

REPORT FROM


## OFFICE OF PUBLIC ACCOUNTABILITY

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Date: March 2, 2017

To: The Board of Water & Power Commissioners  
David Wright, General Manager, Department of Water & Power

From: Frederick H. Pickel, Ph.D., Executive Director/Ratepayer Advocate  


Reference: Rate Metrics

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### OPINION

DWP has done an excellent job of reporting rate metrics for the first time in accordance with its latest rate ordinance. Four months is too brief a period from which to draw conclusions, therefore OPA provides here a brief statement of additional steps that should provide context.

### NEXT STEPS

1. OPA would encourage DWP to assemble, to the extent practical, the metrics available for fiscal year 2015-2016. This could present the Board with a baseline situation before incremental revenues were available. A baseline can help the Board have a better sense of how much effort and time goes into bringing activities, materials, and staff to bear on planned rate budgets, before it is asked to evaluate adjustments.
2. By mid-2017, OPA and DWP may be able to propose refinements to the metrics. Prior to adoption in the Ordinance, very narrow opportunities existed to discuss whether these metrics are too many, too few, or just right.
3. Proceeding with the next stage of benchmarking activity should further assist the Board in supporting changes needed to execute the rate budgets. Many adjustments are needed to move DWP closer towards its public commitments on labor costs and outsourcing, and address the productivity challenges revealed by benchmarking.