



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 14, 2022

AGENDA ITEM: Consider a motion to accept the 2022 Electric, Water, and Wastewater Cost of Service and Rate Design Report.

PREPARED BY: Julie Kennedy, General Manager

BACKGROUND:

Following an RFP for professional services, GRPU staff worked with David Berg Consulting on a Cost of Service and Rate Design Study for the Electric, Water, and Wastewater Utilities. The existing electric utility rates were based on the recommendations provided in the 2019 cost of service study. In 2021, we re-negotiated the wholesale power agreement with MP and that new agreement structure significantly changed the cost of service components. As a result, we felt it was prudent to update the Cost of Service and Rate Recommendation Study. For the water and wastewater utilities, GRPU has not had a cost of service study completed in over a decade. In 2019 when we conducted the electric utility study, we did not have the AMI water meter data available and chose to postpone the water and wastewater rate study until we were able to utilize actual customer data. We were able to utilize actual customer data for this study.

The following documents are attached for your full review:

- 2022 Rate Study - Summary Letter
- 2022 Rate Study - Electric Final Report
- 2022 Rate Study - Water Final Report
- 2022 Rate Study – Domestic Wastewater Final Report

GRPU staff support the cost of service results and rate recommendations provided in this study. The study information has been discussed at the past two Commission work sessions and input has been provided and included in the final reports.

RECOMMENDATION:

Consider a motion to accept the 2022 Electric, Water, and Wastewater Cost of Service and Rate Design Report.