

2012-2014 Wholesale Rate Study

Full, Partial, and Block contracts

From the contracts:

IV.G. Rate Adjustment

1. Rate Adjustment. Upon 120-days notice of its intent to do so, Seattle may adjust water service rates and FCs to Water Utility subject to the terms of this contract. Rate adjustments will be effected only within five years of the completion of a cost of service study to be conducted by Seattle which shall include an analysis of the allocation of operation, maintenance and capital costs between cost pools. Such study shall be prepared in accordance with accepted industry standards. In addition, Seattle shall review the Operating Board's comments and recommendations on the rate proposal and provide a written explanation of any recommendations that are not accepted.
2. Rate Consultant. An independent rate consultant shall be selected by Seattle in consultation with the Operating Board. Detailed information and progress reports from the consultant will be made to Water Utility during the course of the study upon drafting of each major study section directly affecting Water Utility and other Wholesale Customers. A final consultant report shall be made available to Water Utility not less than 30 days before Seattle formally transmits any resulting rate adjustment proposal to the Operating Board.

Preliminary timeframe:

January

Operating Board provides input on rate consultants

- Kennedy/Jenks
- RWBeck
- CH2M Hill
- CDM

Begin rate study

Contact rate consultants for availability and cost

February-March

Rate consultant to review rate study

Late March

Rate consultant report sent to individual utilities

May 5th

Rate consultant to present their report to Operating Board

June

Transmit rate proposal to City Council