



PUBLIC UTILITY LAW PROJECT OF NEW YORK, INC.

What is a Rate Case?

A rate case is a formal process used to determine the amounts to charge customers for electricity, natural gas, private water, and steam service provided by regulated utilities.

- Rate cases are triggered when a regulated utility company submits a filing to demonstrate the need to increase the rates they charge customers.
- Included in the rate filing are estimates of expenses, including operating expenses, depreciation costs, taxes, a return on investor-provided capital.
- Rate cases are designed to be a primarily public and open process.

Why should you get involved in a rate case?

- Rate increases are cumulative. *Every unchallenged increase lifts the cost from which the next case's increase begins!*
- Bill impacts are directly felt by you - the ratepayer!
- The PSC, Department of Public Service ("DPS"), Utilities, and media rarely hear or think about the needs and interests of consumers and ratepayers. Your stories are often powerful when heard!
- Getting involved in a rate case reinforces community strength as actors, rather than as mere objects of rate increases and policy, and increases transparency.

What does it take to become a party in a rate case?

It depends entirely on how involved you would like to be!

- **Party "Lite"** - read Company, DPS & selected party filings and discovery responses; file a brief during the evidentiary process or supporting/opposing JP; organize advocates/ratepayers for public statement process (or only some of the above).
- **Party "Not-so-Lite"** - all the above and file discovery requests and/or cross-examine witnesses.
- **Full Party** - all the above and sponsor one or more expert witnesses, and prepare those witnesses for cross-examination
- **Non-Party** - None of the above, but work the press, turn out large groups for public statement hearings, turn out large numbers of public comments, etc. (Note: all these are good for parties to do too).

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Timing of a Rate Case

Months 1-4 (Initial Stages)

- The Department of Public Service (“DPS”) team typically develops an opposing position and counter-proposal to the rate filing.
- Other interested groups, like the Public Utility Law Project, can file testimony and challenge the utility rate filing. These parties are known as “Intervenors”.
- An Administrative Law Judge (“ALJ”) is assigned to preside over the case. They will go over all the evidence and provide recommendations to the PSC.

Months 5-7

- Direct testimony is filed by DPS staff and other interested groups.
- Rebuttal testimony can be filed by the utility company, usually followed by intervenors.
- Evidentiary hearings with cross-examination of all expert witnesses are conducted.
- The company or the parties to the case most commonly negotiates a settlement of the issues with DPS and other parties and submits it to the ALJ for review. This is typically referred to as a Joint Proposal (“JP”).
 - The settlement negotiations are completely confidential until an agreed-upon JP is issued.
 - JP’s will always have at least two parties in agreement, which are usually the Company and DPS.
 - The Company and DPS will then try to convince some of the intervening parties to support the JP, which creates an opening to negotiate changes in the utility’s behavior.

Months 7-9

- Initial and reply briefs are filed with the ALJ.
- The ALJ may issue a recommended decision.
- Public statement hearings are held throughout the affected service territories.

Months 9-11

- Commission deliberations are held in open and public meetings.
- A written order is issued resolving all outstanding issues and matters necessary to determine the utility company’s revenue requirements and the amounts to charge customers.

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