

A Summary of Efforts by the RCA to Reduce the Time Required to Conclude Proceedings that Change a Utility's Revenue Requirement or Rate Design

Upon consideration of past practices, recent experiences, and with a mind toward improving process, we conclude that the agency already possess the tools most often needed to shorten the length of time it takes to complete a rate case. The Regulatory Commission of Alaska (RCA) appreciates the time and consideration given by the legislature to issues of utility rate making and concerns for RCA process, utility company needs and ratepayer protections. Determining a just and reasonable rate requires time to fully develop a record upon which the RCA can base a well reasoned decision. There must be a balance struck between a utilities' desire for immediate recovery and the ratepayer assurance that rates are just and reasonable.

IMPROVED PRACTICE GOALS

In 2012, the RCA delivered to the Alaska State Legislature a proposal for concluding proceedings in less than the statutorily permitted 450 days for tariff filings that change a utility's revenue requirement or rate design.¹ We reported to the legislature that we expected our efforts in streamlining rate case proceedings to result in final decisions being issued within 270 to 365 days,² a full 85 to 180 days shorter than the 450 days set forth at AS 42.05.175(c). To streamline the proceedings we stated that we would:

- Set pre-hearing conferences to occur shortly after suspending any tariff filing that changed a utility's revenue requirement or rate design.
- Encourage the parties to set forth mutually agreeable procedural schedules.
- Encourage parties to identify issues early and to seek resolution of as many issues as possible by way of settlement and stipulation acceptable to the RCA.
- If the parties were not able to reach a stipulation to resolve issues, we would set hearings earlier to allow well reasoned decisions to be issued closer to 365 days rather than the statutorily prescribed timeline of 450 days.
- Complete four regulations dockets with the aim of simplifying rate cases and reducing the need for frequent rate cases.

ACTUAL RESULTS

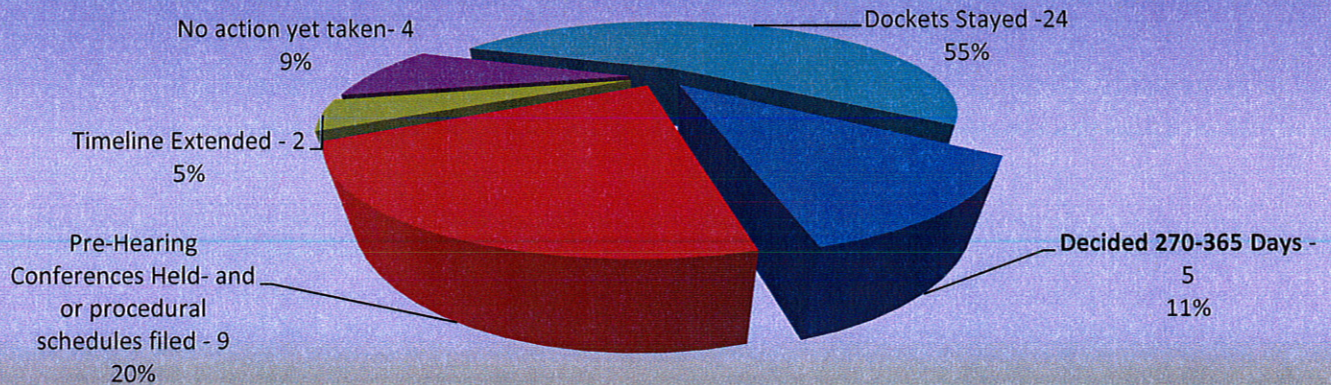
Since filing our proposal, 48 tariff filings that change revenue requirements or rate design, have been suspended into 44 dockets. 20 of these dockets have prescribed timelines of 450 days,³ and 24 of these dockets have been stayed at the request of the utility and with the consent of the other parties in the proceeding.

¹ A Report to the Legislature by the Regulatory Commission of Alaska On a Proposal to Reduce the Statutory Timeline for Tariff Filings that Change A Utility's Revenue Requirement or Rate Design (Proposal), dated January 16, 2012.

² Proposal at 10.

³ AS 42.05.175(c)

**Results for 44 Dockets with an AS 42.05.175(c) Timeline of 450 days
Resulting from 48 Tariffs Filed By Utilities Since January 2012**



- In 5 of these dockets, final orders were published between 270 and 365 days of the initial filings.
- In 9 of these dockets, the RCA and the parties participated in early scheduling and have set these matters for hearing so that hearings conclude sufficiently before the statutory timeline, which will allow the Commission enough time to publish a final order, if the parties do not stipulate a resolution acceptable to the RCA. This will allow for the resolution of matters closer to the 365 day goal identified by the utilities and the RCA rather than the 450-day limit prescribed by AS. 42.05.175(c).
- In 2 of these dockets, the parties have consented to an extension of the timeline to accommodate the parties' agreed desires as proposed by their procedural schedules. And in one of these two dockets, the RCA has accepted a stipulation resolving the rate of return aspect of the case,
- 4 of these dockets were opened within the last 30 days. In three of these dockets, procedural schedules are expected to be filed the week of January 21st and in the fourth docket, a pre-hearing conference will be set shortly after February 12, 2014.
- In 12 dockets (all pertaining to Doyon Utilities), the United States and the Attorney General requested the full 450-day timeline. Doyon requested to reschedule a hearing, resulting in an extension of the 450-day timeline by 36 days. The parties have since requested a stay in the proceedings so that a settlement might be negotiated, and Doyon also requested a stay in 12 subsequently opened dockets. Doyon's unopposed request for a stay was granted and as a result, no statutory deadline has been established.
- A table with more docket details is included at the end of this summary.

RULEMAKING DOCKETS

We stated that we intended “to complete four open regulations dockets that may reduce the need for frequent rate cases and simplify issues in rate cases making shorter rate cases all the more feasible.”⁴ In each of these dockets, we sought and considered comments from public commenters and regulated

⁴ Proposal at 2.

utilities. One of these dockets produced new regulations. The four rulemaking dockets referred to in our Proposal are as follows:

- R-10-002/R-11-001~ *In the Matter of the Consideration of the Need for Regulations Regarding Discovery/ In the Matter of the Consideration of Adoption of Regulations Regarding Discovery.* The RCA adopted proposed regulations at a Public Meeting held April 10, 2013. These proposed regulations became effective August 18, 2013.
- R-11-004~ *In the Matter of Consideration of Regulations Establishing Cost of Capital Policies, Procedures and Filing Requirements for Economically Regulated Public Utilities.* After seeking, receiving, and considering comments from utilities, no regulations were adopted. This docket was closed January 9, 2013.
- R-11-005 ~ *In the Matter of Making a Comprehensive Proposal to the Alaska Legislature of Changes Necessary To Allow for Shorter Timelines for Tariff Filings that Change a Public Utility's Revenue Requirement or Rate Design.* After seeking, receiving, and considering comments from utilities, the RCA developed a proposal to shorten the time required to consider tariff filings that change a utility's revenue requirement or rate design and submitted that proposal to the legislature, on January 16, 2012. This docket was closed November 7, 2013.
- R-11-006~ *In the Matter of the Consideration of a Plant Replacement and Improvement Surcharge Mechanism for Water and Wastewater Utilities.* After seeking, receiving, and considering comments from utilities, proposed regulations were drafted and submitted for comment on December 13, 2012. After considering comments received regarding the proposed regulations, the RCA withdrew the proposed regulations for further study at a Public Meeting held September 13, 2013. On November 4, 2013, the statutory deadline for this docket was extended. Proposed regulations were presented and discussed at a January 8, 2014, Public Meeting. Public comments on the newly proposed regulations are due February 7, 2014.

An additional docket designed to solicit comments on process improvement was opened after our January 2012 report to the Legislature. That docket concerned immediate filing of utility information usually obtained in the pre-hearing discovery process:

- R-12-001 ~ *In the Matter of Modifying Filing Requirements for Tariff Filings Under 3 AAC 48.275(a) Including Consideration of Adding a Master Data Exchange Document Filing Requirement and Consideration of Other Modifications to the Ratemaking Process.* After seeking, receiving, and considering comments from utilities, the RCA scheduled two conferences. At the first conference on January 7, 2013, none of the participants expressed interest in attending a second conference. Because of an overwhelming lack of utility participation we determined at our January 23, 2013, Public Meeting to cancel the second scheduled conference. After receiving no further additional participation and after ascertaining a distinct lack of enthusiasm for this proposal, we closed this docket on September 23, 2013.

Docket Proceedings that Change a Utility's Revenue Requirement or Rate Design⁵

Docket	Party	Date Open	Statutory Deadline ⁶	Final Order Issued	No. of days Elapsed	Statutory Deadline Extended	Notes
U-12-014	Lausen's Dependable Disposal, Inc TA16-502	3/9/2012	4/5/2013	2/21/2013	349	No	<ul style="list-style-type: none"> Order U-12-014(1) addressed rendering determination in shortened time. Final Determination rendered February 21, 2013, in U-12-14(8).
U-12-075	TDX North Slope Generating TA154-227	5/31/2012	7/10/2013	4/03/2013	326	No	<ul style="list-style-type: none"> Order U-12-075(10) dated April 2, 2013, accepted a stipulation settling case.
U-12-121	Home Water, LLC TA18-386, TA19-386, TA20-386, TA21-386, TA22-386	8/13/2012	9/22/2013	06/11/2013	303	No	<ul style="list-style-type: none"> We issued notice of acceptance of stipulation on June 11, 2013, in U-12-121(5).
U-12-140	McGrath Light and Power Company TA132-44 Revenue Requirement	10/29/2012	12/8/2013	09/17/2013	324	No	<ul style="list-style-type: none"> The parties submitted proposed schedules and with minor changes have proceeded. Hearing set for August 29-30, 2013. The Second Amended Stipulation accepted September 17, 2013.
U-13-005	Nikishka Bay Utilities, Inc., TA18-142 Rate Redesign	1/24/2013	3/5/2014	11/15/2013	295	No	<ul style="list-style-type: none"> The parties submitted proposed schedules. U-13-005(7), dated April 10, 2013, adopted a schedule and set a two day hearing beginning October 16. U-13-005(12), accepted Stipulation Resolving Disputed Issue.
U-13-006	Municipality of Anchorage d/b/a ML&P TA326-121	1/31/2013	3/15/2014	n/a	n/a	05/27/2014	<ul style="list-style-type: none"> March 7, 2013, prehearing/scheduling conference held. U-13-006(6), set a Nov. 18, 2013, hearing date. U-13-006(7), dated May 15, 2013, accepted Stipulation re Rate of Return. U-13-006(12), dated October 13, 2013, adopted a procedural schedule and extended the statutory timeline with the request and with the consent of the parties which sets a February 10, 2014, hearing date for the remaining issues.

⁵ In this chart, rows shaded in green have concluded, alternating (for ease of reading) white and gray rows indicate open dockets, and rows shaded in yellow indicate stayed dockets.

⁶ All dockets in this table have 450-day statutory timelines per AS 42.05.175(c).

Docket	Party	Date Open	Statutory Deadline ⁶	Final Order Issued	No. of days Elapsed	Statutory Deadline Extended	Notes
U-13-007	Chugach Electric Association, Inc. TA364-8	2/6/2013	3/16/2014	n/a	n/a	No	<ul style="list-style-type: none"> U-13-007(2), dated March 19, 2013, set a schedule with Dec. 6, 2013, hearing date. Between Dec 3rd – 9th, 5 partial stipulations were filed. Some of these partial stipulations resolved aspects of the case On December 16, 2013, hearing commenced regarding unresolved issues and acceptability of partial stipulations. On September 25, 2013, the parties filed a proposed procedural schedule with a May 19, 2014, hearing date. U-13-155(3), dated September 27, 2013, adopted the procedural schedule filed September 25, 2013. U-13-157(2)/U-13-158(2), dated August 22, 2013, set a prehearing conference to take place on September 21, 2013. U-13-157(6)/U-13-158(6), dated September 19, 2013, accepted a jointly proposed procedural schedule with a hearing date of June 5, 2014. A pre-hearing conference was held November 26, 2013. At that conference the parties proposed a procedural schedule and consented to an extension of the statutory deadline to accommodate the procedural schedule. U-13-201(1)/U-13-202(1), dated December 30, 2013, set a pre-hearing conference to take place on January 27, 2014.
U-13-155	Potter Creek Water Company, LLC TA41-358	06/12/2013	9/05/2014	n/a	n/a	No	<ul style="list-style-type: none"> On September 25, 2013, the parties filed a proposed procedural schedule with a May 19, 2014, hearing date. U-13-155(3), dated September 27, 2013, adopted the procedural schedule filed September 25, 2013.
U-13-157	Mile 8 Utilities, LLC TA36-258	7/1/2013	9/24/2014	n/a	n/a	No	<ul style="list-style-type: none"> U-13-157(2)/U-13-158(2), dated August 22, 2013, set a prehearing conference to take place on September 21, 2013. U-13-157(6)/U-13-158(6), dated September 19, 2013, accepted a jointly proposed procedural schedule with a hearing date of June 5, 2014.
U-13-158	Mile 8 Utilities, LLC TA17-259						
U-13-184	Municipality of Anchorage, d/b/a/ ML&P TA332-121	10/24/2013	12/3/2014	n/a	n/a	01/06/2015	<ul style="list-style-type: none"> A pre-hearing conference was held November 26, 2013. At that conference the parties proposed a procedural schedule and consented to an extension of the statutory deadline to accommodate the procedural schedule.
U-13-201	Municipality of Anchorage, d/b/a/ AWU TA148-122	12/30/2015	2/7/2015	n/a	n/a	No	<ul style="list-style-type: none"> U-13-201(1)/U-13-202(1), dated December 30, 2013, set a pre-hearing conference to take place on January 27, 2014.
U-13-202	Municipality of Anchorage, d/b/a/ ASU TA147-126						
U-13-203	Homer Electric Association TA355-32	12/30/2013	2/8/2015	n/a	n/a	No	<ul style="list-style-type: none"> An order dated December 30, 2013, required the parties to file briefings regarding the RCA's authority to decide certain aspects of the case. Hearing commenced January 14, 2014.
U-13-204	Homer Electric Association TA356-32						
U-13-205	TDX Adak Generating, LLC TA27-684	12/30/2013	2/7/2015	n/a	n/a	No	<ul style="list-style-type: none"> No prehearing conference has been set.

Docket	Party	Date Open	Statutory Deadline ⁶	Final Order Issued	No. of days Elapsed	Statutory Deadline Extended	Notes
U-13-206	Sand Point Generating, LLC TA230-230						
U-13-207	TDX North Slope Generating, LLC TA164-227						
U-14-001	Chugach Electric Association, Inc. TA382-8	01/02/2014	2/12/2015	n/a	n/a	No	<ul style="list-style-type: none"> U-14-001(1), dated January 2, 2014, set a pre-hearing conference for January 30, 2014.
U-14-002	Alaska Power Company TA835-2	01/13/2014	2/20/2015	n/a	n/a	No	<ul style="list-style-type: none"> A pre-hearing conference will be set shortly after February 12, 2014, when the time for intervention has passed.
U-12-076	Doyon Utilities LLC TA7-717	6/8/2012	8/6/2013 (STAYED)	n/a	n/a	To Be Determined	<ul style="list-style-type: none"> On May 23, 2013, Doyon requested the RCA render a decision within 10 months
U-12-077	Doyon Utilities LLC TA7-718						<ul style="list-style-type: none"> The Department of Defense and Attorney General requested entire 450 days.
U-12-078	Doyon Utilities LLC TA7-719						<ul style="list-style-type: none"> Doyon agreed to lengthy schedule in exchange for interim rate relief- which was granted in Order 9 on July 24, 2012.
U-12-079	Doyon Utilities LLC TA3-720						<ul style="list-style-type: none"> Doyon requested to reschedule the start of the hearing from May 23, 2013 to June 3, 2013.
U-12-080	Doyon Utilities LLC TA10-721						<ul style="list-style-type: none"> October 25, 2012, Order 13 granted Doyon's request to delay the start of the hearing and Doyon consented to an extension of the statutory timeline to allow for a well reasoned decision following the hearing.
U-12-081	Doyon Utilities LLC TA10-722						<ul style="list-style-type: none"> January 18, 2013, Order 16 granted the Parties' joint request to stay proceedings for settlement discussions. The parties consented to extend the statutory timeline in these proceedings the same amount of time that the proceedings are stayed.
U-12-082	Doyon Utilities LLC TA10-723						
U-12-083	Doyon Utilities LLC TA8-724						
U-12-084	Doyon Utilities LLC TA11-725						
U-12-085	Doyon Utilities LLC TA7-726						
U-12-086	Doyon Utilities LLC TA12-727						
U-12-087	Doyon Utilities LLC TA12-728						

Docket	Party	Date Open	Statutory Deadline ⁶	Final Order Issued	No. of days Elapsed	Statutory Deadline Extended	Notes
U-13-168	Doyon Utilities LLC TA9-717	9/30/2013	n/a (STAYED)	n/a	n/a	To Be Determined	<ul style="list-style-type: none"> On August 15, 2013, Doyon requested the RCA suspend its tariff filings and stay the proceedings so that ongoing settlement discussions with the DOD could continue. On October 8, 2013, the parties filed consents which will extend the statutory timeline in these proceedings the same amount of time that the proceedings are stayed. The proceedings are currently stayed.
U-13-169	Doyon Utilities LLC TA9-718						
U-13-170	Doyon Utilities LLC TA9-719						
U-13-171	Doyon Utilities LLC TA4-720						
U-13-172	Doyon Utilities LLC TA12-721						
U-13-173	Doyon Utilities LLC TA12-722						
U-13-174	Doyon Utilities LLC TA12-723						
U-13-175	Doyon Utilities LLC TA9-724						
U-13-176	Doyon Utilities LLC TA13-725						
U-13-177	Doyon Utilities LLC TA9-726						
U-13-178	Doyon Utilities LLC TA15-727						
U-13-179	Doyon Utilities LLC TA15-728						