

ACTIONS SUMMARY
RATE ADVISORY COMMITTEE

SAWS Headquarters, 2800 U.S. Hwy 281 North, San Antonio, TX 78212
Customer Center Building (Tower II), Conference Room #145
Sixth Meeting, January 14, 2020
5:30 p.m.

1. Discussed the allocations of water delivery and water supply costs.
2. Discussed alternative customer class cost of service results based on different assumptions for water delivery and water supply core businesses.
3. Agreed to consider a series of specific cost of service questions at the next committee meeting. On the day after the January 14th meeting, staff sent to the committee the specific questions listed below for consideration at the February 4th committee meeting:
 1. *Which is the appropriate method to allocate Water Supply Costs to customer classes?*
 - a. *Consider Water Supply Costs as 100% Base or average day-related costs.*
 - b. *Like the last study, consider Water Supply Costs as being incurred to meet Base/Max Day/Max Hour demands.*
 2. *How should the under recovery of cost from Recycled Water customers be reallocated to other customer classes?*
 - a. *Reallocate the shortfall to all customer classes in proportion to the total volume of water used by each class.*
 - b. *Reallocate the shortfall to all customer classes in proportion to the volume of discretionary water use in each class.*
 - c. *Reallocate the shortfall entirely to the Irrigation class.*
 - d. *Adjust recycled water rates to fully recover their cost of service.*
 - e. *Establish a goal for the recycled water rates as compared to potable water rates and adjust recycled water rates to reach that goal immediately or gradually over time.*
 3. *Should Multi-family customers be broken out of the General Class into a separate customer class for purposes of both cost of service and rate design?*
 4. *Should the revenue requirements for each customer class be strictly tied to cost of service? If not, what is the rational basis for any deviation from cost of service?*