



DBS Rate Methodology Change Request

Program Name:	Submitted By:
Email:	Phone:
Request Date:	DBS Deadline: 10/11/2023

Name of Request: High level descriptive title

Description: High-level description of request. This could include adding, changing, or removing rates.

Why the change is necessary: This could include things such as a comparative market analysis for current rates or an emerging market analysis for new services. Is there something that needs to be fixed? The expectation is that there should be a compelling and defensible reason for the request.

Customer Impact: Describe if there is a positive and/or negative impact to customers. For instance, could the change impact the cost to certain customers and/or all customers? Or could the change impact customer purchasing behavior, i.e. purchase more or less of a service?

Program Budget Impact: Could the request increase or decrease costs? If there is an increase in costs can it be covered within the existing budget or would it require a Policy Option Package (POP)?

Please attach and include additional documentation as needed (i.e. breakouts, assumptions, calculations, etc.)

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GUIDING PRINCIPLES OF RATE SETTING

Our guiding principles of rate setting will:

- Collaborative rate development discussions to derive costs and manage risks across the Enterprise.
- Anticipated rate changes are communicated to the affected agencies as early as possible.
- Our rate models will be transparent.

During our rate setting discussions, we should be mindful of:

- Customers should pay the same rate for the same service.
- Subsidies should be avoided if possible.
- Rates must recover full cost of service (including all overhead and State Government Service Charges) and maintenance replacement for each program. Amortization of capital purchases should be funded and advertised in the rates.
- Rates, by any methodology, should offer direct customers incentives to modify their behavior and allow them to better manage their costs while minimizing adverse impacts to other customers.
- Rates should be developed based on projected usage by agency.
- Rates should be based on the metric which most directly drives the cost and be aware of how that metric drives behaviors.
- All common approach/methodology for the calculation of hourly rates based on allowable billable hours should be adopted.
- Special projects/pass-through costs for individual agencies or groups of agencies should not be part of the rate model; the costs should be borne by the agencies benefitting from the project.