



# UTC Utility Ratemaking Process Explained

The Washington Utilities and Transportation Commission is charged with ensuring private or investor-owned energy, water, telephone, and garbage companies provide services that are fairly priced, reliable, and safe.

Washington's investor-owned utility companies must receive approval from the UTC to adjust the rates they charge for service. These formal requests, known as general rate cases, are legal proceedings with a judge, parties, evidence, and hearings.

## How do I learn about rate cases?

Companies regulated by the commission must give customers a minimum of 30 days' notice for proposed rate increases. The notice must explain how the company's proposal would affect rates and how to comment before the commission takes action.

## How often can companies request rate increases?

There are no restrictions on how often a utility can request a rate increase. However, the company must prove to the commission that it requires additional revenue to provide safe and reliable service.

## Submit your comments on a rate case:

- Online at [www.utc.wa.gov/comments](http://www.utc.wa.gov/comments)
- By calling 1-888-333-WUTC (9882)
- By emailing [comments@utc.wa.gov](mailto:comments@utc.wa.gov)
- By mail to the P.O. Box 47250, Olympia, WA 98504-7250. Provide a description of the filing you'd like to address and a return address.



Consumer Protection  
888-333-WUTC (9882)  
[consumer@utc.wa.gov](mailto:consumer@utc.wa.gov)

PO Box 47250  
Olympia, WA 98504-7250  
[www.utc.wa.gov](http://www.utc.wa.gov)

## Utility ratemaking process explained ...

### What does the commission consider in a rate case?

Commission staff consider five main issues:

- The company's costs of providing service based on 12 months of financial records;
- The company's investment in equipment to provide service;
- The appropriate profit level the company should be allowed for its investments;
- The appropriate amount that each customer class (residential, commercial, or industrial) should pay; and
- The company's overall rate design.

The two primary goals of rate design are to match the revenue required for a company to run its operations and to appropriately allocate costs to customer groups. Additional goals for rate design are to minimize complexity and costs, stabilize costs by reducing uncertainty, encourage conservation, improve affordability for low-income customers, and encourage infrastructure development.

### What happens during a rate case?

- A company submits a request to change rates to the commission, accompanied by supporting documents and written testimony about the request.
- The new rates become effective as submitted unless the commission suspends the filing.
- If the rate request is suspended, an administrative law judge holds a pre-hearing conference. This meeting identifies the groups and organizations that will actively participate in the case and sets a schedule for testimony and hearings.
- Parties to the case, including commission staff, submit written testimony about their review of the company's request and their findings.
- The company then files written testimony in response to the parties' testimony.
- All witnesses are cross-examined in a series of hearings in front of the three commissioners.
- The commission hosts public comment hearings to give customers an opportunity to voice their views of the case directly to the commissioners. All customer comments become evidence in the case.
- The company and parties present final arguments or briefs in writing to the commission.
- The commissioners make a decision and issue a final order.
- Any party to the case may request commission clarification or reconsideration of a final decision. Parties may also appeal a commission decision to Superior Court.

