

## Rate Case Process

### AERS and PA PUC Partnership

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## Filing Requirements and Procedures for Tariff Filings and Rate Cases

- The information to be furnished by a utility when it files for tariff and/or rate changes is set forth in the Pennsylvania Code, Chapter 53.



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## Pa. Code §53.51 - 53.55

- Information Furnished with the Filing of Rate Changes:
  - ✓ Applies to Utilities with over \$100,000 of gross revenues.
  - ✓ Applicable to all tariff and rate changes proposed by Utilities.



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## Pa. Code §53.52(a)

- When filing tariff changes and/or rate changes, Utilities shall submit to the Commission statements showing answers to the following questions:
  - ✓ 1. The specific reasons for each change.
  - ✓ 2. The total number of customers served by the Utility.
  - ✓ 3. A calculation of the number of customers whose bills will be affected by the change.
  - ✓ 4. The effect of the change on the Utility's customers.
  - ✓ 5. The direct or indirect effect of the proposed change on the Utility's revenues and expenses.



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## Pa. Code §53/52(a)(cont.)

- ✓ 6. The effect of the change on the service rendered by the utility.
- ✓ 7. A list of factors considered by the utility in its determination to make the change.
- ✓ 8. Studies undertaken by the Utility in order to draft its proposed change.
- ✓ 9. Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change.
- ✓ 10. Plans the Utility has for introducing or implementing the changes with respect to its ratepayers.
- ✓ 11. FCC, FERC or Commission orders or rulings applicable to the filing.



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## Pa. Code §53.52(b)

- Whenever a tariff revision or supplement which will increase or decrease the bills to its customers, it shall submit the following additional information:
  - ✓ 1. The specific reasons for each increase or decrease.
  - ✓ 2. The operating income statement for a 12-month period, the end of which may not be more than 120 days prior to the filing.
  - ✓ 3. A Calculation of the number of customers, by tariff subdivision, whose bills will be increased.
  - ✓ 4. A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.



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### Pa. Code §53.52(b)(cont.)

- ✓ 5. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.
- ✓ 6. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.
- ✓ The web site for the filing requirements is:
  - <http://pacode.com/secure/data/052/chapter53/chap53toc.html>



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### Pa. Code §53.52(c)

- When a Utility files a tariff which will increase the bills of a customer or a group of customers by an amount, when projected on an annual basis, exceeding 3% of the operating revenues of the utility, or which will increase the bills of 5% or more of the customers, the following additional information is required:



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### Pa. Code §53.52(c)(cont.)

- ✓ 1. A Statement showing the Utility's calculation of the rate of return or operating ratio earned in the test year.
- ✓ 2. A detailed balance sheet of the Utility as of the close of the test year.
- ✓ 3. A summary, by detailed plant accounts, of the book value of the property of the utility at the end of the test year.



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### Pa. Code §53.52(c)(Cont.)

- ✓ 4. A statement showing the amount of depreciation reserve at the end of the test year, applicable to the property in paragraph (3).
- ✓ 5. A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the test year.
- ✓ 6. A brief description of any major changes in the operating or financial condition of the Utility.



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### Pa. Code §53.53

- When a proposed base rate increase is in excess of \$1,000,000, additional data to that already discussed is required to be filed by the Utility, including direct testimony.
- This data is Utility type specific. We are providing copies of the additional Electric Utilities filing requirements



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### Exhibit C: General Filing Information - Electric Utilities

- These filing requirements can be summarized as follows:
  - ✓ 1. Provide a summary discussion of the rate change request.
  - ✓ 2. Identify the proposed witnesses for all statements and schedules.
  - ✓ 3. Provide a single summary page, at present and proposed rates showing the following as claimed for the test year:
    - \* Revenues
    - \* Operating Expenses
    - \* Operating Income
    - \* Rate Base
    - \* Rate of Return
  - ✓ 4. The impact of adding to service or removing from service a major generating plant.



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## Public Input Hearings

- To hold at least one Public Input Hearing in the service territory for the Utility's customers.
- Customers may provide testimony and/or exhibits before the Administrative Law Judge.
- That testimony may be either sworn or unsworn.



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## Public Input Hearings (cont.)

- Unsworn testimony by customers cannot be considered by the Commission in its deliberations of the issues in the case.
- Sworn testimony by customers can be considered by the Commission in its deliberations of the issues in the case.



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## Rate Case Procedures – OTS Rate Case Schedule



- |   |   |
|---|---|
| • Notice of Tariff Filing                 | • OTS Direct Testimony                                |
| • Public Meeting Report                   | • Public Input Hearings                               |
| • Administrative Law<br>Judge Assignment  | • Rebuttal Testimony                                  |
| • Hearing Notice                          | • Surrebuttal Testimony                               |
| • Internal Rate Case<br>Schedule Prepared | • Case Closed   |
| • Prehearing Conference                   | • Main Brief  |
| • Interrogatories<br>Prepared             | • Reply Brief   |
|   | • Administrative Law<br>Judge Recommended<br>Decision |
|   | • Exceptions  |
|   | • Reply Exceptions                                    |
|   | • Commission Order                                    |



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