AUDIT GUIDE – INITIAL FILING ASSESSMENT
FOR ELECTRIC AND NATURAL GAS COMPANIES

(THIS DOCUMENT SUMMARIZES THE REQUIREMENTS RELATED TO FILING A GENERAL RATE CASE. IT IS MEANT AS GUIDANCE. COMPLYING WITH THE TOTALITY OF APPLICABLE STATUTE(S) AND RULE(S) ARE THE RESPONSIBILITY OF THE REGULATED COMPANY.)

	RULE AND REQUIREMENT	NOTES AND FILE NAMES
	1. Transmittal Letter (also referred to as a "Cover Letter") Rule: WAC 480-80-104 A utility must submit a transmittal letter with all tariff and contract filings. The transmittal letter must:	
☐	a. Identify all new tariffs or contracts, or identify the tariff or contract changes;	
☐	b. Explain in understandable terms why the tariff or contract filing is being submitted;	
☐	c. Specify the changes requested in clear and concise terms and define any acronyms used;	
☐	d. Refer to the commonly used name of the service, the advice number, if known, and the docket number, if applicable;	
☐	e. Include the advice number if the utility uses consecutively numbered advice letters;	
☐	f. Describe the general effect of, and reasons for, tariff or contract filings involving only text changes;	
☐	g. Describe which services are affected, and the dollar amount and percentage of increase or decrease if the filing is a rate change. If a combination of changes is filed (i.e., increases and decreases), each change should be described, as well as the net effect on company revenues; and	
☐	h. If the utility does not include an authorizing signature on the tariff sheets, include a statement certifying that the submitting person has authority to issue tariff revisions on behalf of the utility.	
☐	**2. Acceptable Format** Rule: WAC 480-07-140(6)(a) (i) All documents other than spreadsheets as described in (a)(ii) of this subsection and email correspondence or comments must be filed in searchable .pdf (adobe acrobat or comparable software) format and to the extent feasible should be saved or otherwise converted directly from the native format in which the document was created.	
☐	(ii) Spreadsheets must include all formulas and may not include locked, password protected, or hidden cells or tabs, or any other restrictions that impair or hamper the commission's ability to review or modify the data in those cells.	
☐	**3. File Naming Conventions** Rule: WAC 480-07-140(6)(b) a. The docket number of the proceeding (except in the case of original submissions);	

Company: ______________________________ Docket #:______________________________

Completed By: ______________________________ Date:______________________________

	RULE AND REQUIREMENT	NOTES AND FILE NAMES
☐	b. Any confidentiality designation;	
☐	c. The name of the document;	
☐	e. The name of the person or party on whose behalf the document is submitted;	
☐	f. The last name of any witness sponsoring the document; and	
☐	g. The date the document is submitted.	
☐	**4. <u>Acceptable Organization</u>** Rule: WAC 480-07-140(6)(c) Except as provided in WAC 480-07-160(4)(c)(iv), -(5)(c)(iv), and (6)(c)(iv), when submitting documents that include information designated as exempt, confidential, and/or highly confidential, all files required to meet a single deadline must be submitted at the same time and in the same message, if possible, or on the same disc or commonly used electronic storage medium.	
☐	**5. <u>Confidential and Other Restricted Information</u>** Rule: WAC 480-07-160 a. Designating information as exempt/confidential/highly confidential;	
☐	b. Providing documents with information designated as exempt/confidential/highly confidential; and	
☐	c. Marking and submitting information designated as exempt/confidential/highly confidential.	
☐	**6. <u>General Provision</u>** Rule: WAC 480-07-510 The company and all parties to an adjudication in a general rate proceeding must file all required documents in electronic form consistent with the requirements in WAC 480-07-140 and by the next business day must file five paper copies of all testimony and exhibits unless the commission establishes a different number.	
☐	**7. <u>Testimony & Exhibits (T&E)</u>** Rule: WAC 480-07-510(1) **The utility must provide an exhibit that includes**: a. Results-of-operations statement showing test year actual results;	
☐	b. Restating and pro forma adjustments in columnar format supporting its general rate request;	
☐	c. Each restating and pro forma adjustment and its effect on the results of operations and revenue requirement;	
☐	d. A written description (in the testimony) of each proposed restating and pro forma adjustment	

	RULE AND REQUIREMENT	NOTES AND FILE NAMES
	describing the reason, theory, and calculation of the adjustment.	
☐	**8. Tariff Sheets** Rule: WAC 480-07-510 (2) **The company must file a copy of:** a. The proposed new or revised tariff sheets in legislative format;	
☐	b. Any tariff sheets that are referenced by new or amended tariff sheets.	
☐	c. Changes to revised tariffs must be indicated by symbols or notations and consistent with the other requirements. (per WAC 480-80-105)	
☐	**9. Detailed Support for Proposals** Rule: WAC 480-07-510 (3)(a) – (3)(i) a. The company must include in its initial T&E, sufficient detail, calculations, information and descriptions necessary to meet its burden of proof.	
☐	b. The company must include in T&E a detailed description of the development of any capital structure and rate of return (ROR) proposals.	
☐	c. T&E must include a detailed portrayal of the restating and pro forma adjustments used to support its proposal or position (assumptions, etc.) T&E must include support for and calculations showing the derivation of each input number used in the detailed portrayal, as well as the derivation of all interstate and multiservice allocation factors. (See WAC 480-07-510(3)(c)(i) and WAC 480-07-510(3)(c)(ii) for definitions of restating and pro forma adjustments, respectively.)	
☐	d. The company must include in T&E a detailed portrayal of revenue from regulated sources, by source, during the test year and the changes that would result in those revenues if the commission approved the company's request, including an explanation of how the resulting changes were derived.	
☐	e. The company must demonstrate in T&E why the company has not achieved its authorized ROR and what actions company has taken prior to and during the test year to improve its earnings in addition to its request for increased rates. If the company has not taken such action, the company must explain why it has not.	
☐	f. T&E must include a representation of the company's actual rate base and results of operations during the test period, calculated in the same manner the commission used to calculate the revenue requirement in the final order in the company's most recent GRC.	

	RULE AND REQUIREMENT	NOTES AND FILE NAMES
☐	g. The company's T&E must supplement, as necessary, the annual affiliate and subsidiary transaction reports to include all such transactions during the test period. The company must identify all affiliate and subsidiary transactions that materially affect the proposed rates. The company must support the allocation method used to distribute common costs between regulated and nonregulated affiliated entities and the dollar amount of those costs.	
☐	h. Electronic files must be fully functional and include all formulas and linked spreadsheet files. Electronic files that support exhibits must use logical file paths, as necessary, by witness and must use identifying file names consistent with the naming requirements in WAC 480-07-140.	
☐	i. If T&E refer to a document including, but not limited to, a report, study, analysis, survey, article, or court or agency decision, the party's T & E must include that document except as provided below: (i) A party may include an official citation or internet Uniform Resource Locator (URL) to a commission order or to a court opinion or other state or federal agency decision; (ii) A party may include only the relevant excerpts of a voluminous document if the party also provides a publicly accessible internet URL; and (iii) A party is not required to file or distribute materials subject to third-party copyright protection.	
☐	**10. <u>Work Papers</u>** Rule: WAC 480-07-510 (4)(a) a. Within 5 business days, the company must provide copies of all supporting work papers of each witness and must comply with the requirements of this subsection.	
☐	Rule : WAC 480-07-510 (4)(b) b. Work papers must be plainly identified and well organized, and must include an index. Work papers must be cross referenced and include a description of the cross-referencing methodology.	
☐	Rule : WAC 480-07-510 (4)(c) c. Any work papers provided to other parties must comply with requirements governing electronic documents and confidentiality and referenced documents.	

	RULE AND REQUIREMENT	NOTES AND FILE NAMES
☐	**11. Summary Document** Rule: WAC 480-07-510 (5)(a) a. The company must include in its initial filing a document that summarizes the information in this subsection on an annualized basis, if applicable, and must itemize revenues from any temporary, interim, periodic, or other non-continuing tariffs.	
☐	(i) The date and amount of the last general rate change and the revenue the company realized from that change during the test period based on the company's test period units of sale;	
☐	(ii) Total revenues the company is realizing at its present rates and the total revenues the company would realize at the requested rates;	
☐	(iii) Requested revenue change in percentage, in total and by major customer class;	
☐	(iv) Requested revenue change in dollars, in total and by major customer class;	
☐	(v) The representative effect of the request in dollars for the average monthly use per customer, by customer class or other similar meaningful representation, i.e., dollars per month on residential customers by usage categories;	
☐	(vi) Most current customer count, by major customer class;	
☐	(vii) Current authorized overall ROR and authorized rate of return on common equity (ROE);	
☐	(viii) Actual ROR and actual ROE for the test period;	
☐	(ix) Requested overall ROR and requested ROE and the method or methods used to calculate the requested rates of return;	
☐	(x) Requested capital structure;	
☐	(xi) Requested net operating income;	
☐	(xii) Requested rate base and method of calculation or equivalent; and	
☐	(xiii) Revenue effect of any requested attrition allowance.	
☐	Cover Letter Rule: WAC 480-07-510 (5)(b)(ii) The company must enclose a cover letter with the summary document stating that the company's pre-filed testimony, exhibits, and work papers are available from the company on request, if the company is not serving them along with the summary document.	

Company: ______________________________ Docket #:______________________________

Completed By: ______________________________ Date:______________________________

	RULE AND REQUIREMENT	NOTES AND FILE NAMES
☐	**12. <u>Cost Studies (Cost of Service)</u>** Rule: WAC 480-07-510 (6) a. The company must provide any cost studies it performed to prepare its filing.	
☐	b. The company must identify all cost studies conducted in the last five years for any of the company's services.	
☐	c. The company must describe the methodology used in all such cost studies. If the study is in the form of a model, the company must provide a copy of or reasonable access to the model.	
☐	**13. <u>Additional Documents</u>** Rule: WAC 480-07-510 (7) **The company must file or provide URL for each of these:** a. Its most recent annual report to shareholders, if any, and any subsequent quarterly reports to shareholders;	
☐	b. The most recent FERC Form 1 and FERC Form 2;	
☐	c. The company's Form 10 Ks and Form 10 Qs, any prospectuses for any issuances of securities and quarterly reports to stockholders, if any, for the most recent two years prior to the rate change request.	