

Commission Modifies Small Rate Case Procedure

New Procedure will Promote the Efficient use of Resources

The Commission has modified its rules for processing small utility company rate cases. Under the revised rule, the Commission Staff will assist the small utility to whatever extent possible consistent with its duties to the Commission. The Commission, in its final order of rulemaking commented, “[s]ome small utilities can be intimidated by the prospect of a rate case, and, if not assisted through the process, may forego a necessary rate case. Some small utilities have waited more than 20 years to request a rate case. At best, that means their ratepayers may face a very large rate increase when rates are finally adjusted. At worst, the small utility may not have sufficient revenue to meet its obligation and can enter a downward spiral of deferred or ignored maintenance, leading to poor or unsafe service, from which it may not be able to recover.”

What does the new rate case process mean for customers?

The new rules apply to Commission-regulated natural gas utilities serving up to 10,000 customers, water and sewer utilities serving 8,000 or fewer customers or steam utilities that serve 100 or fewer customers.

Under the small rate case procedure, Commission Staff will continue to conduct an investigation of the company’s books and records; record-keeping practices; management procedures; and the operation of the company system(s).

Under the modified rules, local public hearings — the opportunity for customers to express their thoughts and concerns about the rate request and quality of service — will occur earlier in the ratemaking process. This will allow the Commission, the Commission Staff, the Office of the Public Counsel (the customer’s advocate) and the utility to hear concerns sooner rather than later. This information will be used in the Commission Staff’s investigation and audit, and to influence any agreement of the parties.

At least 10 days prior to the local public hearing, customers will receive a written notice indicating the time, date and location of the local public hearing. The notice will also contain a summary of the proposed rates and charges, any other requests that may affect the customers and an invitation to submit comments as well as instructions for viewing the publicly available filings related to the request.

New rules for PSC-regulated small utility rate cases

Natural Gas Utilities
Serving up to 10,000 customers

Water and Sewer Utilities
Serving 8,000 or fewer customers

Steam Utilities
Serving 100 or fewer customers



Some of the rule changes may allow small utilities to receive rate relief more quickly to ensure they have the funds necessary to provide safe and reliable service.

The new small rate case process is designed to promote a more efficient use of resources and to minimize expense associated with processing the case.