

The rate case process in the energy & utilities sector: Key trends and data



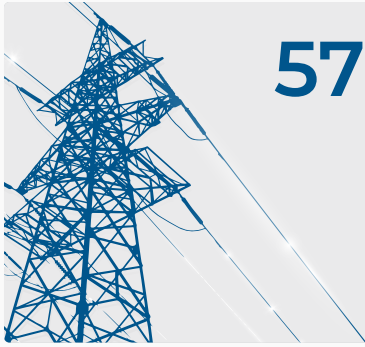
Rate cases are pivotal proceedings in the energy and utilities sector. They involve a utility company seeking approval from regulatory bodies, such as public utility commissions, for changes in the rates they charge customers. The approval process is comprehensive, requiring meticulous documentation and justification for any proposed rate modifications.

This process requires collaboration across various departments within the utility, from finance and operations to legal and communications. Innovative approaches and forward-thinking strategies are often employed to address the complex and evolving challenges associated with rate case planning and execution.

The following data points and statistics have been compiled to provide an overarching view of rate cases and their impact on the sector and consumers.

Electricity prices and consumer sentiment

In the energy and utilities sector, electricity pricing is a core determinant of customer sentiment. A variety of factors, ranging from environmental regulations to shifts in fuel costs, can impact those pricing models. Understanding the correlation between rate changes and buyer behavior helps us to navigate industry shifts and make informed decisions that benefit both the sector and its consumers.

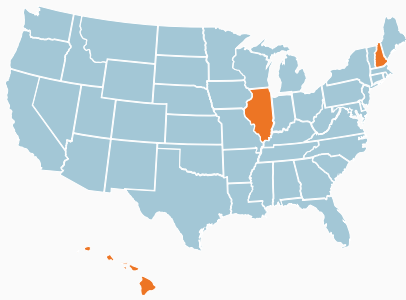


57% The increase in electricity prices in January 2023 compared to the same month in 2021 for the New England Census Division, encompassing states like Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine²



\$0.43
per kilowatt hour

The average retail price of electricity in March 2023 for residential properties in Hawaii, surpassing all other states in the US³



38%
Hawaii's increase in electricity costs in 2022, the second highest in the country⁴

32%
Illinois's increase in electricity costs in 2022, the third highest in the country⁴

40%
New Hampshire's increase in electricity costs in 2022, the highest in the country⁴



75%
The percentage of Americans concerned about the ability to cover utility or electric bills⁵



51%
The percentage of Americans who curtailed their shopping to budget for electricity costs⁵



1 out of 4

The percentage of Americans who undertook additional employment to manage increasing electricity expenses⁵

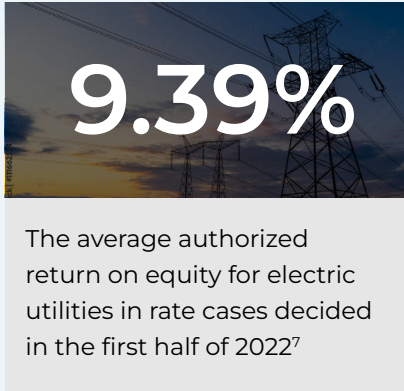


\$0.11
per kilowatt hour

The average end-use electricity price in the US in 2021⁶

Rate case planning and presentation

A clear understanding of the current rate case landscape, along with future projections, equips stakeholders — from energy providers to policy makers, and consumers — with valuable knowledge that aids in complex, strategic decision making, which thereby fosters a more equitable and sustainable energy environment.



9.39%

The average authorized return on equity for electric utilities in rate cases decided in the first half of 2022⁷



19 The number of electric ROE authorizations in the first half of 2022⁷

55 The number of electric ROE authorizations in 2021⁷

\$16.89B

The total combined rate increase requests from US investor-owned utilities in 2022⁸

\$12.48B

Requests for rate increases by electric utilities in 2022⁹

\$4.41B

Requests for rate increases by gas utilities in 2022⁹

\$1.74B over four years

The largest rate case filed in 2022¹⁰

Sources:

1. [Inflation is falling, but not your electricity bill. Here's why.](#)
2. [High Electricity Prices Will Go Even Higher Unless We Change Course](#)
3. [Average residential sector retail electricity price in the United States as of May 2023, by state](#)
4. [Electricity bills may continue to shock you even as overall inflation eases. Here's why.](#)
5. Ibid.
6. [Projected average end-use electricity price in the United States from 2022 to 2050](#)
7. [Major energy rate case decisions in the US](#)
8. [Rate requests by energy utilities hit another all-time record in 2022](#)
9. Ibid.
10. Ibid.



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