

**199—26.6(17A,476) Subsequent proceeding in rate case proceedings based upon a future test year.**

**26.6(1) *Time period for updates for subsequent proceeding.*** The utility shall file within 90 days of the end of the verification period the information, exhibits, and workpapers described in subrule 26.6(2).

**26.6(2) *Updated information required.*** The filing required in subrule 26.6(1) shall include an update of the cost-of-service study, revenue allocation, resulting rates, and revenue verifications, based upon methodologies approved by the board in the general rate proceeding, with actual costs, revenues, and sales applicable during the verification period. The filing shall include a calculation of the utility's return on equity based upon the updated information, exhibits, and workpapers.

**26.6(3) *Other parties' filing requirements.*** Any party to the future test year rate proceeding, or any other party who is granted intervention in the subsequent proceeding, may file a response to the return on equity calculation, and other information, exhibits, and workpapers, filed by the utility with information, exhibits, and workpapers within 30 days of the date the utility files its information, exhibits, and workpapers.

**26.6(4) *Board order required.*** The board shall issue within 30 days of the filing of any response, or, if no response is filed, within 60 days of the utility's filing, an order which finds that the actual costs and revenues are reasonably consistent with the costs and revenues approved by the board or shall set the matter for hearing to address questions from the board. If the board determines that the actual return on equity of the utility during the verification period falls within a standard of reasonableness of 50 basis points above or 50 basis points below the return on equity approved by the board, the actual costs and revenues shall be presumed to be reasonably consistent with the costs and revenues approved by the board.

**26.6(5) *Hearing to be scheduled.*** If the board determines that the return on equity based upon actual costs and revenues does not fall within the standard of reasonableness in subrule 26.6(4) or the board has questions about any of the information, exhibits, and workpapers filed by the utility, the board shall schedule the review of the actual costs and revenues for hearing. The hearing date of the subsequent proceeding shall be set no more than 90 days from the date the utility files its information, exhibits, and workpapers, unless otherwise ordered by the board. The issues to be considered at the hearing are the review of any inconsistencies between actual costs and revenues compared to the costs and revenues approved by the board. The utility and other parties shall provide witnesses to respond to board questions at the hearing and parties may ask questions of the witnesses.

**26.6(6) *Order addressing issues in subsequent proceeding.*** The board shall issue a final order within 120 days of the filing of the utility's information, exhibits, and workpapers required in subrule 26.6(2), unless otherwise ordered by the board. In the order, the board will determine whether the actual costs and revenues are reasonably consistent with the costs and revenues approved by the board and whether there should be any adjustment in rates based upon the board's determination. Any increase or reduction in rates based upon a return on equity outside of the standard of reasonableness band shall be calculated in relation to the band and not the return on equity approved by the board.

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