



Presentation to Representatives of the Electricity Regulatory Authority of Albania

Tariff Development IV

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Tariff Development IV

- Basic Ratemaking Process
- Cost of Service Study
- Rate Design



Main IURC Role



Utilities

Consumers

Represented by the Utility Consumer Counselor





Office Of Utility Consumer Counselor

- **THE Utility Consumer Counselor must be an Attorney**
- **Is appointed by Governor and serves at the pleasure of the Governor**
- **About 65 Total Employees**



Procedural Steps in a Case

- Filing Of Petition
- Pre-Hearing Conference
- Selection of Test Year
- Selection of Pre-filing dates
- Selection of Hearing Dates



Procedural steps in a Case

- Petitioner pre-files its Case-In-Chief
- Hearing on Petitioner's Case-In-Chief
- Office of Utility Consumer Counselor (OUCC) and any Interveners file their Cases-In-Chief
- Hearing on OUCC's and Intervener's Case-In-Chief
- “Field” Hearing to allow “lay” public input

Communications within the IURC



- No formal rule prescribing the process of internal communication during a rate case
- Communications process varies considerably depending on size of case and the team members
- The Administrative Law Judge and a Commissioner are assigned to the case by the Commissioners
- Technical staff are assigned to the case by Division Directors and sometimes by or with the advice of the Chief Operating Officer
- All of the employees of the IURC assigned to a case are collectively referred to as the team; the administrative law judge is the overall team leader for the case as a whole and there is also a technical staff team leader

Communications within the IURC



- Communications during a large case consists of the following:
 - ✓ Meetings
 - ✓ E-mails
 - ✓ Staff Reports

Communications within the IURC



- Internal meeting may be held prior to the pre-hearing conference/preliminary hearing to see if there are any outstanding issues or problems with test year
- This case is bifurcated – meaning, we have one pre-filing and hearing date for Utility and another pre-filing and hearing date for all other parties

Communications within the IURC



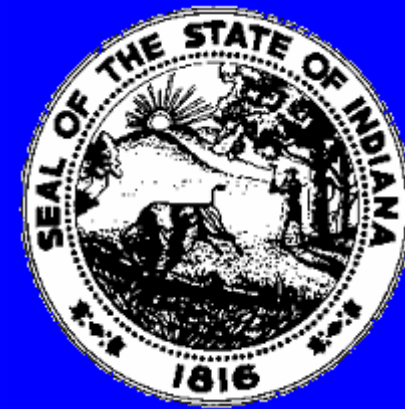
- Staff report will be issued a few days prior to the utility's hearing
- A meeting likely will be held to discuss the issues in the case prior to the hearing and to see if there are any bench questions that need to be asked.
- During the hearing at breaks, there are frequently meetings among the team members to discuss issues

Communications within the IURC



- Same process repeated for the second hearing and pre-filed testimony of all other parties

Communications within the IURC



- Deciding the case
 - ✓ IURC gets “help” from parties by having the parties submit proposed orders and exceptions to proposed orders and briefs for any legal issues
 - ✓ After all the proposed orders have been submitted, there usually will be a team meeting to discuss issues, decide which issues are uncontested and make preliminary decisions as to contested issues

Communications within the IURC



- ✓ At the meeting just discussed, the administrative law judge may ask for help from tech staff in writing parts of the order or may decide to write a draft order himself
- ✓ The draft order is circulated among team members and this may be an iterative process
- ✓ Intermediate input and feedback from other Commissioners may be sought on important issues and to develop consensus
- ✓ Once the team has a good proposed order it is circulated to the other Commissioners



Major Issues

- Rate of Return-- Discussion of Hope and Bluefield US Supreme Court Decisions
- Rate Base—Used and useful or unused and useless---not enough capacity v. too much capacity
- Contested Expense Adjustments
- Rate Design Issues