

## RSQ 01-19 DRAFT SCOPE OF SERVICE FOR RATE STUDY

**Project: Professional Services FY 2019 Rate Study**  
**Date: November 5, 2018**

Prepare rate studies and cost allocation assessment for the four (4) UCNSB utilities.

### **Task A – (General)**

1. Data Collection
2. Kick off Meetings
3. Review of Current Practices
4. Report and Recommendations
5. Schedule (not to exceed 4 months including data collection)
6. Executive Summary

### **Task B, C, and D – (Water, Waste, and Reclaimed systems)**

1. Water Resources Rate Study Revenue Requirements
  - a. Internal Cost Allocation Study
    - i. Review the existing allocation / assignment methodologies used to allocate centralized costs for
      1. Engineering
      2. Administration,
      3. IT
      4. HR
      5. Finance / Customer Service
    - ii. Assessment of existing methodologies
  - b. Recommendations to any changes in methodologies. Development of a five year projection of revenues and costs
  - c. Development of the test year revenue requirements for FY ending September 30, 2018 and the five subsequent FYs ending September 30, 2019, 2020, 2021, 2022, 2023.
  - d. Collection and analyses of summary data
  - e. Review of the adequacy of existing rates
  - f. Assess projected supply, treatment, pumping requirements, byproduct disposal.
  - g. Review of forecasts of customers and sales
  - h. Review of historical records
  - i. 5 year projections of revenues from current rates compared to amended rates (if any)
  - j. Review of utility expenses, debt service, capital expenditures
2. Cost of Service Study
  - a. Functionalization and classification of the test year costs.
  - b. Allocation of each utility system test year revenue requirements by utility among the UCNSB's various customer classes
  - c. Analysis of unbundled test year costs
  - d. Classifications of test year costs into
    - a. Capacity costs
    - b. Customer costs
    - c. Variable costs
  - e. Redesign of existing rates and charges
  - f. Assessment of base charge / customer charge
  - g. Assessment of tiered rates
  - h. Assessment of peak and off-peak rate categories
  - i. Comparison of existing and proposed rates.
  - j. Comparison of rates charged by select public and private Utilities.

## RSQ 01-19 DRAFT SCOPE OF SERVICE FOR RATE STUDY

- k. Draft report and presentation
- l. Two public meetings
- m. *(For Task D, Reclaimed, Assessment of major users rates)*

### Task E – (Electric)

- 1. Electric Rate Study Revenue Requirements
  - a. Internal Cost Allocation Study
    - i. Review the existing allocation / assignment methodologies used to allocate centralized costs for
      - 1. Engineering
      - 2. Administration,
      - 3. IT
      - 4. HR
      - 5. Finance / Customer Service
    - ii. Assessment of existing methodologies
  - b. Recommendations to any changes in methodologies. Development of a five year projection of revenues and costs
  - c. Development of the test year revenue requirements for FY ending September 30, 2018 and the five subsequent FYs ending September 30, 2019, 2020, 2021, 2022, 2023.
  - d. Collection and analyses of summary data
  - e. Review of the adequacy of existing rates
  - f. Assess projected demand, energy and customer forecast. Compare energy sold, generated and purchased.
  - g. Review of forecasts of customers and sales
  - h. Review of historical records
  - i. 5 year projections of revenues from current rates compared to amended rates (if any)
  - j. Review of utility expenses, debt service, capital expenditures
- 2. Cost of Service Study
  - a. Functionalization and classification of the test year costs
    - a. Power supply
    - b. Transmission
    - c. Distribution
    - d. Customers.
  - b. Allocation of each utility system test year revenue requirements by utility among the UCNSB's various customer classes
  - c. Analysis of unbundled test year costs
  - d. Classifications of test year costs into
    - a. Capacity costs
    - b. Customer costs
    - c. Variable costs
  - e. Redesign of existing rates and charges
  - f. Assessment of base charge / customer charge
  - g. Assessment of tiered rates
  - h. Assessment of peak and off-peak rate categories (time of use rates)
  - i. Assessment of net metering rates
  - j. Assessment of differential Rates for service from overhead vs underground systems
  - k. Comparison of existing and proposed rates.
  - n. Comparison of rates charged by select public and private Utilities.
  - o. Draft report and presentation
  - p. Two public meetings

# RSQ 01-19 DRAFT SCOPE OF SERVICE FOR RATE STUDY

**Task F - Application Fee Analysis**

Development Review

Plan Review

Revisions

Change orders

Policy Review

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