

MCR RATE CASE SERVICES

MCR develops solutions to key issues facing utility executives. Our industry experts assist electric, natural gas and water companies in the following areas:

- **Rate Case Strategy.** MCR partners with clients to develop successful regulatory strategies. We help evaluate the decision to file a case, define the underlying rationale, prepare supporting analysis of regulatory issues, and determine the optimal timing for the rate case. MCR also provides an objective assessment of the probability of full or partial recovery and quantifies the financial implications using our proprietary risk analytics models.
- **Regulatory Process and Rate Case Management.** MCR helps with planning, preparing, developing, and supporting regulatory proceedings and rate case filings. We provide support and guidance in overall process management, prioritize and address key issues, develop structure and strategy of supporting studies, refine testimony and exhibits, administer the flow of interrogatories and other discovery requests and responses, and manage the filing of the required schedules and work papers.
- **Innovative Rate Design.** MCR creates innovative rate designs to meet the demands of a continually evolving marketplace. We modify rate mechanisms to account for competitive challenges while also producing desired revenue requirements. Our experience includes weather normalization, rate decoupling, performance-based rates, and other traditional and non-traditional rate proposals.
- **Expert Testimony.** In addition to developing and managing regulatory filings, MCR can provide expert testimony in support of a filing. Our team members have presented and supported expert testimony on behalf of clients before numerous state regulatory bodies as well as the Federal Energy Regulatory Commission (FERC).
- **Cost of Service Modeling and Testimony.** MCR has implemented our Cost of Service Tool (COST™), with a built-in rate design module, for numerous utilities, including cooperatives, to provide detailed analysis of costs by rate schedule. The customizable model allows for uploading of client data, functionalizing rate base and costs, then allocating to rate schedules. The COST™ model has been successfully used in rate proceedings for electric and gas utilities and complements MCR's cost of service testimony development and expert witness services.
- **Lead Lag Studies.** MCR consultants are recognized experts in the development of cash working capital calculations using lead lag studies. We help clients organize their data from the myriad sources used in lead lag studies and compile it into a readily understandable and defensible model. We also provide expert assistance in filing the required data to support the study and in developing supporting testimony where required.
- **Training.** MCR offers training in ratemaking and witness effectiveness. Our two-day Understanding Ratemaking course covers fundamentals of ratemaking, advanced ratemaking, and contemporary topics. Our two-day Becoming a More Effective Witness™ program is customized for participants who have a designated role in an upcoming hearing. It uses specific pre-filed testimony from participants and trains them on their own materials.

WHY MCR?

MCR is uniquely positioned to support your initiative. Our team brings decades of industry experience to your project:

- **An in-depth understanding of the regulatory environment**, including familiarity with the interaction among commissions and their staff, attorney general's offices, Offices of Consumer Advocate, and other intervenors. This knowledge helps to obtain desired results.
- **Decades of experience in developing rate case filings across a variety of regulatory environments.** MCR's established tools and approach—developed over many years supporting clients in numerous jurisdictions—ensures the rate case is supportable, detailed, and leads to a successful filing. Our project approach reflects our detailed knowledge of the steps necessary for successful implementation.
- **A thorough understanding of utility operations**, including familiarity with operations, cost of service, rate design, competitive forces, capacity planning, customer service, and information systems. We effectively engage and lead the nation's top utility operations in cost allocation, finance, capital structure, cost of capital, rate of return, O&M and capital budgeting, infrastructure replacement, rate and rider design, tariff language, and rate case presentation.
- **Extensive experience in developing and leading rate, regulatory, and witness effectiveness programs.** We fully prepare company witnesses through our Becoming a More Effective Witness™ program. This two-day program is customized for participants who have been designated a role in an upcoming hearing. The program uses specific pre-filed testimony from participants and trains them on their own materials. Our approach ensures that witnesses will be confident in their ability to communicate key points effectively, recognize and respond to difficult questions, and maintain composure and control on the witness stand, leading to successful regulatory results.
- **Basic and advanced rates expertise.** MCR trains clients through our Understanding Ratemaking course, including fundamentals of ratemaking, advanced ratemaking, and contemporary topics.
- **A highly collaborative approach**, including weekly meetings to ensure that our clients have significant input on the project's direction and priorities, and that all are comfortable with the results. This collaborative approach ensures effective knowledge transfer and a joint feeling of accomplishment between the client and MCR. We also meet with senior management to make certain they are allowed input and stay informed as the project proceeds.

MCR has worked on over 100 rate and regulatory proceedings. Let our experts help you!



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