



WEST VIRGINIA  
AMERICAN WATER

WE KEEP LIFE FLOWING™

# DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

## What is a Distribution System Improvement Charge?

- A Distribution System Improvement Charge or “DSIC” is a small surcharge on top of your current water rates that covers the cost of certain water infrastructure improvement projects determined by the Public Service Commission (or PSC) to be appropriate and in the public interest.
- A DSIC allows for up-front PSC review and approval of our proposed infrastructure improvement program each year, and then provides a way for all customers, who ultimately benefit from these investments, to make very small payments toward them each month.
- Each year, we present a proposal to the PSC which includes plans for infrastructure projects the following year to help determine the appropriate surcharge amount.

## Why does West Virginia American Water have a DSIC program?

- The purpose of a DSIC is to address the critical challenge of aging infrastructure in West Virginia by directing additional investment to areas where improvements are needed – particularly focusing on replacing aging water mains.
- This program has allowed us to move from a 400-year replacement cycle on our water mains in West Virginia to approximately a 100-year replacement cycle. This cycle puts us in line with industry-recommended best practices, and it’s a target that most water utilities are unable to meet.

## How is the DSIC reflected on customer bills?

- The DSIC surcharge is reflected on your bill as a separate line item called “Distribution System Improvement Charge.”
- It’s typically anywhere from a few cents to a few dollars each month.
- The DSIC surcharge means that our customers pay a very small monthly surcharge on their water bills that translates into significant annual infrastructure investment.

### **Does this mean I'm paying for improvements twice - both in my regular water rates and through this surcharge?**

- No. At no point will the same investment be in both rates at the same time. This surcharge is allocated only toward infrastructure projects that are part of our plan that is pre-approved by the PSC.
- This program actually reduces our PSC approved base rate increases, because rather than us asking for recovery of larger amounts of investments all at one time every few years, our customers are already paying toward these investments each year.

### **How does the DSIC benefit customers and not just the company?**

- When we're replacing old water mains and other water infrastructure at a much quicker pace, our customers get more reliable service, experience fewer unplanned outages from water main breaks, have better water quality and benefit from improved flows for fire protection.
- Customers can actually see this surcharge at work by visiting our website at [westvirginiaamwater.com](http://westvirginiaamwater.com) and clicking on the [Infrastructure Upgrade Map](#) icon on the home screen.

### **When does the DSIC go into effect?**

- Each June, we file an application with the Public Service Commission to review the DSIC program for the following year. Once reviewed and approved by the PSC, new DSIC rates go into effect on January 1 each year. We always strive to be transparent with our customers, and we work to make sure everyone is aware of this change on their bill prior to January 1.

### **How is West Virginia American Water helping customers in need?**

- West Virginia American Water recognizes that some families face economic challenges and offers two assistance programs for customers who are struggling to pay their bills:
  - We help fund the West Virginia Utility Assistance Program Dollar Energy Fund, through which eligible customers may receive one grant per year, per household applied directly to their water bill.
  - We also offer a Special Reduced Rate Residential Service (SRRRS) program, which provides a 20 percent discount on residential water rates year round for low-income customers determined eligible by the West Virginia Department of Health & Human Resources.

### **Where do I find additional information?**

- Additional information on the DSIC can be found at [westvirginiaamwater.com](http://westvirginiaamwater.com) by clicking "[Your Water and Wastewater Rates](#)" under the Customer Service & Billing tab.
- Information on our customer assistance programs can be found at [westvirginiaamwater.com](http://westvirginiaamwater.com) by clicking "[Low Income Programs](#)" under the Customer Service tab.