

Bolt Reviews

A diversified plan of municipal financial management frequently includes the implementation of user fees to defray the costs of public utilities. In 1998, the Michigan Supreme Court issued its opinion in the case of *Bolt v. City of Lansing*, which called into question many of the core concepts underlying conventional utility ratemaking, and created the possibility of broad liability for municipalities whose rate systems are out of line with the Court's findings. As a result, municipalities in Michigan have proceeded with caution as they balance the need to defray the costs of critical enterprise systems with the uncertainty resulting from *Bolt*.

In the wake of *Bolt*, many municipalities have sought professional review of utility rate systems and user fee formulas—and they call Miller Canfield first. Indeed our attorneys know the intricacies of the *Bolt* case and the line of subsequent cases interpreting *Bolt*. More importantly, though, we understand the real-world implications of *Bolt* and its impact on our municipal clients' capital improvement plans. We recognize that the Supreme Court's decision was not issued in a vacuum. As such we undertake *Bolt* reviews with a special focus on our clients' plans of finance and overall revenue structure, reading between the lines of utility ordinances to help our clients understand their exposure while helping them stay on track financially. *Bolt's* legacy is one of uncertainty for municipalities; our *Bolt* reviews are designed to provide clients with direction and clarity.
