

# Fees and Charges – Delegated Authority

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September 10<sup>th</sup>, 2007





# Fees and Charges

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- Generally one-time or infrequently applied
- Designed to recover cost for service provided
- Exhibit displays fees and charges section

## Examples:

- Meter, transformer, wire and cable fees
- Water chamber and meter
- Various service fees. i.e. service visits, account setup



# Fees and Charges Current Process

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- ❑ Embedded as components of existing rate schedules or service regulations
- ❑ Changes require formal resolutions and either rate change meetings or waiving of the requirement
- ❑ Significant effort to make needed changes



# Why Change?

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- ❑ Establishes a more timely and efficient process
- ❑ Helps maintain adequate revenue and cost recovery
- ❑ Meets the goal of continuous improvement
- ❑ Centralizes these cost based fees for future reference
- ❑ Policy or regulation changes **are not** delegated



# Fees and Charges Proposed Process

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- ❑ Create a new section for specific cost based fees and charges with delegated authority granted to the General Manager
- ❑ Reference in existing regulations and policies
- ❑ Fees and charges would be analyzed as part of the budget process
- ❑ Discussion with the Commission will occur prior to any changes being finalized



# Next Steps if Approved

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- Begin analysis for any Jan 1<sup>st</sup>, 2008 changes
- Present any changes to the Commission as part of the budget process
- Formal revision of the current rate and regulations to reference the fees and charges section
- Moving the line extension schedules into a proposed policy section



# Proposed Regulation and Policy Changes

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Taking advantage of all the work required to revise rates to change service regulations and create a policy section

*Proposal would be presented on October 29<sup>th</sup>, 2007*

## Highlights:

- Moving line extension and facilities conversion policies from rate schedules to policy section with minor changes included
- Add water rights acquisition policy
- Updating various regulations

Questions?

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# Surcharge Public Notice Policy

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September 10<sup>th</sup>, 2007





# Guiding Principles

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□ Adopted by board June 11:

Principle #4 states-

“a surcharge is an appropriate way to manage risk and volatility if necessary”



# Surcharge Notice Policy Proposal

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## Steps in the policy

- When appropriate the surcharge potential initiated during the budget and evaluated through the 1<sup>st</sup> quarter
- If considered, one informational meeting to be held in Wenatchee
- Notice will be advertised two weeks prior to the meeting
- A resolution would be presented at a regularly scheduled Commission meeting for final determination



# Rate Notice Policy Proposal

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Resolution No. 80-6286 still remains in full force  
and effect for rate proceedings



# Process Overview Recap

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1. **Rate Changes** – Notice policy with 3 meetings and a hearing (existing)
2. **Surcharge Enactment** – Proposing modified Notice policy, 1 meeting and hearing (proposed)
3. **Policy and Service Regulation changes** – Board resolution (existing)
4. **Fees and Charges** – Delegated to General Manager, timed with the budget process, need a resolution to establish (proposed)

Questions?

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