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Volumetric Water Rates - How is California Faring?

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Council Best Management Practices

Utility Operations

1.4 Retail Conservation Pricing

What is Conservation Pricing?

"Provides economic incentives (a price signal) to customers to use water efficiently."

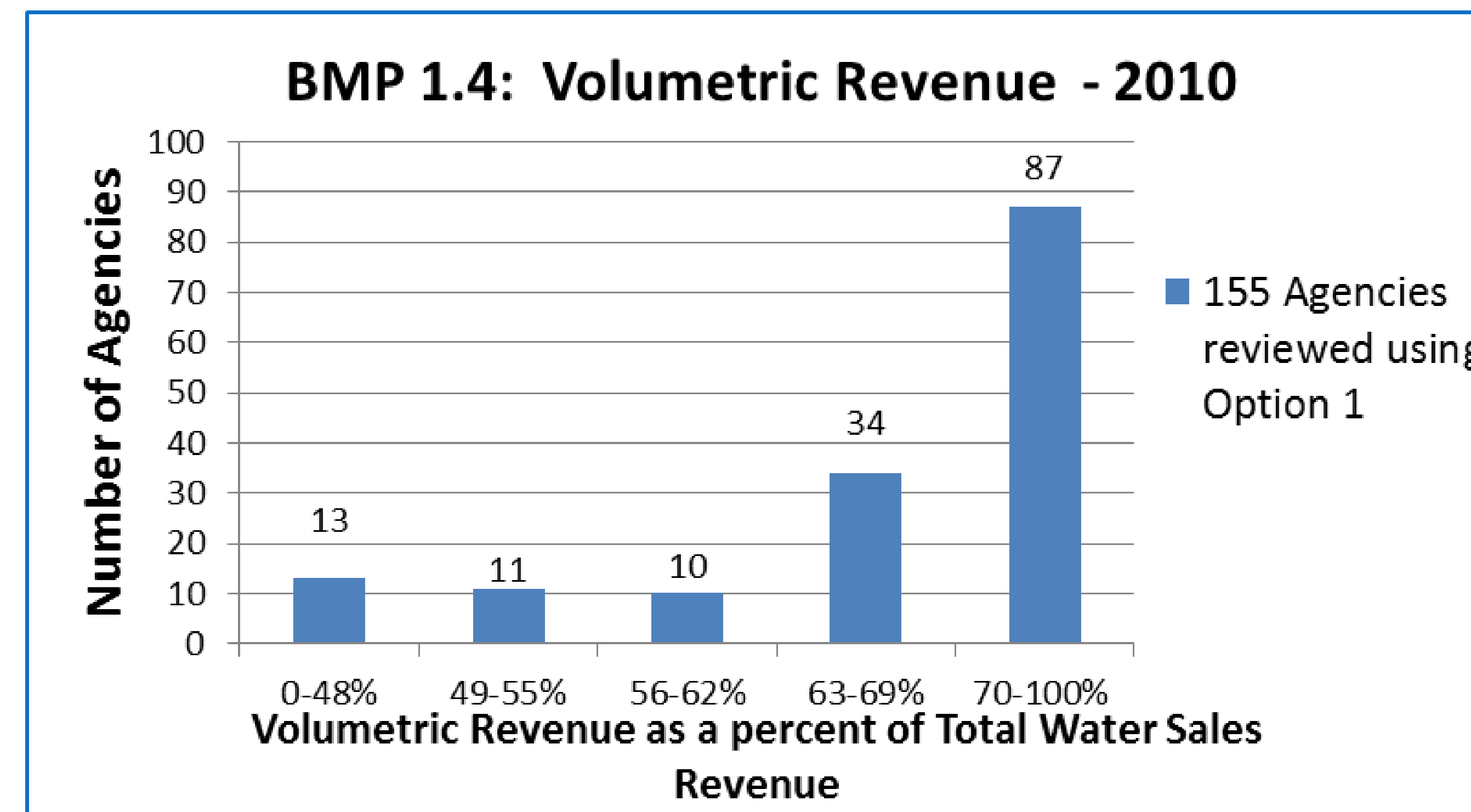
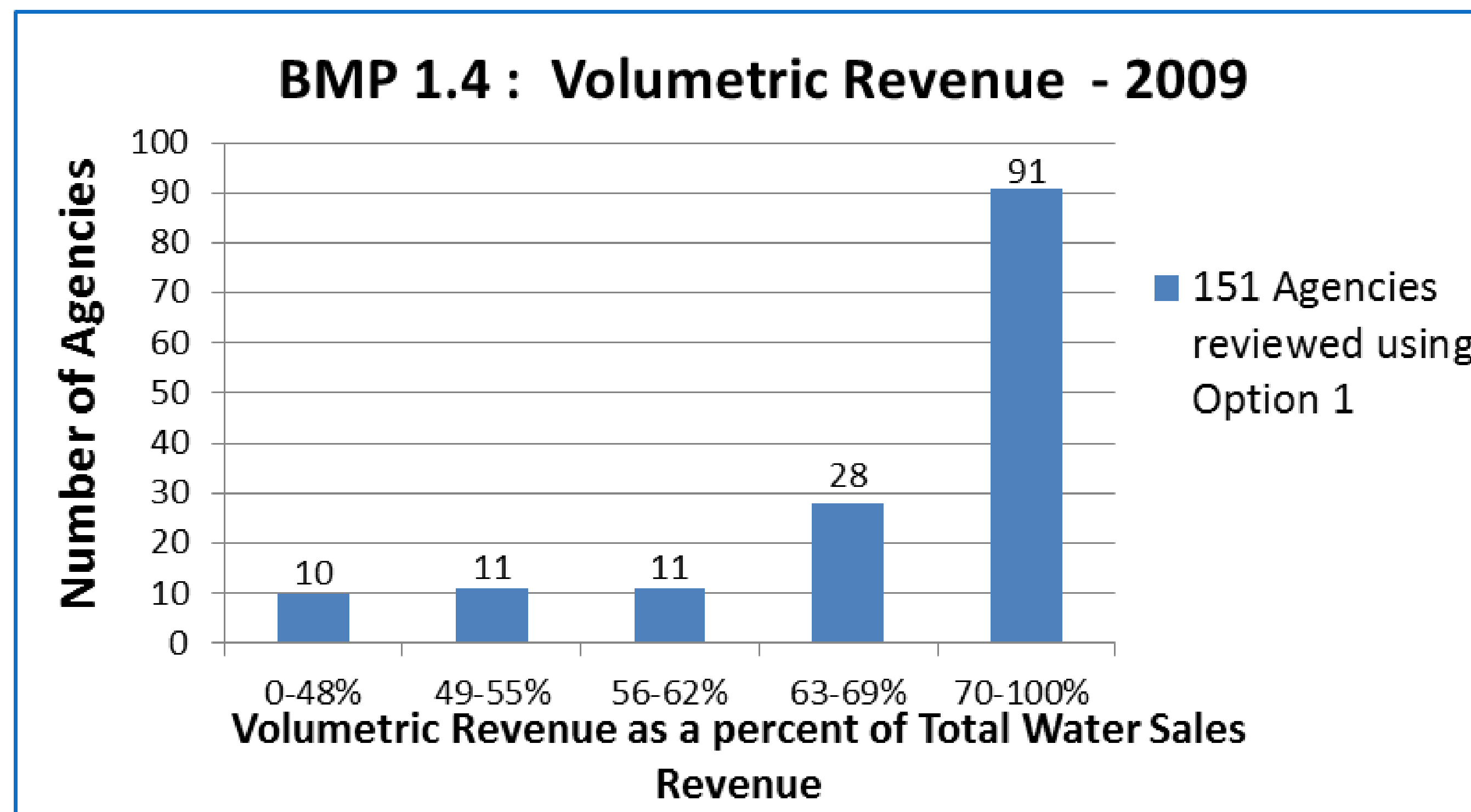
"...the goal of this BMP is to recover the maximum amount of water sales revenue from volumetric rates that is consistent with utility costs (which may include utility long-run marginal costs), financial stability, revenue sufficiency, and customer equity."

BMP 1.4 Refinement

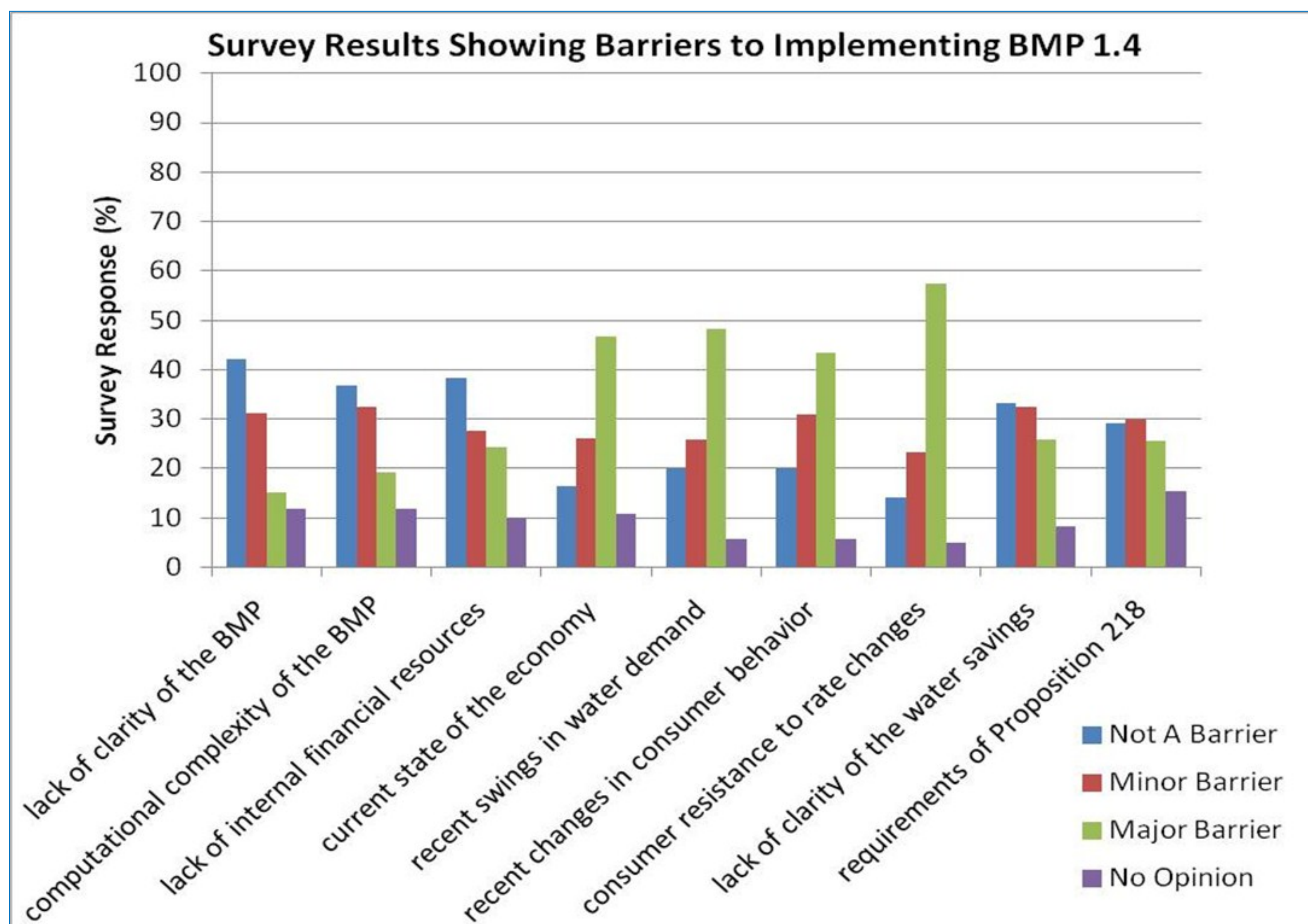
The following research was completed to assist the refinement committee with its tasks of developing "further refinements as needed to improve the BMP's effectiveness":

- 1) assess rate of compliance with the revised BMP
- 2) identify barriers to implementation

1) BMP 1.4 Implementation Status Assessment *



*For Option 1, Agencies are in compliance if their volumetric revenue is equal to or greater than 70% of their total water sales revenue. Agencies have four years, until 2011 for most agencies, to attain this threshold.



2) Barrier Survey Question:
To what extent do you feel the following is a challenge or barrier to the implementation of BMP 1.4 among urban water agencies in general?

