

Rate Case Processes

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Instituting a Rate Case

- Can be instituted on motion of the Commission, but normally the utility files for a rate change
- Utility filing must be acted on within 11 months of the application

Utility Filing Requirements

- Utility has burden of proof
- Three years of historic data
- An historic test year and a forecast rate year
 - Links must be provided explaining any changes
- Testimony supporting request plus workpapers

Schedule

- Month 1 - Discovery period begins
 - Public hearings
 - Normally a meeting of all parties is held where the utility explains its request
- Month 4 - Staff and intervener testimony filed
- Month 5 – Company rebuttal
- Month 5 – Hearings
- Month 7 – Brief and Reply Brief to ALJ
- Month 8 – Judge's Recommended Decision
- Month 9 – Brief and Reply Brief to Commission
- Month 11 – Commission Opinion Issued

Staff and Outside Party Response

- Trial Staff represents ratepayers and the public interest, Administrative Law Judge assigned
- Outside parties include other governmental bodies and organizations representing specific interests (low income, environmental advocates, industrial, hospitals, etc.)
- Staff team assembled, attorneys, engineers, economists, accountants, customer service specialists, a team of twelve is typical
- Staff team is often relied on by the parties to do the raw number crunching and to ensure needed infrastructure dollars are being sought and being spent

Issues other than the size of the pie

- Rate Design and Revenue Allocation
- Shopping credits
- Performance incentives
- Retail access incentives and rules
- Economic Development Programs
- Low Income Programs

Settlements

- The Judge is trained in alternate dispute resolution
- Settlement can reach a better solution than the traditional fully litigated process
- Current practice is to begin discussion after staff and intervener testimony is served
- Settlement would aim to create a multiyear plan, 3-5 years with reopeners
- Settlement is the most common outcome

Settlements (continued)

- Negotiations confidential
- Exploratory discussions can take place between any two parties (staff and the utility), but negotiations must be at meetings of all parties.
- Settlement includes reopeners for items that cannot be reliably forecast and are outside the control of the utility (property taxes)
- Settlement usually includes protection for both sides if the outcome is very different than expected, both sides can seek Commission permission to reopen the plan.
- Multi party settlements are the goal

What happens after a settlement?

- Hearings with supporting and opposing statements and often testimony
- Judge's Recommended Decision is optional, usually the analysis goes directly to the Commission
- Commission may accept, modify or reject the Settlement
- If not accepted, parties have the right to withdraw their support

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