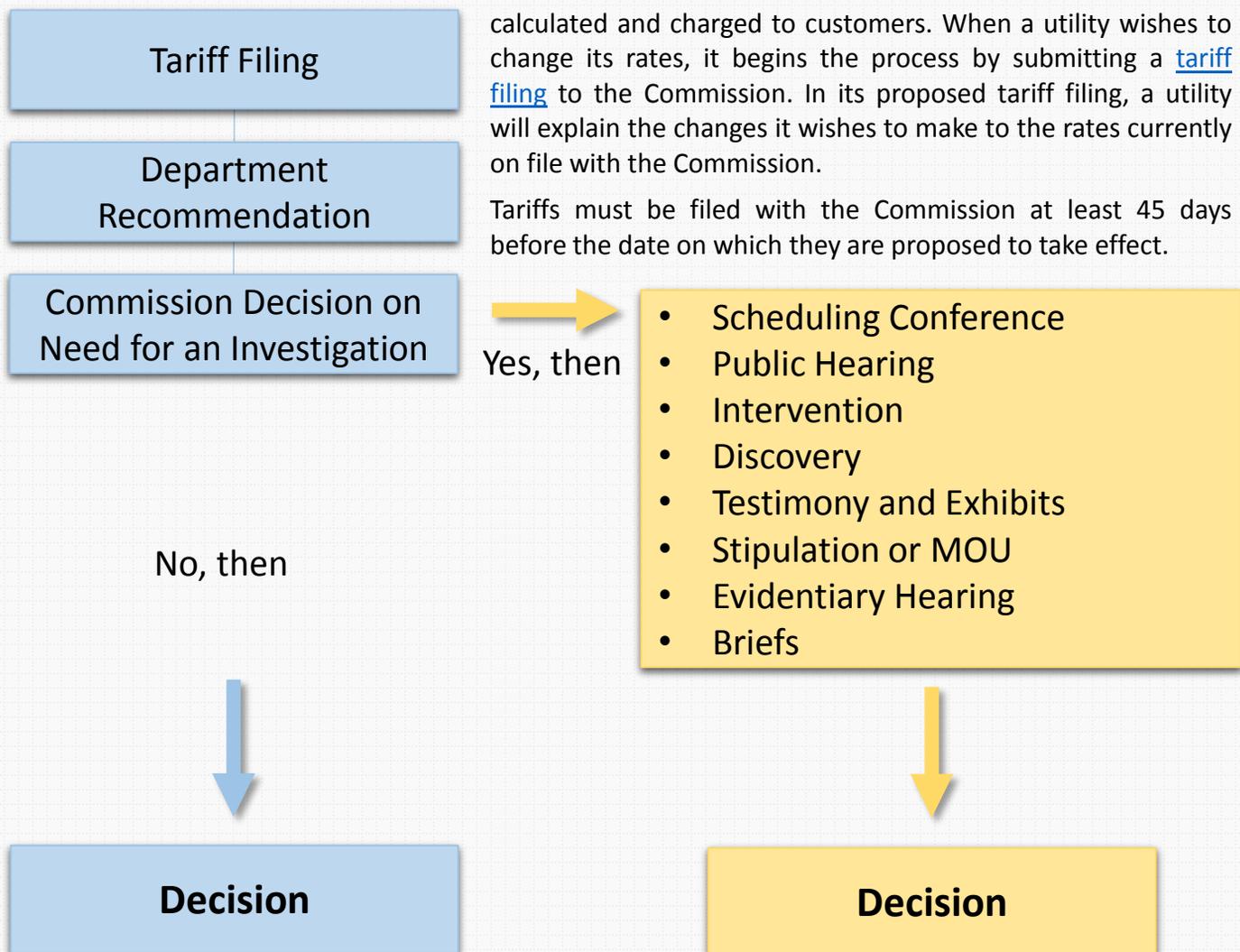


# Rate Case Procedures

This document provides an overview of how the Commission reviews proposed changes to the rates charged by utilities (including electric, gas, telecommunications, water, and sewer utilities). Underlined text will link you to more information about that step in the glossary or to an external website. *This document is a general guide for the public. It should not be relied upon for reviewing the applicable statutory and regulatory requirements for such projects. Every project is unique, and this general guide cannot anticipate or explain all issues that may arise in a case. For specific guidance, please refer to the applicable statutes, rules, legal precedent, and legal advice. Please feel free to contact the [Clerk of the Commission](#) if you have questions about the information in this document.*

The rates charged to customers of Vermont public utilities are subject to prior review and approval by the Commission, who must find that the rates as proposed are just and reasonable. This can be accomplished through traditional cost-of-service regulation or through alternative regulation. This document describes typical procedures for cost-of-service rate regulation, which may also be used for alternative regulation situations. See more information on alternative regulation on [page 4](#).

## Typical Procedural Steps



**Tariff Filings.** Under Vermont law, utilities may only charge rates based on a [tariff](#) on file with the Commission. A tariff details the terms and conditions of service and how bills are calculated and charged to customers. When a utility wishes to change its rates, it begins the process by submitting a [tariff filing](#) to the Commission. In its proposed tariff filing, a utility will explain the changes it wishes to make to the rates currently on file with the Commission.

Tariffs must be filed with the Commission at least 45 days before the date on which they are proposed to take effect.

**Department Review and Recommendation.** Following the proposed tariff filing, the Department of Public Service (the “Department”) is required to examine the tariff filing and provide a recommendation to the Commission as to whether the tariff should be allowed to go into effect or whether the Commission should open an investigation into the tariff filing. At times, the Department may also work with the utility to develop a modified rate change that the Department can support. The Department is required to submit its recommendation to the Commission at least 15 days before the date on which the proposed changes are to take effect.

**Commission Decision on Investigation or Approval.** If the Department recommends that the Commission open an investigation into a tariff filing, the Commission must do so. Regardless of the Department’s recommendation, however, the Commission may, on its own, decide to open an investigation into a tariff filing. The Commission may also open an investigation into whether an existing tariff is just and reasonable.

If an investigation is opened, the Commission will issue an order describing the investigation and announcing a date for a [scheduling conference](#). An investigation into a tariff filing, or any proceeding examining whether a utility company’s rates are just and reasonable, is known as a [rate case](#).

When the Commission opens an investigation into the tariff filing of a privately-owned utility company, it may also suspend the effective date of the tariff filing for up to seven months. If the Commission does not issue a final order on the tariff filing within seven months, the utility is allowed to charge the rates proposed in the tariff filing.

Members of the public can [submit comments](#) to the Commission on whether a tariff filing should be investigated at any time prior to the Commission’s decision on whether to investigate or approve that tariff filing (this decision is typically made several days before the effective date of the tariff).

**Scheduling Conference.** If the Commission decides to open an investigation, it will hold a [scheduling conference](#) to discuss procedural details and to set the schedule for the case. Scheduling conferences are open to the public. After the scheduling conference, the Commission will issue an order summarizing the results of the scheduling conference, which generally includes a schedule for the next steps in the case ([scheduling order](#)).

**Public Hearing.** The [public hearing](#) is an opportunity for the Commission and the parties to a case to hear from the public about the proposed rate change. Public hearings are typically held in the evening in the area served by the utility proposing the rate change.

To make sure that a utility’s customers are aware of the proposed rate change and have an opportunity to attend the public hearing, the Commission will typically require a utility to provide direct notice of the public hearing to its customers by means of fliers included in customer bills or emails for utilities with electronic billing. Announcements of the date and subject matter of public hearings are also typically posted in local newspapers.

In addition to the public hearing, members of the public are welcome to [submit written comments](#) at any time prior to the Commission’s final decision.

**Intervention.** Requests to be a formal party to a rate case, also referred to as [intervention](#), must be filed with the Commission within the timeframe indicated in the Commission’s scheduling order, which is issued following the scheduling conference.

Because the Department is charged with representing the interests of a utility’s customers, including residential customers, if you are a customer seeking to intervene in a rate case you must specifically demonstrate an interest in that case that differs from other similarly situated customers.

In light of the Department’s role, customers are also strongly encouraged to convey any concerns they may have about a rate case to the Department directly by contacting the [Department’s Consumer Assistance and Public Information division](#). In addition, a representative of the Department typically attends the public hearing and may be able to discuss your concerns with you at that time.

The Department also publishes [rate case bulletins](#) that provide information on active or recent rate cases. The bulletins may explain the utility’s requested rate changes, the Department’s recommendations, the next procedural step in the case (such as a public workshop), and the status and resolution of the case.

**Discovery.** [Discovery](#) is the process by which the parties to the case exchange information to get a better understanding of what facts they agree on and disagree about. Information produced in discovery is not evidence, unless the Commission admits it into evidence during the evidentiary hearing. Only the parties to the case are permitted to participate in discovery.

Parties to a case must follow standard procedures for discovery; for more information about these procedures, please see the explanation under [discovery](#) in the glossary.

**Testimony and Exhibits.** [Testimony](#) supporting a utility company’s request for a rate change is typically included with the utility’s initial tariff filing. The Department and any other parties may submit their own testimony (with copies to all other parties in the case). The deadline for filing [testimony](#) and [exhibits](#) is usually set in a [scheduling order](#) issued by the Commission after the scheduling conference. Parties to a case must follow standard procedures for testimony; for more information about these procedures, please see the explanation under [testimony](#) in the glossary.

**Evidentiary Hearings.** The Commission will typically conduct an [evidentiary hearing](#) to examine outstanding questions or to resolve disagreements about a proposed rate change. An evidentiary hearing may be conducted by the full Commission, two Commissioners, or a hearing officer. At the evidentiary hearing, parties may cross-examine witnesses, and the Commission or hearing officer may ask questions about the case. While the public may attend an evidentiary hearing as observers, the active participants are limited to the formal parties to a case. Members of the public can become active parties to a case through the intervention process described above. Parties to a case must follow standard procedures for evidentiary hearings; for more information on these procedures, see the explanation under [evidentiary hearing](#) in the glossary.

**Stipulation or Memorandum of Understanding.** Two or more of the parties may agree to a settlement, also called a [stipulation](#) or [memorandum of understanding](#) (MOU) that resolves some or all of the disputed issues in a case. Settlements can be entered into at any point in a case and may be submitted to the Commission before or after the evidentiary hearing. Even if a settlement has been reached, the Commission generally will hold an evidentiary hearing in the case to ask questions.

**Briefs.** The parties (and friends-of-the-court) will have the opportunity to file [briefs](#). A brief is a written document that presents a party's legal and factual arguments for consideration by the Commission.

If you are not a party but would like an opportunity to tell the Commission how you think the evidence and law should be applied in the case, you can make a request to file a [friend-of-the-court](#) brief.

**Decision.** Following the submission of briefs, the case is ready for decision. If the case is being heard by a [hearing officer](#), the hearing officer will issue a [proposal for decision](#) that recommends an outcome to the Commission. Parties in the case will then have an opportunity to submit comments on the proposal for decision to the Commission or ask for [oral argument](#) before the Commission. The Commission will consider the hearing officer's proposal for decision, the parties' comments, and any arguments made at oral argument. The Commission may accept, reject, or modify the proposal for decision. In so doing, the Commission will issue a [final order](#) deciding the case.

If the evidentiary hearing is conducted by the Commission itself, no proposal for decision will be issued. Instead, the Commission will issue a final order following review of the parties' final briefs.

Final Commission orders are subject to [motions for reconsideration](#) under the Rules of Civil Procedure. Any final decision by the Commission may be appealed to the Vermont Supreme Court.

For companies operating under an alternative regulation plan, the Commission may approve the use of standard tariff procedures, or it may approve changes or additions to, waivers of, or alternatives to, traditional rate-making procedures, standards, and mechanisms. This means that changes in tariffs for those companies may occur by means other than those specified for a traditional rate case, as detailed in those companies' Commission-approved alternative regulation plans. Each alternative regulation plan is unique, and may include different procedures, standards, and mechanisms governing changes in a utility's rates. Interested persons can refer to the approved alternative regulation plan of a utility for specific information on how rates may be changed and how to participate in a proposed change in rates. Alternative regulation plans have been approved for [Green Mountain Power Corporation](#) and [Vermont Gas](#).