

# **Rate Restructure Communication Workshop**

**July 10, 2014**



**DENVER WATER**

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Manager of Rate Administration**

The year is 1994

# NAFTA



\$1.13<sup>9</sup>



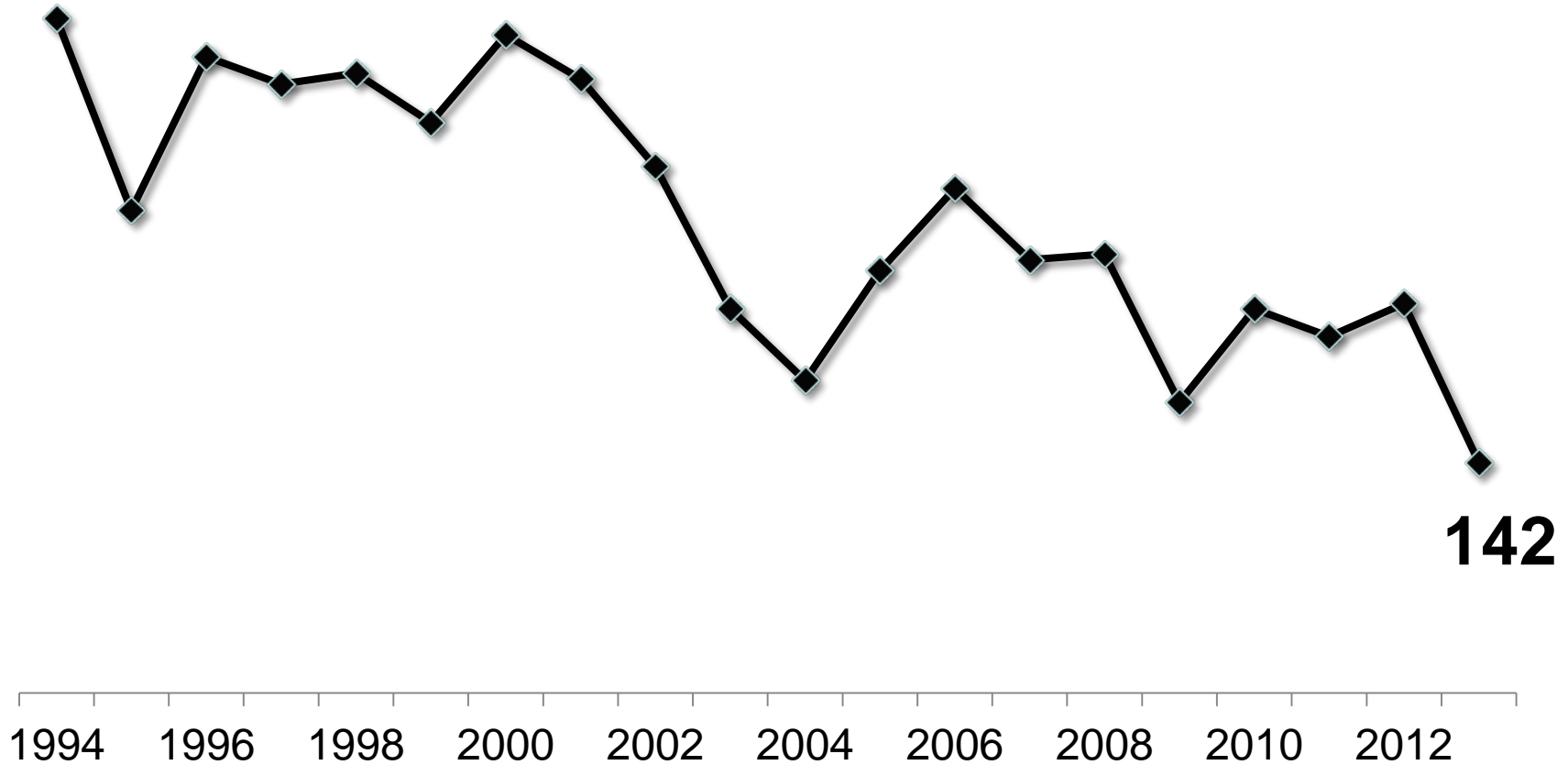
And we had just made some changes to the rate structures

- **Created a duplex customer class**
  - Included units up to a 5-plex in 1996
- **Nonresidential went from decreasing block rate to uniform**
- **Residential first block was reduced**

# Water use looked a lot different in 1994

## Gallons per Capita per Day

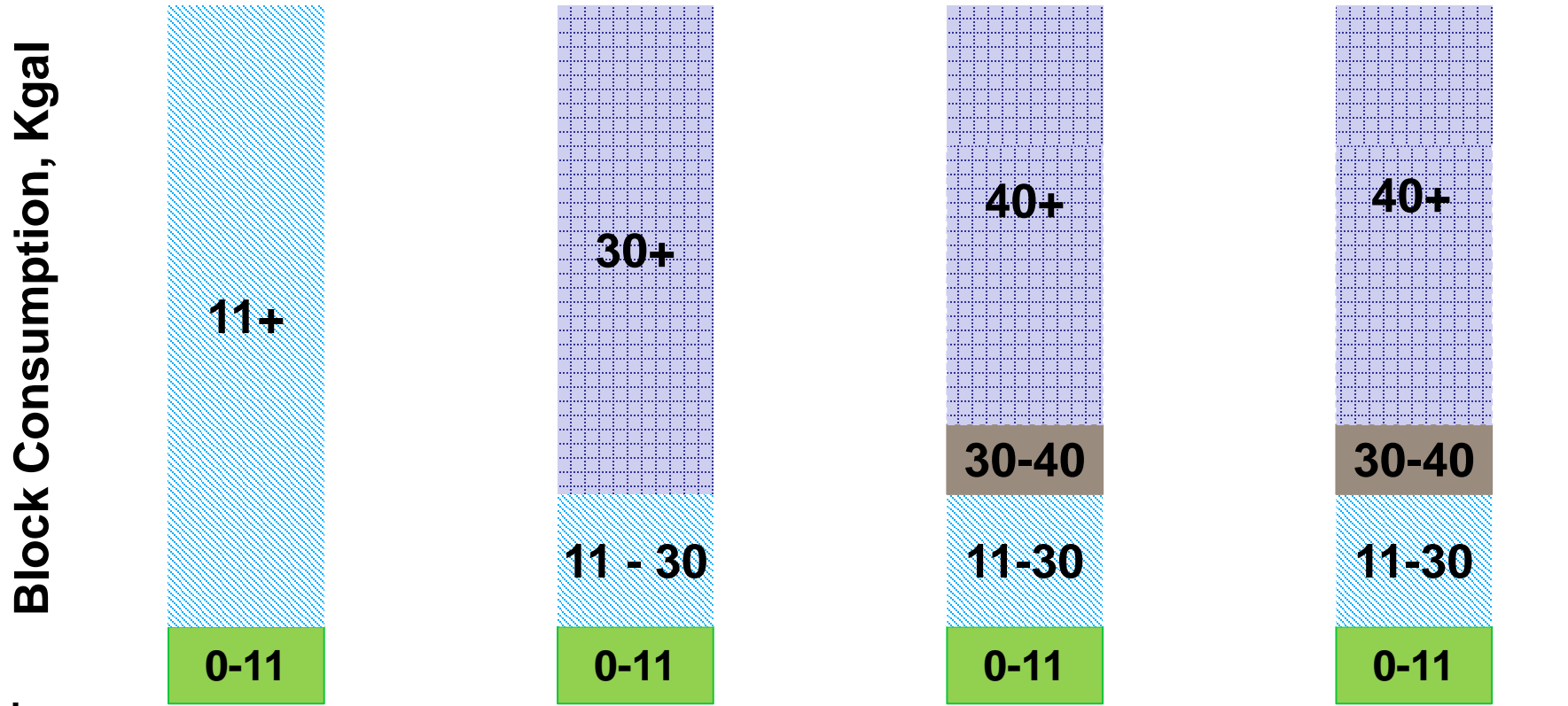
223



Source: 2013 Annual Report

# Single Family

We added blocks over the years



Price Ratio

1994

1999 Update

2006 Update

2007 Update

Block 1 1.00

1.00

1.00

1.00

Block 2 1.20

1.20

1.20

2.00

Block 3 1.50

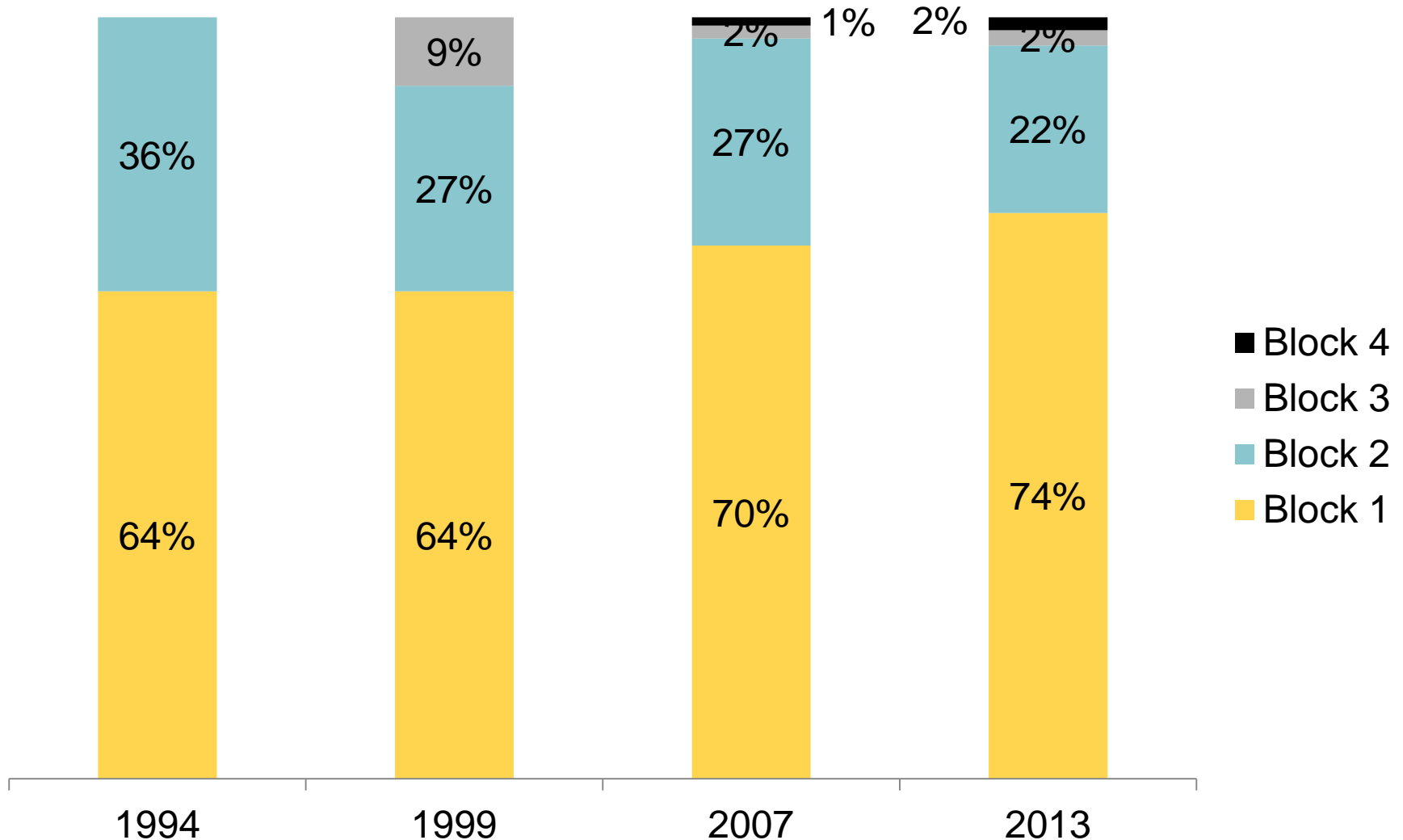
1.50

3.00

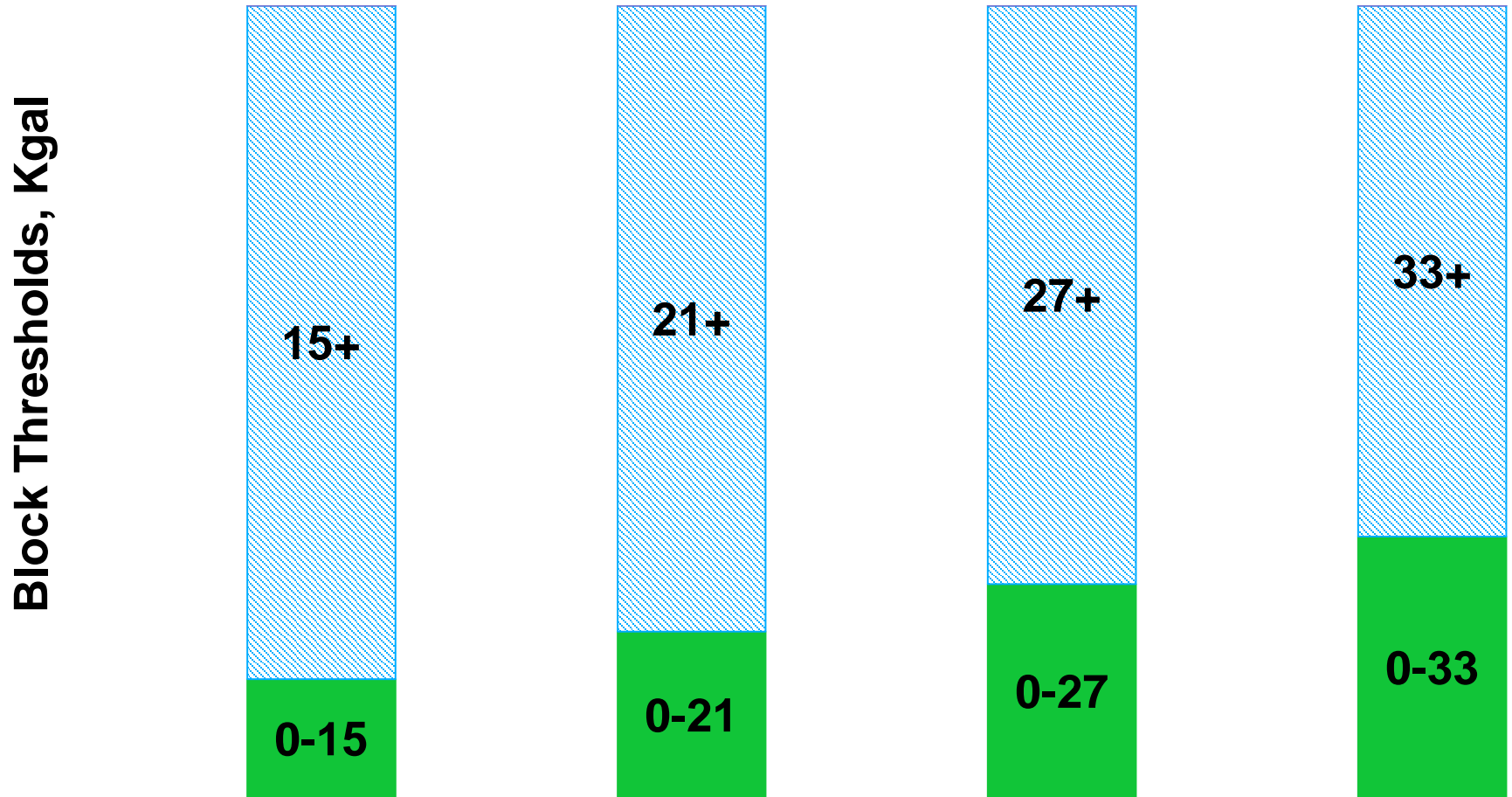
Block 4 2.00

4.00

# Percent of use captured in each block has changed



# But multifamily has remained unchanged since 1996



**Price Ratio**

**Duplex**

**3-plex**

**4-plex**

**5-plex**

Block 1

1.00

1.00

1.00

1.00

Block 2

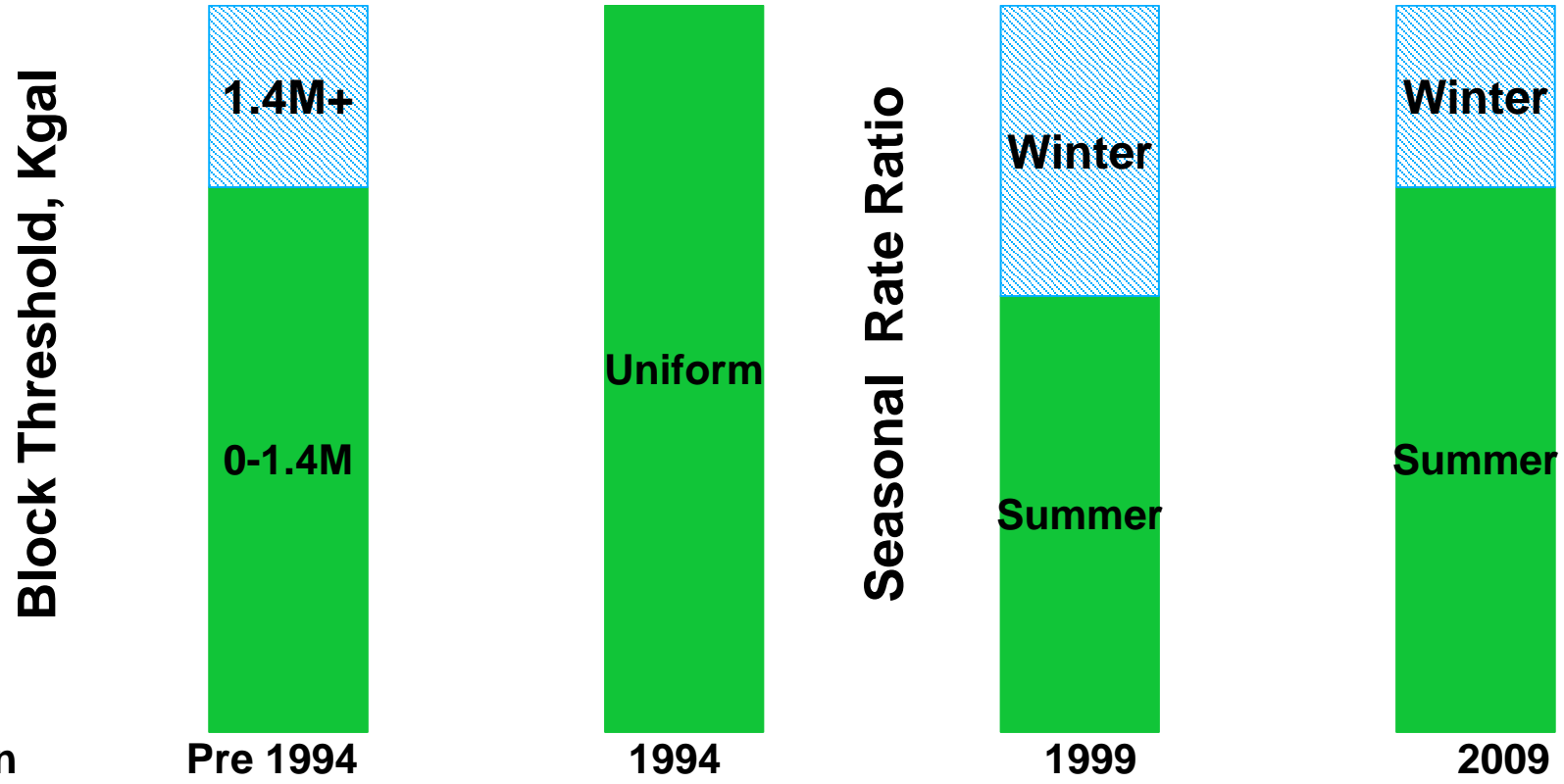
1.20

1.20

1.20

1.20

# Nonresidential Declining to seasonal rate





# Guiding principles frame the goals of the study in plain language

- **Creates a pricing structure that is fair, equitable and easily understood.**
- **Creates a pricing structure that is, as the City Charter requires, as low as good service will permit and is based on the cost to provide service for the water used.**
- **Supports a financially strong and stable organization to ensure our customers have reliable, high-quality water now and in the future.**
- **Promotes opportunities for our customers to benefit in the wise use of water through continued conservation and efficiencies.**

# Successfully communicating change requires a proactive outreach strategy

*Rate structures affect every customer. Once adopted, changes must be communicated.*

- **Outreach strategies**
  - “Lessons learned” workshop
  - Timely political outreach
  - Residential customer survey
  - Engage key influencers
  - Focus groups for specific customer groups
  - Coordination of media relations, social media, and communication materials