

The Rate Case Process

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Maine Public Utilities Commission

PUC Website

All laws and statutes can be found on our website:

<http://www.maine.gov/mpuc/>

Statutes

35-A M.R.S.A.

§6104

- Requires direct notice to customers & public notice at least 14 days prior to hearing & include:
 - Amount & % rate change by rate class
 - Date, time, location & purpose of public hearing
 - The customer's rights to:
 - Request information relating to the present & proposed rates
 - An open & fair hearing & the right to further hearings before the PUC
 - Availability of assistance from the Public Advocate (OPA)
 - Petition the PUC to investigate the proposed rates
 - Petitions must include the signature, printed name & address of the customer to be considered valid
 - Petitions can be obtained from the utility.

§6104

- Recommend that notice also include the following:
 - Date of last rate change
 - Reason current rate change is necessary
 - Number of customer's signatures required for a petition to result in PUC investigation.
- No longer than 30 days after the public hearing but no sooner than 10 days after, the water utility must file its final proposed rates with the PUC with rates effective 30 days after this filing.

§6104

- If no petition received, rates allowed to go into effect as proposed.
- Customers have 30 days to file a petition with the PUC for an investigation of the rate proposal
 - Petition must be signed by 15% or 1,000 of the water utility's customers, whichever is less.
 - Utility may challenge the petition & the validity of the signatures.

§6104 - Petition

- If a petition is received & utility does not challenge it, the PUC will suspend the rates for a period of 3 months
 - Additional suspensions totaling 9 months may be issued by the PUC to complete the investigation.
- PUC staff & OPA will issue data requests on the rate filing
 - Data requests look at accounts included in revenue requirements & reasons for changes from previous years
 - Responses may be required in writing or orally.

§6104 - Petition

- At least 1 technical conference between PUC staff, OPA, utility & petitioner to discuss filing & answer questions will be held in Hallowell.
- PUC staff may hold public meeting in utility's municipality to address concerns of the customers, usually only if requested by customers.
- Sometimes gather extra information through phone conferences.

§6104 - Petition

- Conclusion of case by one of the following, which the Commissioners deliberate:
 - Recommended decision issued by PUC staff
 - subject to comments/exceptions from parties of case
 - Settlement proposal between utility, OPA & other parties
 - Lifting of suspension.

§6104-A – Streamlined Ratemaking

- Defines water utility size:
 - "Large consumer-owned water utility" means a consumer-owned water utility with total annual revenues of at least \$750,000 during the most recent fiscal year.
 - "Medium consumer-owned water utility" means a water utility with total annual revenues of less than \$750,000 and at least \$250,000.
 - "Small consumer-owned water utility" means a water utility with total annual revenues of less than \$250,000.

§6104-A – Streamlined Ratemaking

- A water utility must have negative net income in the 2 consecutive fiscal years immediately preceding the year in which the rate increase is proposed. The consumer-owned water utility must file with the commission supporting documentation demonstrating the 2 years of negative net income as provided in this subsection.

§6104-A – Streamlined Ratemaking

- Notice and filing requirements are similar to regular 6104 case, except that this allows for a 10 person complaint instead of a petition.
- Sets a maximum rate increase
 - Large: 2% of current rates
 - Medium: 3.5%
 - Small: 5%
 - The cumulative total of rate increases under this section may not exceed 10% over 5 years.

§307– General Increase in Rates

- Usually these cases involve sections 307 through 310
- Commission usually opens an investigation on these cases
- Notification to customers is needed, along with a date for intervention (no petition)
- Once the investigation is opened, these cases proceed like a petitioned 6104 case

§1322 – Orders Temporarily Suspended, Altered or Amended

- Commission can temporarily alter rates, with a utility's consent, if there is an emergency (or for other reasons).
- Take effect and remain in force as described by PUC order

§312 – Temporary Rates During a Rate Proceeding

- Commission can temporarily approve undisputed amounts during a rate case.
- Utility files a temporary schedule of rates.
- Utility must notify customers of rate change.
- Refunds might be needed if Commission approves a lower amount in its final order.

Questions?

- All MPUC Rules can be found on our website at:

<http://www.maine.gov/mpuc/>

- Any questions concerning water utilities can be directed to

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