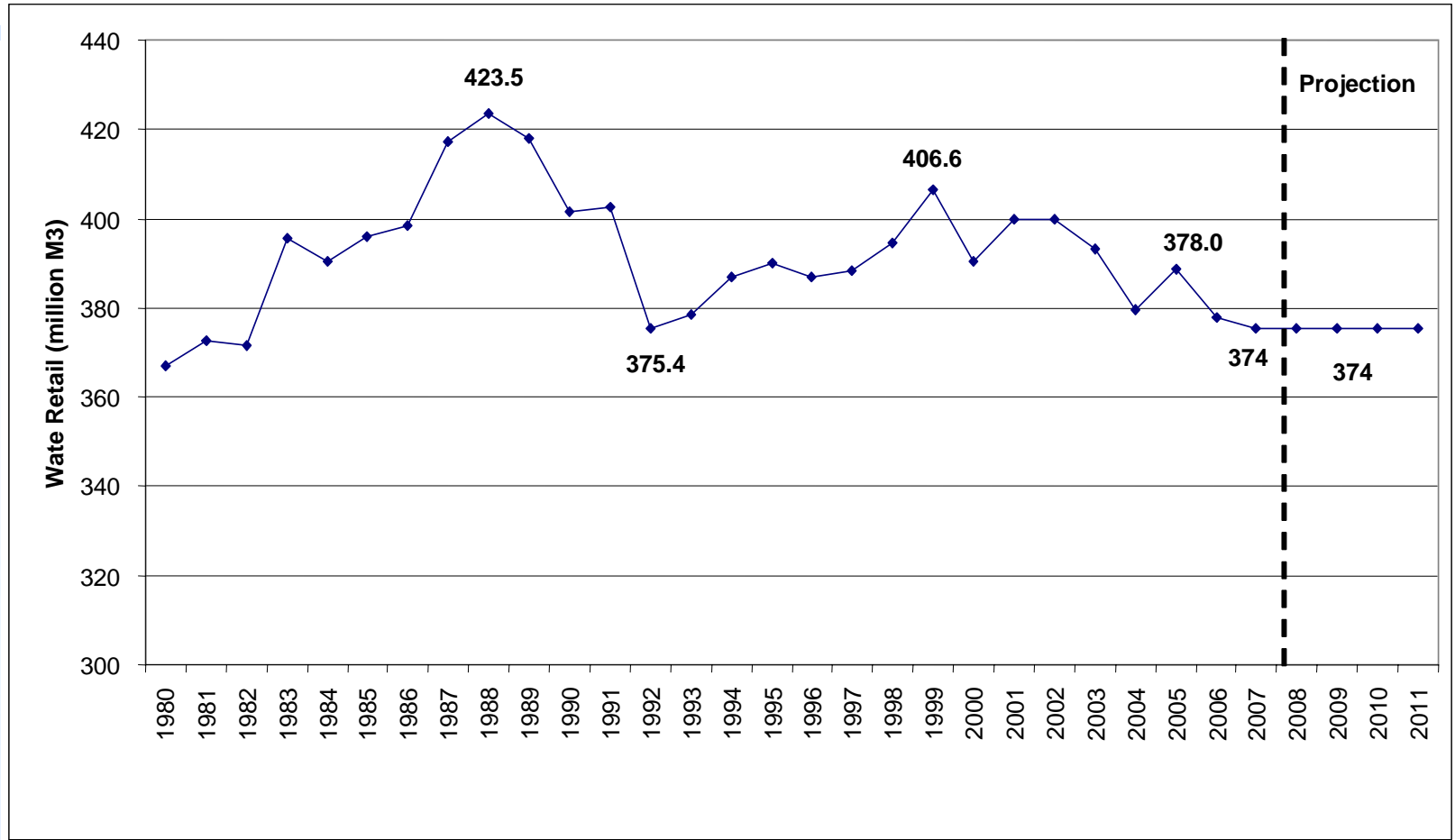# 2008 Water Rates and Rate Restructuring

Presentation to

Budget Committee

October 16, 2007

TORONTO

Water Consumption and Forecast

Current (2007) 7 Block Rate Structure

Volume of water used or fraction thereof, calculated daily	2007 Rates $/m3
For the first 240 m3 of water used per year	1.5740
For the next 5,760 m3 of water used per year	1.6270
For the next 6,000 m3 of water used per year	1.6404
For the next 48,000 m3 of water used per year	1.6242
For the next 60,000 m3 of water used per year	1.6120
For the next 120,000 m3 of water used per year	1.6255
For any volume over 240,000 m3 of water used per year	1.5340

Corporate Finance - 2008 Water Rate and Rate Restructuring

2008 Rate Restructuring

➢ 7 block rate structure following amalgamation in 1998 to harmonize the rates of former municipalities

➢ Rate structure to be reviewed after harmonization completed

➢ Consultation process with Stakeholders and General Public in 2005-2006

➢ New rate structure adopted by Council June, 2007 providing single rate for domestic consumption and lower rate for industrial process use in order to enhance economic competitiveness

  • *The new rate structure provides rebates for low income seniors and people with disabilities*

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Corporate Finance - 2008 Water Rate and Rate Restructuring

Rate Restructuring
Effective January 1, 2008

- Single domestic-use rate for All consumers - **TIER 1**

- Second lower process use rate for the Industrial Tax class - **TIER 2**
  - 20% reduction from TIER 1 rate on volume consumed > 6,000 m3
  - limit future TIER 2 rate increases to one-third of domestic use until 30% reduction achieved

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Corporate Finance - 2008 Water Rate and Rate Restructuring

Projected 2008 Rates

TIER 1 - $1.7352/m3 - All   **TIER 2** - $1.3881/m3 – Industrial

Example

Consumption m3	2007 Effec Rate $/m3	2007 Avg Bill $/year	2008 Effec Rate $/m3	2008 Avg Bill $/year	2008 Increase*		2008 Effec Rate Incr %
					$/year	$/month	
Average Residential Home (315 m3/y)	1.5866	$500	1.7352	$547	$47	$4	9.36%
Industrial Tier 2 (100,000 m3/y)	1.6203	$162,033	1.4089	$140,893	-$21,141	-$1,762	-13.05%

*2007 average residential increase based on approved 9% annualized rate increase - $40

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