

**Why do I pay a “Ready to Serve” Charge?** The “Ready to Serve” fee is charged whether or not electric, water or sewer is used by the resident to cover maintenance of the systems supporting customers and fixed business costs associated with management of that utility.

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**BACKGROUND:** In 2010, the BPW determined that there was a need to charge its customers for facility maintenance in order to maintain quality customer service. A “Ready to Serve” fee is charged whether or not electric, water or sewer is used by the resident. All customers connected to the system are charged this fee on a monthly basis. The “Ready To Serve” charges are assessed in addition to actual commodities consumed (gallons of water, kilowatts of electricity, etc.) and the processing of wastewater. The “Ready to Serve” charge monies are used by the BPW to maintain the water, sewer and electricity facilities and systems serving its customer base. The use of a “Ready to Serve” charge is not a unique approach to operating utility business. There are utilities across the country employing a similar approach to business operations.

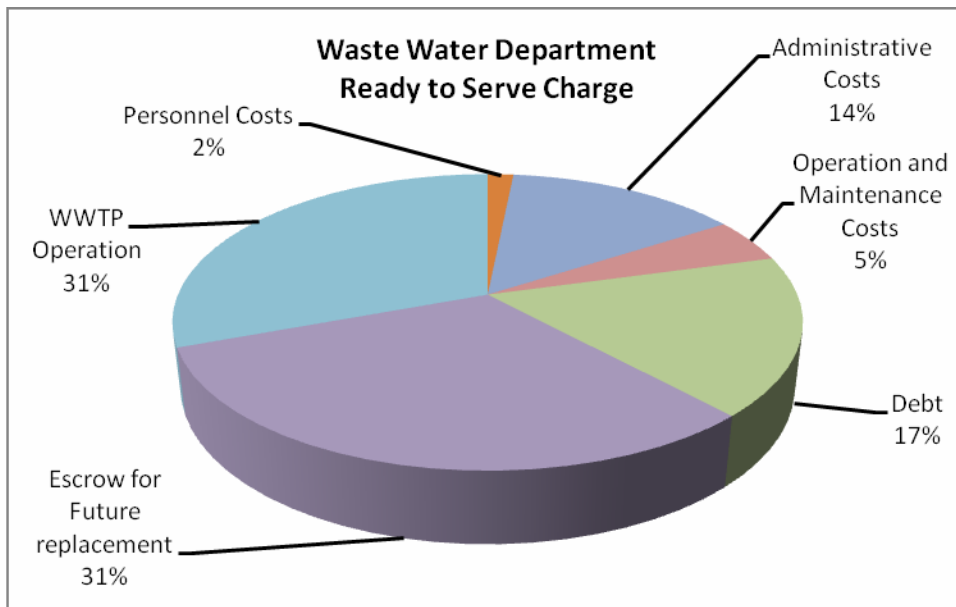
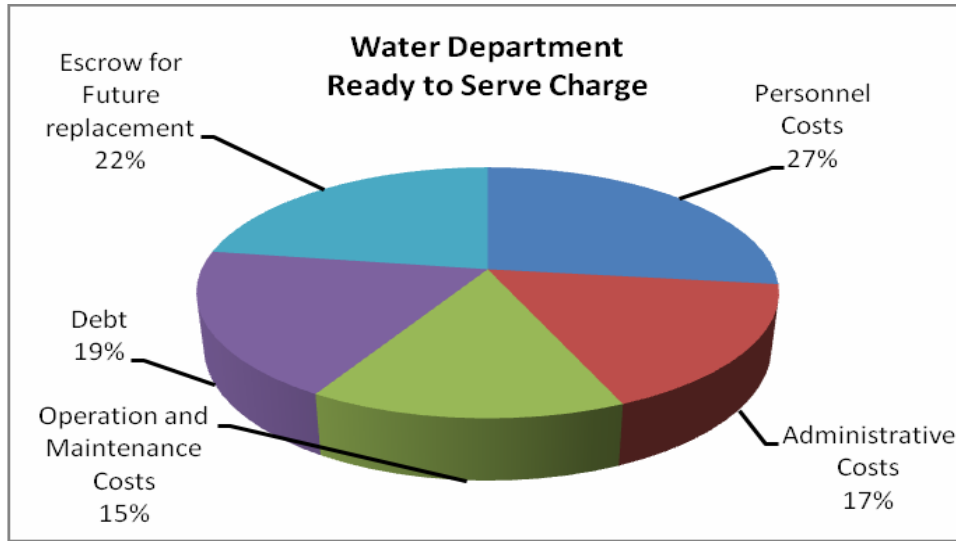
The electric, water and sewerage "Ready to Serve" charge on your bill is calculated based on the size of your meter. The size of a house meter is typically based on how anticipated consumption determined by the contractor who built the house. As long as the meter is installed, you will be billed the service charge. The charge is based on BPW’s infrastructure and management overhead costs even if you don’t use any electric, water or sewer services.

These costs include maintaining the wastewater treatment plant, water treatment and pumping station, water wells as well as the miles of electrical transmission lines, transformers and other electric facilities; miles of water pipe and sewer main; 300 fire hydrants and rent on the BPW portion of City Hall. Additionally, a significant portion of each “Ready to Serve” covers repayment of the BPW long term debt. Monies borrowed were through the City of Lewes as general obligation bonds to the public and the State of Delaware Revolving Funds to pay for capital projects of the electric, water, storm water and sewer departments.

Lewes has a large seasonal population with a significant number of the BPW customers only requiring utilities for a portion of the year. Despite this large group on non-full-time residence, the BPW must “be ready” at all times to serve the needs of all customers regardless of their individual consumption. The management and maintenance of electric, water, and sewer systems is not lessened by individual usage. The requirement to meet full use of these systems must be available at all times.

**STATUS:** The “ready to serve” rates were established based on a cost of service study done by an outside engineering firm in 2010. In May 2011, the first action of the newly elected Board of Directors was to suspend the 2011 rate increase because efficiencies in system maintenance enabled the approval of a 2011 budget at the 2010 rates.

**BUDGET DATA: What every dollar of the “Ready To Serve” charge pays for**



**QUESTIONS:** If you have further questions about the basis for the **“Ready to Serve”** charge, please contact the BPW General Manager, Darrin Gordon: 302-645-6228 or go to [customerservice@lewesbpw.com](mailto:customerservice@lewesbpw.com)