Background

In 2004, the state of Texas's regional water planning groups, water providers and water users were offered the Water Conservation Best Management Practices Guide as a tool to plan and design effective conservation programmes. Among the BMPs cited is water conservation through water pricing.

Aim

Preventing land subsidence, addressing water shortages, providing environmental protection and water system improvements by water conservation pricing in the state etc.

Approach

This BMP was intended for all municipal-water-user group 'utilities' wishing to send price signals to customers to encourage water conservation. A utility may have already accomplished this BMP if it has a conservation price structure. Conservation pricing is characterized by the following:
- Rates for single family residential and other customer classes may be set differently to reflect the different demand patterns of the classes.
- Rates based on individual customer water budgets in which the unit cost increases above the water budget. Water budget rate structures are based on the philosophy that a certain amount of water is adequate for all normal necessary uses, and uses above that amount are considered excessive and charged as excessive.
- Conservation pricing should use a consumption charge based upon actual gallons metered. The minimum bill for service should be based on fixed costs of providing that service which generally includes service and meter charges. Including an allotment for water consumption in the minimum bill does not promote conservation and it is recommended that if a minimum is included, it does not exceed 2,000 gallons per month.
- The utility should educate customers about the rate structure and use billing software that allows the customer to compare water use on their bill with average water use for their customer class as well as their individual water use for the last 12 months.

**Outcome**

As a result of the implementation of BMP, the per capita usage of 6 per cent homes in the state reduced to below 1,000 gallons per month. The goals of the conservation pricing initiatives have been met and accepted by the local constituents.

**Additional information**