

Westwood North

WATER SUPPLY CORP.

Understanding the Recent Commercial Rate Change

We understand the recent change to commercial water rates has raised some concerns. This summary is intended to explain the reasons behind the increase and provide context based on long-term financial trends in Texas and beyond.

Why the Increase Applies to Commercial Accounts

Commercial accounts tend to:

- Use significantly **more water** than residential users
- Create more consistent and **high-demand usage**
- Cause greater system wear and **infrastructure strain**


To maintain fairness and long-term sustainability, we've updated our rate structure to continue providing reliable service while equitably allocation cost across different customer types based on actual usage and system impact.

The new **tiered rate structure** for commercial accounts was approved following a detailed review of system costs, usage patterns, and operational demands. One key reason this change applies specifically to commercial accounts is that they typically use significantly more water and place continuous demand on the system—particularly during peak hours. This higher average usage directly impacts the useful life of infrastructure, treatment capacity, and maintenance costs.

Why Now?

This is the **first commercial rate increase since 1995**.

While the change may feel steep today, consider this:

 If rates had increased gradually each year instead, it would have averaged around **2.4% annually**, which is **significantly lower** than the **average annual CPI increase for water services in the U.S.**, which has ranged from **4.3% to 5%** over the past 30 years.
(Source: U.S. Bureau of Labor Statistics, CPI Series CUSR0000SEHG)

💡 By holding rates flat for decades, the system fell behind rising costs in materials, labor, and compliance. This adjustment is necessary to ensure we continue delivering **reliable, financially stable, and operationally sound** water service for years to come.