



MDC RESIDENTIAL WATER RATES SINCE 2008

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THE METROPOLITAN DISTRICT COMMISSION

Created by a special act of the legislature in 1929, the MDC currently provides water supply, water pollution control, mapping, and household hazardous waste collection services to eight member towns (Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor). It also supplies water to several nonmember towns, including parts of East Granby, Farmington, Glastonbury, and South Windsor.

For additional information about MDC water rates and how they are determined, see OLR Reports [2013-R-0218](#) and [2013-R-0313](#).

QUESTION

How have the Metropolitan District Commission's (MDC) residential water rates for member and nonmember towns changed since 2008?

SUMMARY

Charges for MDC's residential water customers can be based on up to four different components, the (1) water rate (based on the volume of water used), (2) customer service charge, (3) nonmember town surcharge, and (4) special capital improvement surcharge. While the water rate and customer service charge apply to all customers, those receiving service in nonmember towns must also pay the nonmember town (NMT) surcharge. Customers in some nonmember towns must also pay the special capital improvement surcharge to cover costs of capital improvements that only benefit their town. (As this surcharge is town and project-specific, it is not further discussed in this report.)

Since 2008, MDC's residential water rate has increased 14.5%, from \$2.21 per 100 cubic feet, to \$2.53, as proposed for 2014. The customer service charge has increased 181.2%, from \$14.38 to \$40.44 per quarter, and the NMT surcharge has increased 301.5%, from \$12.39 to \$49.74 per quarter. However the \$49.74 NMT surcharge proposed for 2014 is a 53% decrease from 2013, when it was \$105.75 per quarter.

As discussed in OLR Reports [2013-R-0218](#) and [2013-R-0313](#), the large increase in NMT charges stemmed from MDC's decision to shift recovery for part of the costs of its infrastructure from the water rate to the customer service and NMT charges. Through the NMT charge, it began recovering the unamortized capital costs associated with \$80 million of infrastructure that serves all customers but historically had only been paid for by customers in member towns. According to the [MDC](#), the 53% decrease in the NMT charge proposed for 2014 occurred because, among other things, MDC increased its assumed payment schedule from roughly five years to approximately 25 years.

Table 1 shows MDC's water rates, customer services charges, and nonmember town surcharges from 2008 through 2014 for customers with 5/8" meters (i.e., residential customers).

Table 1: MDC Residential Water Charges Since 2008

Year	Water Rate (\$ per 100 cubic feet)	Customer Service Charge (\$ per quarter)	Nonmember Town Surcharge (\$ per quarter)
2008	\$2.21	\$14.38	\$12.39
2009	\$2.07	\$13.47	\$11.61
2010	\$2.12	\$13.80	\$11.88
2011	\$2.35	\$15.30	\$13.17
2012	\$2.43	\$39.30	\$39.54
2013	\$2.50	\$40.44	\$105.75
2014 (revised proposal, 11/18/13)	\$2.53	\$40.44	\$49.74

Sources: 2008: <http://www.themdc.com/billinsertwinter08.pdf>;
 2009: <http://www.themdc.com/billinsertwinter09.pdf>;
 2010: <http://www.themdc.com/BillInsert10-1.pdf>;
 2011: <http://www.themdc.com/BillInsert11-1.pdf>;
 2012: <http://www.themdc.com/BillInsert12-1.pdf>;
 2013: <http://www.themdc.com/BillInsert-2013.pdf>;
 2014: <http://www.themdc.com/pr111813.pdf>

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