



Billings Heights Water District Board Meeting Pricing Objectives Ranking

Please rank these 10 rate characteristics from 1 (least important) to 10 (most important).

- _____ **Revenue Stability:** Rate structure should generate stable and predictable revenues sufficient to meet annual revenue requirements, bond covenants, and other financial requirements.
- _____ **Equity Between Classes:** Equity between customer classes. Through a cost-of-service analysis, costs are recovered proportionately from each customer class' rate structure based on their unique demand characteristics.
- _____ **Equity Within a Class:** Equity between customers within a class. This equity is maximized when the rate structure results in individual customers paying their cost to receive service based on their unique demand characteristics.
- _____ **Equity Between Existing and New Customers:** Equity between new and existing customers. New customers should not present a cost burden to existing customers. The rate structure should exclude those costs associated with meeting the service requirements of new customers.
- _____ **Conservation Pricing Signal:** The rate structure should contain a pricing signal that encourages the wise use of water.
- _____ **Demand Management:** The rate structure should contain a pricing signal to promote the efficient consumption of water during peak usage periods.
- _____ **Essential Use Affordability:** A rate structure should provide essential water use at the lowest possible cost while allowing the utility to generate revenue sufficient to maintain their financial health.
- _____ **Customer Understanding:** Rate structure should be subject to as few misinterpretations by the customer. Rate structure should be consistent with other water use-related communication from the utility.
- _____ **Impact on Customers:** Changes in a rate structure should be implemented in a manner that minimizes bill shock and minimizing the variability of shock among customer classes.
- _____ **Ease of Administration and Implementation:** Rate structure should be compatible with existing billing and accounting systems. Information needed for rate structure implementation and administration should be based on readily available, accessible, and manageable data.

Name: _____

Date: _____