


BUILDING A WORLD OF DIFFERENCE

SAN ANTONIO WATER SYSTEM (SAWS)
RATE DESIGN STUDY ANALYSIS
PRIORITY SETTING WORKSHOP: RAC MEETING #5

08 May, 2014

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RATE STUDY & FINANCIAL PLANNING

PURPOSE


RATE SETTING OBJECTIVES

CONFLICTING RATE SETTING OBJECTIVES

RATE SETTING PRIORITIZATION PROCESS

RATE SETTING PRIORITIZATION RESULTS


QUESTIONS

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PURPOSE


- To facilitate an open dialogue that outlines the meaning and implications to respective stakeholders of designing utility system rates based on specific Rate Setting Objectives.
- To provide the RAC with a platform to discuss and consider the implications of specific Rate Setting Objectives prior to completing the Rate Setting Objective Prioritization Process.


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RATE SETTING OBJECTIVES


Financial Sufficiency	Cost of Service Based Allocations
Revenue/Rate Stability	Conservation
Drought Management	Minimize Customer Impact
Economic Development	Affordability for Economically Disadvantaged Customers
Simple to Understand/Update	Ease of Implementation


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CONFLICTING RATE SETTING OBJECTIVES

Revenue Stability	vs	Conservation / Drought Management
Cost of Service	vs	Economic Development / Affordability Discounts
Drought Management	vs	Simple to Understand / Implement
Financial Sufficiency	vs	Minimize Customer Impact


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RATE SETTING PRIORITIZATION PROCESS

- **Prioritization Process Outline**
 - Rank the 10 Rate Setting Objectives across 4 weighted category
 - Essential (4 points)
 - Very Important (3 points)
 - Important (2 points)
 - Least Important (1 point)
 - Category 1 & 2 (maximum of 3 votes)
 - Category 3 & 4 (maximum of 2 votes)
 - Scores will be tallied and reported in this Workshop


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RATE SETTING PRIORITIZATION PROCESS

EXAMPLE

	Classification of Objectives			
	Essential (Maximum of 3)	Very Important (Maximum of 3)	Important (Maximum of 2)	Least Important (Maximum of 2)
Financial Sufficiency	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost of Service Based Allocations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Revenue/Rate Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conservation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drought Management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Minimize Customer Impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Economic Development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Affordability for Economically Disadvantaged Customers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Simple to Understand/Update	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of Implementation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



RATE SETTING PRIORITIZATION PROCESS

Sample Prioritization Results

Classification	Rank	Objective	Score
Essential	1	Conservation	30
	2	Cost of Service Based Allocations	27
	3	Financial Sufficiency	22
Very Important	4	Ease of Implementation	20
	5	Revenue/Rate Stability	19
	6	Simple to Understand/Update	19
Important	7	Affordability for Economically Disadvantaged Customers	18
	8	Drought Management	17
Least Important	9	Economic Development	16
	10	Minimize Customer Impact	16




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RATE SETTING PRIORITIZATION RESULTS

RAC Prioritization Results

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RATE SETTING PRIORITIZATION RESULTS

RAC Prioritization Results Board of Trustees
Prioritization Results

RATE SETTING PRIORITIZATION RESULTS




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QUESTIONS

QUESTIONS



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