



INCREASING CONSUMER AWARENESS ON WATER SERVICE RELATED POLICIES

IRR NO. 2008-02

**IMPLEMENTING RULES AND REGULATIONS
(IRR) IN THE BILLING SCHEME AND RATE
CLASSIFICATION FOR HIGH-RISE AND
OTHER MULTIPLE DWELLINGS**

06 August 2014

- ➔ **Background**
- ➔ **Coverage**
- ➔ **Rate Classification and Billing Scheme**
- ➔ **Impact on Water Bill**
- ➔ **Status of Implementation**
- ➔ **Customer Complaints / Concerns**



Prior to the Implementation of IRR 2008-02

Different approaches in billing high-rise/multiple dwellings between Concessionaires.

Billing was generally based on actual consumption of master meter using the highest customer classification existing in said structures, which was usually "Commercial"

Based on the definition of "Mixed Business" in the Concession Agreement.

Received numerous complaints on excessive billing imposed on customers residing in high-rise / multiple dwellings compared to customers with individual connection.

Issuance of IRR 2008-02 Implementing Rules and Regulations in the Billing Scheme and Rate Classification for High-Rise and other Multiple Dwellings.

MWSS-RO Resolution No. 07-014-CA dated 08 Nov 2007 as approved by the MWSS Board of Trustees in its Resolution No. 2007-254 dated 22 Nov 2007.

Published in the Official Gazette on 29 Sept 2008.



IRR 2008-02 applies to the following building/dwelling/residence with the water service connection served by a master meter:

High-Rise Buildings — Buildings with more than five (5) stories.

Condominiums — Buildings with several unit owners under one (1) common lot which is generally used for residential purposes.

Multiple Dwellings — Structures like tenements, BLISS and townhouses/ apartments located in a compound.

Multiple dwellings with more than 2 floors except for dwellings configured as single units having a maximum of 3 floors, with a plumbing system that is separate and distinct from those of other units.

Multiple dwelling which has any of the following on-site installations:

- 1. Overhead water tanks**
- 2. Underground reservoirs / cisterns**



RATE CLASSIFICATION & BILLING SCHEME

% Residential Occupancy	Rate Classification	Billing of Master Meter
100% (Purely Residential)	Residential	<u>Average Residential (AveRes)</u> Actual Average Consumption using Residential Rate
At least 75%	Semi-Business	<u>Average Semi-Business (AveSem)</u> Actual Average Consumption using Semi-Business Rate
Less than 75%	Commercial	<u>Commercial (COM)</u> Actual Consumption using Commercial Rate



RATE CLASSIFICATION & BILLING SCHEME

$$\text{\% Residential Occupancy} = \frac{\text{Number of Occupied Residential Units}}{\text{Total Number of Occupied Units (residential + non-residential units)}} \times 100\%$$

$$\text{Actual Average Consumption} = \frac{\text{Actual Consumption Registered in the Master Meter}}{\text{Total Number of Active Units (occupied and served)}}$$

Master Meter A large water meter which registers the consumption of the building and multiple dwellings and is used as a basis for billing the water consumption.



IMPACT ON WATER BILL

Account Number : 11234345 (MWCI CUSTOMER)

Total Number of Active Units : 17

Master Meter Consumption : 281 m³
(March 2010 billing)

Actual Average Consumption : $281 \text{ m}^3 / 17 = 16.53 \text{ m}^3$

	Old Scheme	Based on IRR 2008-02
Rate Class / Billing Scheme	Residential/ Master Meter cons	Average Residential
Total Cost	P 10,956.10	P 3,296.09
Cost / m³	P 38.99	P 11.73
% Reduction = 70%		



Manila Water Company, Inc.**Billing Scheme: Average Residential (for 100% Residential Occupancy)**

Given: Actual Consumption of Master Meter (ACM)	=	281 m³
Number of Active Units (NAU)	=	17
Actual Average Consumption (ACM/NAU)	=	16.53 m³/active unit

Bill Computation: Based on the 2010 Residential Rates

Basic Charge for 16.53 m³	1st 10 m³	(10 m³)	=	81.74
(Per Active Unit)	Next 10 m³	(6.53 m³ * 9.97)	=	65.10
	Total		=	146.84

Total Basic Charge for

Master Meter (TBC)	=	Basic Charge for 16.53 x NAU	
	=	146.84 x 17	= 2,496.28

Other charges:

FCDA	=	1.58% of TBC	=	39.44
EC	=	16% of (TBC + FCDA)	=	405.72
MSC	=	meter size 50 mm	=	1.50
VAT	=	12% of All Charges	=	353.15
TOTAL	=	Charge for 281 m³	=	3,296.09
		Cost / m³	=	11.73



IMPACT ON WATER BILL

Account Number : 57743486 (MWSI CUSTOMER)
Total Number of Active Units : 13
Mother Meter Consumption (Oct 2010 billing) : 181 m³
Actual Average Consumption : $181 \text{ m}^3 / 13 = 13.92 \text{ m}^3$

	Old Scheme	Based on IRR 2008-02
Rate Class / Billing Scheme	Residential / Master Meter cons	Average Semi-Business
Total Cost	P 8,675.66	P 3,548.17
Cost / m³	P 47.93	P 19.60
% Reduction = 59%		



IMPACT ON WATER BILL

Account Number : 17720281 (MWCI CUSTOMER)
Total Number of Active Units : 393 (Commercial = 21 units;
 Residential Occupancy = 95%)
**Master Meter Consumption
 (May 2010 billing)** : 2,116 m³
Actual Average Consumption : $2,116 \text{ m}^3 / 393 = 5.38 \text{ m}^3$

	Old Scheme	Based on IRR 2008-02
Rate Class / Billing Scheme	Commercial / Master Meter cons	Average Semi-Business
Total Cost	P 139,250.72	P 49,458.44
Cost / m³	P 65.81	P 23.37
% Reduction = 64%		



IMPACT ON WATER BILL

Account Number : 55425127 (MWSI CUSTOMER)

Total Number of Active Units : 333 (Commercial = 50 units);
Residential Occupancy = 85%

Mother Meter Consumption : 9,515 m³
(Jan 2011 billing)

Actual Average Consumption : $9,515 \text{ m}^3 / 333 = 28.57 \text{ m}^3$

	Old Scheme	Based on IRR 2008-02
Rate Class / Billing Scheme	Commercial / Master Meter cons	Average Semi-Business
Total Cost	P 787,803.54	P 303,336.21
Cost / m³	P 82.80	P 31.88
% Reduction = 61%		



STATUS OF IMPLEMENTATION**Number of Reclassified / Converted
Accounts as of June 2014**

MWCI	520
MWSI	1,099



CUSTOMER COMPLAINTS / CONCERNS

- ➔ **Request to revise / amend IRR 2008-02 to extend its benefits to more customers residing in high-rise, condominiums and other multiple dwellings.**
- ➔ **Request for individual connection.**
- ➔ **Request for separate meters for non-residential units to separate consumption from residential units.**
- ➔ **Complaint on exorbitant additional water charges imposed by owner / building administrator and other water related disputes between building administrator and unit owner/tenant (Beyond the jurisdiction of MWSS-RO / Concessionaires)**
- ➔ **Customer classification issues – will be addressed in a separate IRR**



IRR NO. 2013-04

**2013 REVISED IMPLEMENTING RULES AND
REGULATIONS (IRR) IN THE BILLING SCHEME
AND RATE CLASSIFICATION FOR HIGH-RISE
AND OTHER MULTIPLE DWELLINGS**



- ➔ **Revised Rate Classification and Billing Scheme**
- ➔ **Rules on Rate Classification Determination**
- ➔ **Procedures / Guidelines For The Rate Re-Classification and Change in Billing Scheme**
- ➔ **General Provision**



REVISED RATE CLASSIFICATION AND BILLING SCHEME

% Residential Occupancy		Rate Class / Billing of Master Meter
IRR 2008-02	IRR 2013-04	
100% (Purely Residential)	100% (Purely Residential)	Average Residential (AveRes) Actual Average Consumption using Residential Rate
At least 75%	At least 50%	Average Semi-Business (AveSem) Actual Average Consumption using Semi-Business Rate
	At least 25% but less than 50%	Average Commercial (AveCom) Actual Average Consumption using Commercial Rate
Less than 75%	Less than 25%	Commercial (COM) Actual Consumption using Commercial Rate



RATE CLASSIFICATION DETERMINATION

Rules

- ➔ **Condominiums, High-Rise and Other Multiple Dwellings still under construction shall be classified as Industrial Customers.**
- ➔ **Initial Rate Classification for newly constructed and unoccupied buildings shall be determined based on the ratio of Residential to Non-Residential units as built and/or as sold.**
- ➔ **The administrative office shall be considered as a Residential unit for purposes of determining the ratio of Residential to Commercial units of Condominiums, High-Rise or Multiple Dwellings.**



RATE CLASSIFICATION DETERMINATION

Rules

- ➔ **For currently occupied buildings, the declaration and/or listing in the records of the building administrator shall be presumed correct unless verification by the Concessionaires shows otherwise.**
- ➔ **Where the information provided by the building administrator could not be verified, the Concessionaires may determine the proper Rate Classification based on other available information.**
- ➔ **The Concessionaires shall periodically verify the occupancy level of these High-Rise Buildings/Multiple Dwellings and/or residences for the necessary changes in the Rate Classification.**



GENERAL PROVISION

As provided in the Concession Agreement (CA), the Concessionaires shall advise their affected Customers that when technically feasible, they may opt to apply for a separate connection for each household or for each type of activity.

