly basis<sup>3</sup>. These calculations include base charges and consumption allowances. The colored bars highlight what the middle 80 percent of utilities charge (between the 10<sup>th</sup> and 90<sup>th</sup> percentile) across the consumption spectrum. Utilities that charge below or above the colored bars are charging less than or more than 90 percent of all other utilities in the sample, respectively.



The median monthly amount charged for zero gallons of water is \$12.00, \$22.50 for 5,000 gallons, \$25.43 for 6,000 gallons, and \$37.23 for 10,000 gallons. As a point of comparison, a gallon of potable water at a major grocery retailer is approximately \$1.00 while the median bill for 5,000 gallons is approximately \$0.004 per gallon, which is 267 times cheaper. Despite the fact that water is a necessity for life, it is surprisingly inexpensive when compared to cable television, a luxury commodity. An informal survey of cable prices in 2008 in Georgia finds that the average community price for basic cable, excluding premium packages, was \$44.44, or almost twice the median water bill.

Sewer bills are generally higher than water bills. The median monthly sewer bill for customers disposing zero gallons of water is \$12.00, \$25.55 for 5,000 gallons, \$29.15 for 6,000 gallons, and \$41.69 for 10,000 gallons.

The range of combined water and sewer bills for various levels of consumption is shown on Figure 13. The median monthly combined bill for zero gallons is \$23.74, \$48.25 for 5,000 gallons, \$53.95 for 6,000 gallons and \$78.76 for 10,000 gallons.

<sup>3</sup> For utilities that bill on a non-monthly basis (bi-monthly or quarterly), charges have been calculated and presented on a monthly basis to allow for accurate comparison.

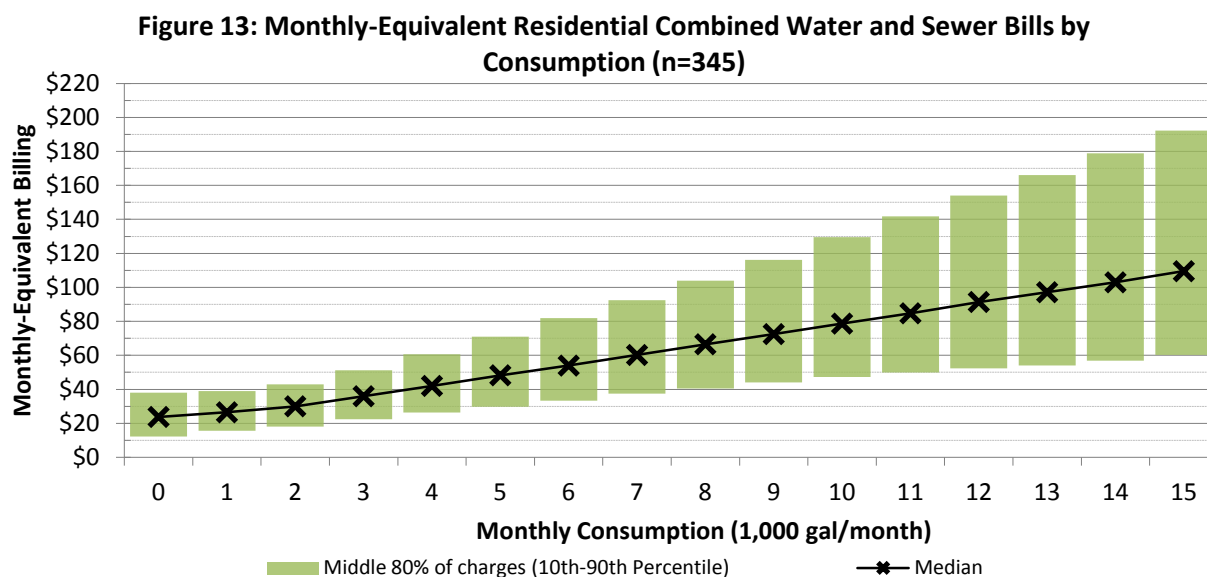


Table 3 shows that the median water and sewer bills among different size classes of utilities are roughly the same; i.e., there is no apparent economy of scale. Table 4 shows that municipal utilities generally have lower water and sewer bills than other service providers, possibly because the population density is highest for municipal utilities, which translates into lower per customer costs (and therefore bills) for distribution and collection. Conversely, county and consolidated government utilities, which are typically more spread out, have significantly higher water bills.

**Table 3: Median Water and Sewer Monthly Bills at 5,000 gallons/month, by Utility Size**

Size of Utility (Service Population)	Water Rate Structures		Sewer Rate Structures	
	Total Number of Structures	Median Monthly Bill at 5,000 gal/mo	Total Number of Structures	Median Monthly Bill at 5,000 gal/mo
1 – 999	136	\$21.00	50	\$22.52
1,000 – 2,499	92	\$22.49	73	\$26.00
2,500 – 4,999	74	\$21.85	62	\$23.36
5,000 – 9,999	62	\$20.54	56	\$22.64
10,000 – 24,999	64	\$24.94	60	\$28.42
25,000+	55	\$24.67	49	\$31.40
<b>All Rate Structures</b>	<b>483</b>	<b>\$22.50</b>	<b>350</b>	<b>\$25.55</b>

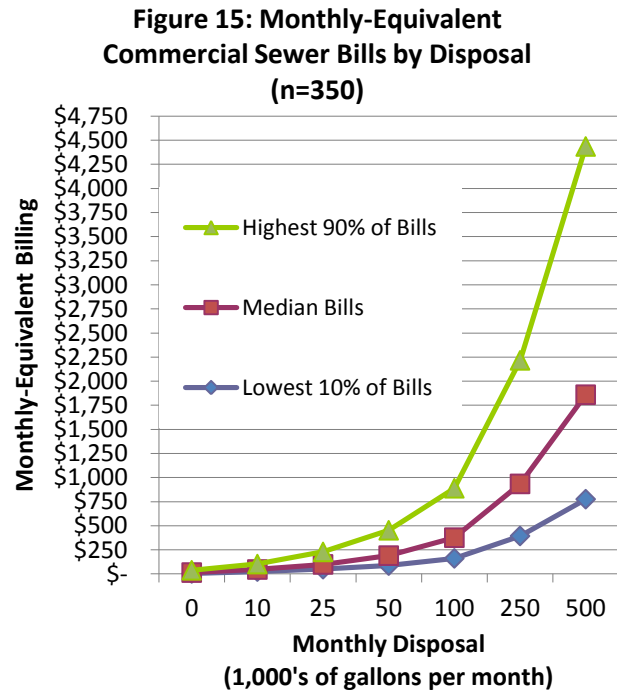
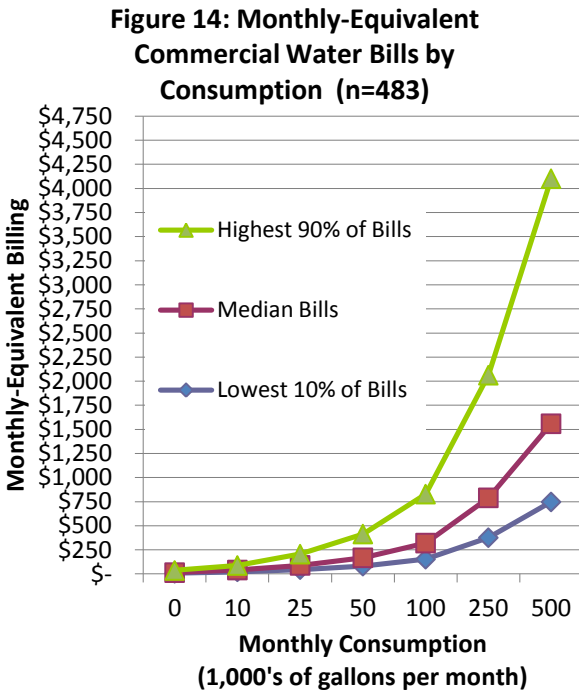
**Table 4: Median Water and Sewer Monthly Bills at 5,000 gallons/month, by Utility Type**

Utility Type	Water Rate Structures		Sewer Rate Structures	
	Total Number of Structures	Median Monthly Bill at 5,000 gal/mo	Total Number of Structures	Median Monthly Bill at 5,000 gal/mo
Municipality	387	\$20.80	290	\$23.96
County/District	36	\$28.09	21	\$31.50
Authority	53	\$30.25	32	\$31.17
Consolidated Government	5	\$34.80	5	\$32.92
<b>All Rate Structures</b>	<b>483</b>	<b>\$22.50</b>	<b>350</b>	<b>\$25.55</b>



**Commercial Water and Sewer Bills**

Figures 14 and 15 show the median monthly water and sewer bills, respectively, for commercial customers at different levels of consumption and disposal<sup>4</sup>. The middle 80 percent of charges are also indicated. The median monthly bill for commercial customers consuming zero gallons (on a 3/4” meter<sup>5</sup>) is \$14.00 for water and \$14.66 for sewer. The median monthly bill for 50,000 gallons/month is \$167.75 for water and \$190.41 for sewer. The median bill for those consuming 500,000 gallons/month (on a 1 1/2” or 2” meter) is \$1,558.76 for water and \$1,859.92 for sewer. The variation in commercial bills across rate structures increases significantly as the consumption/disposal amount increases.



**What Utilities Charge Customers Located Outside their Political Boundaries (Inside vs. Outside)**

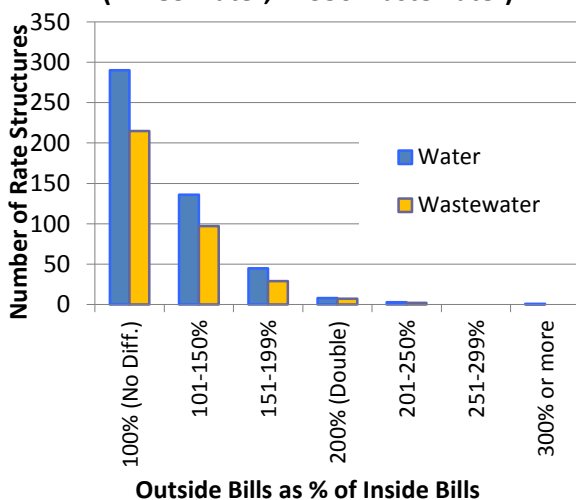
All of the charges presented above refer to what utilities charge customers that live within their political boundaries. Municipal utilities often serve customers who live outside of city limits, and a handful of other utilities specify geographical boundaries within their service areas and identify their customers as those residing “inside” and “outside” those boundaries. In many cases, utilities charge different rates for customers living inside or outside the boundary. Overall, 40 percent of water rate structures and 39 percent of sewer rate structures specified different rates for customers living outside, and the vast majority were for municipal utilities. In fact, 49 percent of the rate structures from municipal utilities in the sample charged more for outside

<sup>4</sup> The residential rate structure is used to calculate the billings for commercial customers except for the utilities that specify different rates and rate structures for commercial or non-residential customers.

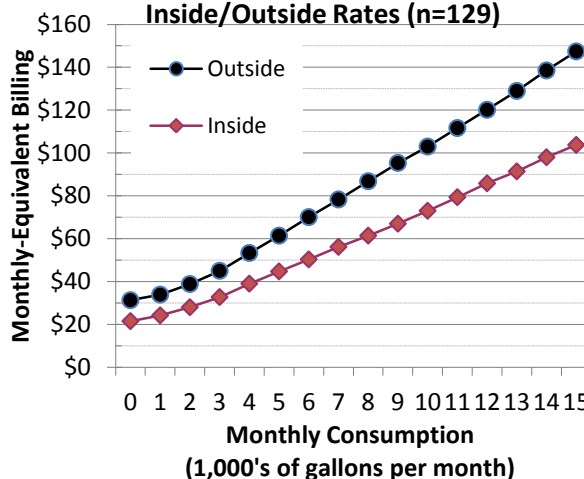
<sup>5</sup> Some utilities use different base charges for different meter sizes for customers. Bills for consumption or disposal of up to 100,000 gallons/month was computed assuming a 5/8” or 3/4” meter size, 250,000 gallons/month assuming a 1” meter size, and 500,000 gallons/month assuming a 1 1/2” or 2” meter size. When applicable, the “next largest” meter size is used in calculating the bills when a utility does not utilize a specific meter size.

customers than for inside customers. At 5,000 gallons/month, outside customers who are charged a different rate than inside customers pay, on the median, a water bill that is 1.40 times more than inside customers. For sewer, the median ratio is 1.38. The majority of utilities with different outside rates increase their rates by less than 50 percent for outside customers, as shown in Figure 16. Figure 17 shows median charges for combined residential water and sewer service for all utilities that have a separate rate schedule for outside customers for both water and sewer service. The median bill charged to inside customers for 5,000 gallons/month of water and sewer combined is \$44.70 compared to \$61.40 for outside customers.

**Figure 16: Ratio of Outside Residential Bills to Inside Bills, at 5,000 gal/month (n=483 water, n=350 wastewater)**



**Figure 17: Median Combined Residential Water and Wastewater Bills for Rate Structures with Different Inside/Outside Rates (n=129)**



### What Utilities Charge by River Basin

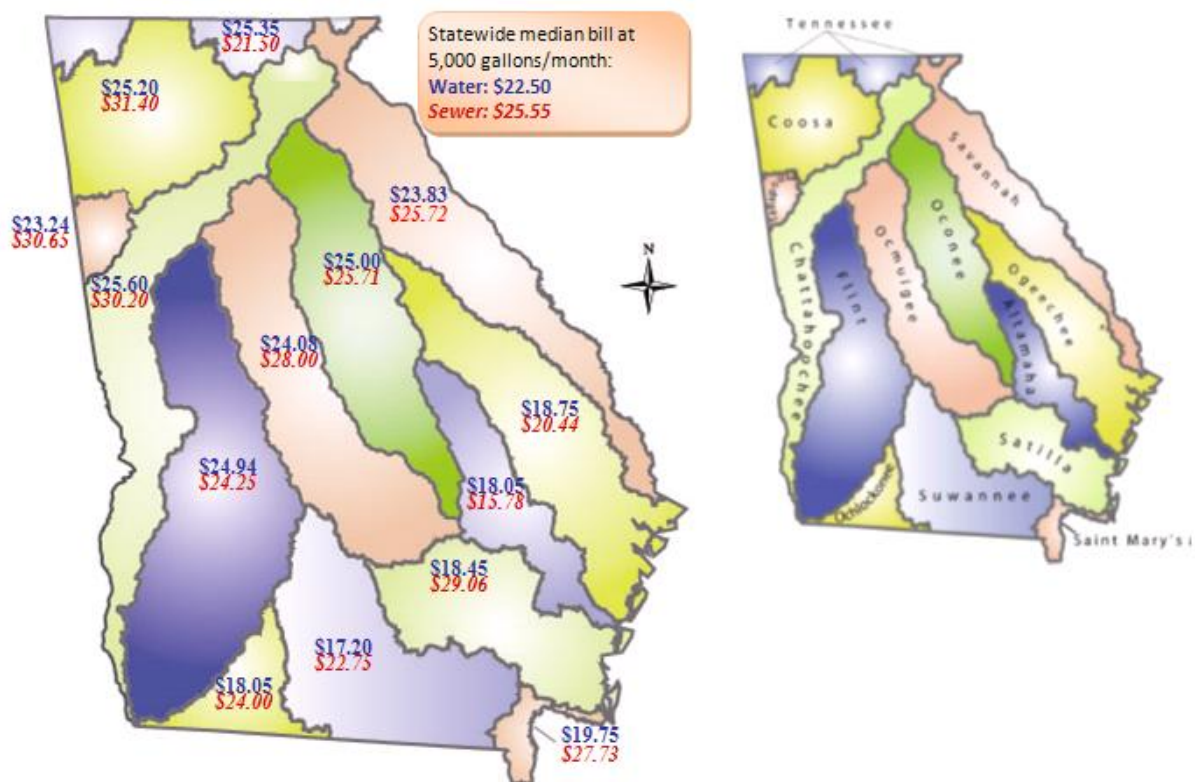
It is important to consider the operating environment when comparing rates among utilities. Source water quality and quantity can have a significant impact on the cost to produce water. Likewise, receiving water quality can have a major impact on the cost of sewer treatment. In an attempt to consider these impacts, median water and sewer bills for 5,000 gallons/month were calculated for each of Georgia’s 14 major river basins; they are displayed in Table 5 and Figure 18.

The highest median water charge can be found in the Chattahoochee (\$25.60) River Basin. The lowest median water charges, by contrast, are found in Southern Georgia in the Suwannee (\$17.20) and Altamaha and Ochlockonee (both \$18.05) River Basins. These basins are mostly rural and lower water rates could be related to the high number of small utilities using groundwater. The highest median wastewater charges can be found in the highly urbanized Coosa (\$31.40) and Tallapoosa (\$30.65) River Basins while the lowest median wastewater charges can be found in the Altamaha (\$15.78) and the lower coastal plain Ogeechee (\$20.44) River Basins.

**Table 5: Median Water and Sewer Monthly Bills at 5,000 gallons/month, by River Basin**

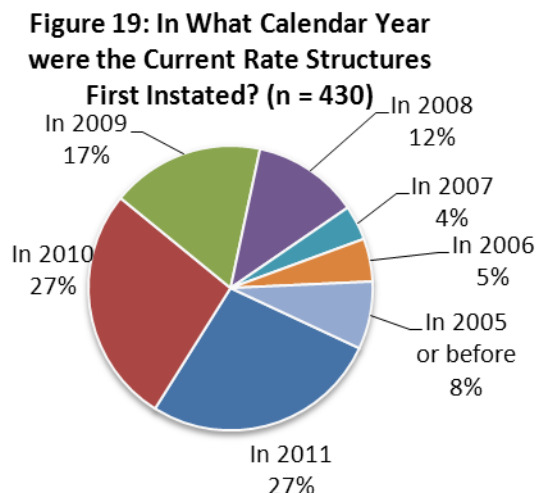
River Basin	Water Rate Structures		Sewer Rate Structures	
	Total Number of Structures	Median Monthly Bill at 5,000 gal/mo	Total Number of Structures	Median Monthly Bill at 5,000 gal/mo
Altamaha	18	\$18.05	12	\$15.78
Chattahoochee	53	\$25.60	36	\$30.20
Coosa	47	\$25.20	41	\$31.40
Flint	74	\$24.94	49	\$24.25
Ochlockonee	12	\$18.05	7	\$24.00
Ocmulgee	53	\$24.08	39	\$28.00
Oconee	45	\$25.00	30	\$25.71
Ogeechee	38	\$18.75	31	\$20.44
Saint Mary's	3	\$19.75	2	\$27.73
Satilla	20	\$18.45	16	\$29.06
Savannah	49	\$23.83	40	\$25.72
Suwannee	39	\$17.20	23	\$22.75
Tallapoosa	13	\$23.24	9	\$30.65
Tennessee	19	\$25.35	15	\$21.50

**Figure 18: Median Water and Sewer Monthly Bills at 5,000 gallons/month, by River Basin**



### Annual Rate and Rate Structure Adjustments

Most Georgia utilities actively evaluate and modify their rate structures every one to two years. Out of the 488 rate structures in the survey, the first effective date is known for 430 rate structures. The calendar year in which each of the 430 rate structures were first put into effect is shown in Figure 19. The figure shows that 27 percent of the current rate structures were made effective since January 2011, and 54 percent were made effective since January 2010. Eight percent of the rate structures remain unchanged since before 2006.



### Changes in Rate Structures in the Last Year

The trend among Georgia utilities for many years has been to move away from decreasing block rate structures to either uniform or increasing block structures. This trend is largely driven by an interest in preserving water supplies by promoting water conservation and discouraging excessive or wasteful consumption.

This year’s survey included 430 water rate structures and 319 sewer rate structures that were also included in the 2010 survey. Out of the 430 water rate structures included in last year’s rates survey, 23 changed in the last year, shown in Table 6. Almost all of the changes were from decreasing block and uniform rates to increasing block rate structures. Overall, there are 5 fewer decreasing block rate structures than last year, and 14 increasing block structures were gained. Among sewer rate structures, 19 were changed between 2010 and 2011, out of the 319 surveyed in both years.

**Table 6: Changes to Water Rate Structures from June 2010 to July 2011**

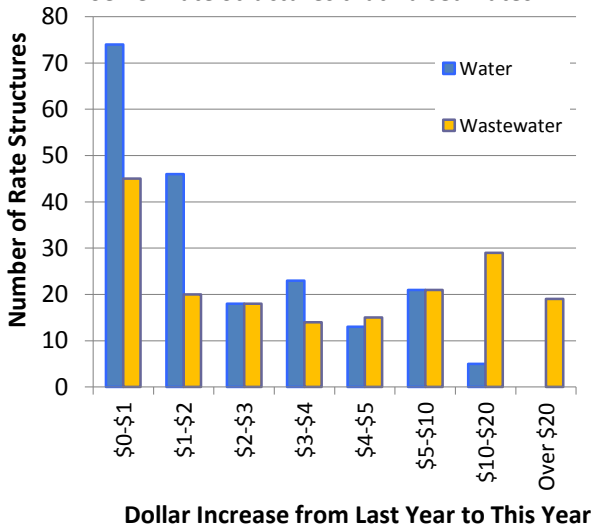
		Changed To			
		Increasing Block	Uniform Rates	Decreasing Block	Other
<b>TOTAL</b>		<b>14</b>	<b>4</b>	<b>1</b>	<b>4</b>
<b>Changed From</b>	<b>Increasing Block</b>		0	0	2
	<b>Uniform Rate</b>	12		1	2
	<b>Decreasing Block</b>	1	4		0
	<b>Other</b>	1	0	0	

### Changes in Residential Rates in the Last Year

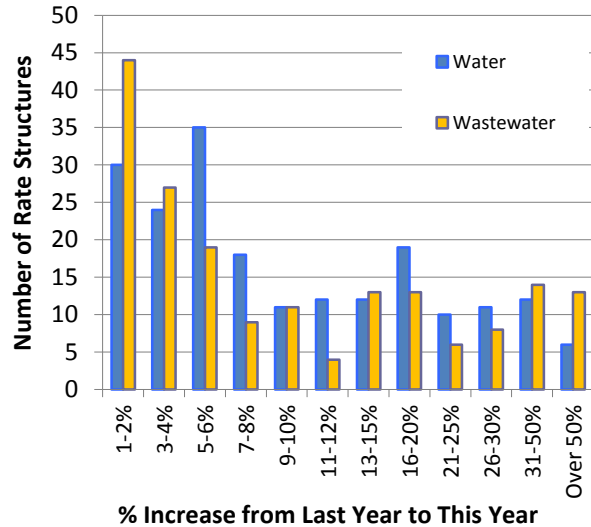
Out of the 430 water and 319 sewer rate structures included in last year’s rates survey, rates were increased from last year for 47 percent of the water rate structures and 57 percent of sewer rate structures. Figures 20 and 21 show the residential monthly bill increase for customers that use 5,000 gallons/month among the 200 water and 181 sewer rate structures that have raised rates in the last year. The median increase was \$1.45/month for water (a 6.3 percent increase) and \$3.00/month for sewer (a 4.8 percent increase). There are also a large number of utilities with very high, double-digit rate increases since last year. In all, 82 water rate structures (19 percent in all) saw 10 percent or greater rate increases at the 5,000 gallons/month level. This is a decline from two years ago where almost a third of utilities raised rates by more than ten percent. This might reflect current economic

conditions where it may be more difficult to raise rates, and the lack of need to raise rates substantially following a drought period as had happened after 2008.

**Figure 20: Increase in Residential Monthly Bill Amount Since Last Year for 5,000 gal/month Among 200 Water and 181 Sewer Rate Structures that Raised Rates**



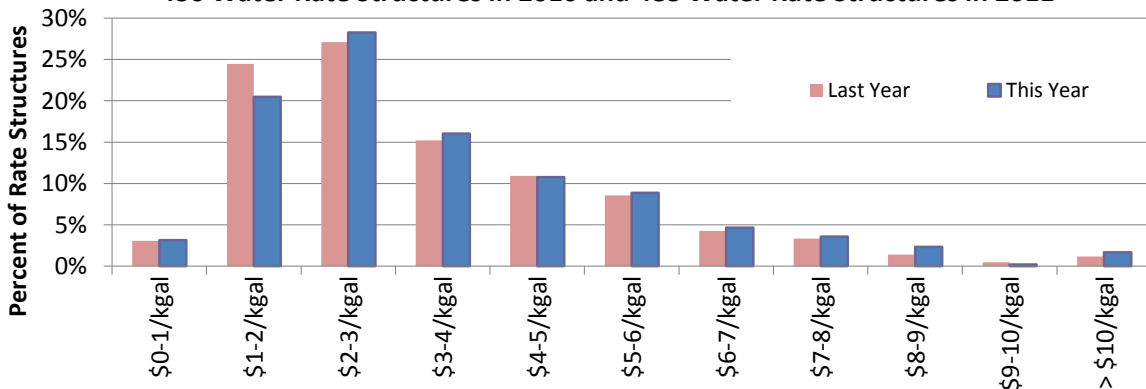
**Figure 21: Percent Increase in Residential Monthly Bills Since Last Year for 5,000 gal/month Among 200 Water and 181 Sewer Rate Structures that Raised Rates**



**Changes in Conservation Price Signals in the Last Year**

One mechanism utilities can manipulate to send a strong pricing signal to encourage water conservation is the rate that customers pay at higher levels of consumption. Average residential consumption is around 5,000 gallons/month. Seasonal use of water can raise consumption levels for some customers to two or three times this amount, or more, and utilities can discourage excessive use by setting high prices for the next 1,000 gallons of water at that level of consumption. More than a third of Georgia’s utilities raised the residential water rate at high levels of consumption in the past year. Out of the 430 water rate structures included in last year’s survey, the price for the next 1,000 gallons at 10,000 gallons/month was raised for 157 rate structures (37 percent). The distribution of the prices for water for the next 1,000 gallons at that consumption is shown in Figure 22. Utilities have generally shifted their high use water rates upwards. In particular, a smaller proportion of utilities charge less than \$2/1,000 gallons than last year, and 12 percent of utilities charge over \$6/1,000 gallons, whereas only 11 percent of the utilities charged as much last year.

**Figure 22: Price for Water for the Next 1,000 Gallons at 10,000 gal/month in 430 Water Rate Structures in 2010 and 483 Water Rate Structures in 2011**



Of course utilities raise rates for many reasons not strictly limited to encouraging water conservation. These reasons may include, for example, nominal increases in operating costs or the need to save up for a major capital project. To understand why utilities are raising rates, utilities were asked, in 2009, specifically whether rate structures were being designed to encourage water conservation. Out of 123 utility respondents to an on-line questionnaire, 59 utilities (48 percent) reported that they had recently conducted a study to design “conservation-oriented” rate structures for their systems, and 40 of those systems (33 percent, overall) further reported that they have since implemented the recommendations of those studies.

#### About this Report

This report is one of a series of reports on water and sewer rates and rate structures in Georgia, compiled by the Georgia Environmental Finance Authority (GEFA) and the Environmental Finance Center (EFC). For reports from previous years, including more in-depth analysis on the relationships between rates, rate structures, system characteristics and policies including cost-recovery, conservation, and affordability, please visit our websites at [www.gefa.org](http://www.gefa.org) and [www.efc.unc.edu](http://www.efc.unc.edu). In addition to survey results, you will also be able to access free, interactive Rates Dashboards which facilitate rate comparisons among utilities and give benchmarks for every rate structure in this Survey.