

PC/AARP/WeBTEC submits that the precedent that is relevant here is the body of over twenty Commission decisions on interim relief.

b. What policy factors should bear on determining whether this request differs from other requests for interim relief.

61. One very important factor to consider is that a request by Verizon for rate rebalancing , i.e., automatic substitution of lost revenue without earnings review, would violate the prohibition against single-issue ratemaking.

Single-issue ratemaking is prohibited because it considers changes in isolation, thereby ignoring potentially offsetting considerations and risking understatement or overstatement of the overall revenue requirement. *City of Chicago v. Ill. Commerce Commn.*, 281 Ill.App.3d 617, 627 (1996)¹⁴

This Commission has followed this rule:

The Commission generally will not engage in single issue or “piecemeal” ratemaking... The Commission has consistently held that these questions are resolved by a comprehensive review of the company’s rate base and operating expenses, determining a proper rate of return, and allocating rate changes equitably among customers. *MCI Telecommunications Corp. v. GTE Northwest, Inc.*, UT-970653, Second Supplemental Order Dismissing Complaint, p. 5 (October 22, 1997).¹⁵

Rebalancing rates presents just the type of limited rate case the Commission has condemned. “Such limited rate cases likely would result in unfair and unequal allocation of rates among the company’s ratepayers, and would not be a productive use of the Commission’s resources.” *Id.* at 6. The proper context for consideration of cost shifting, rate spread and similar issues is in a general rate case where all revenues and costs are before the Commission.

IV. RATE DESIGN

(This section of the brief is supported by Public Counsel and AARP only. WeBTEC is submitting a separate Rate Design/Deferral Account brief.)

¹⁴ See also 8 Am. Jur. 2d, Public Utilities § 118.

¹⁵ MCI’s complaint was dismissed for failure to state a claim against GTE. ~~The Commission’s decision was affirmed in an unpublished opinion by Div. 1 of the court of appeals. The court adopted the Commission’s analysis and the above cited language. *US West Comm., Inc. v. Washington Utils. And Transp. Commission*, 2001 WL 783746 (2001).~~