



Services of the San Francisco Public Utilities Commission

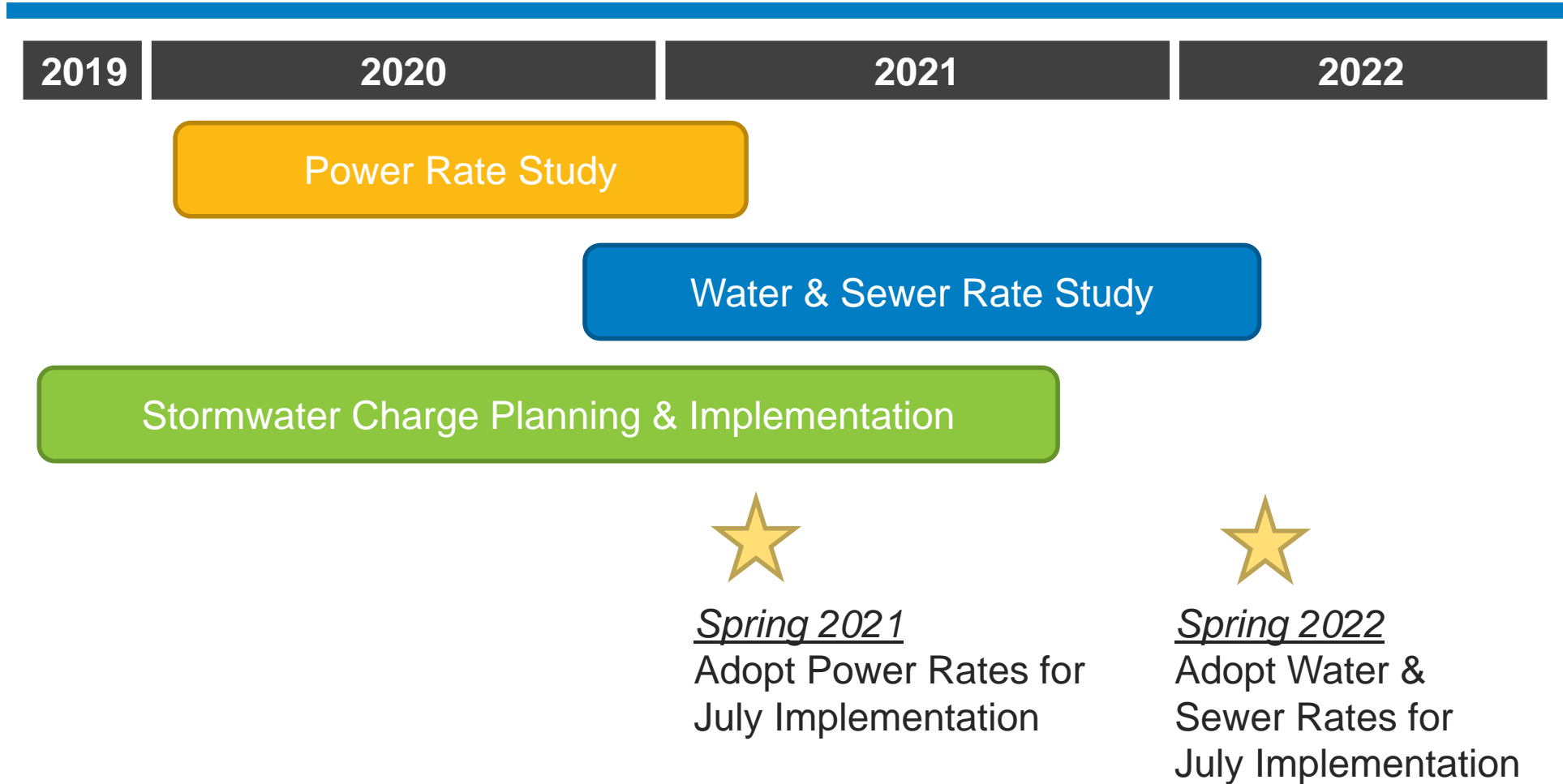
Upcoming Rate Studies Timeline & Scope

Rate Fairness Board
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Erin Franks, Rates Administrator



Long-Term Rates Timeline





Basic Rate Study Tasks

Revenue Requirement

Determines the total revenue required to operate and maintain facilities, cover capital expenses, and support the SFPUC's strategic plan goal of financial sustainability

Cost of Service

Allocates costs to functional buckets and then allocates functionalized costs to customer classes based on usage factors

Rate Design

Develops specific rates and charges for customer classes that achieve SFPUC policy goals while meeting full cost recovery



Example RFB Focus Areas

- Revenue Requirement
 - Consider whether financial policies provide sufficient reserves
 - Review demand/volume forecasts
- Cost of Service
 - Implementation of changes to cost allocation, such as the stormwater portion of the sewer service charge
 - Whether costs are recovered through general rates or customer-specific fees
- Rate Design
 - Incentives for conservation and sustainability practices
 - Affordability and support for low-income customers
 - Impacts of rate design on low- or high-volume users