

## 41.402 Rate changes and regulatory intervention.

(a) When a change is proposed to rates or terms and conditions of service to the Government, the agency *shall* promptly determine whether the proposed change is reasonable, justified, and not discriminatory.

(b) If a change is proposed to rates or terms and conditions of service that *may* be of interest to other *Federal agencies*, and intervention before a regulatory body is considered justified, the matter *shall* be referred to GSA. The agency *may* request from GSA a delegation of authority for the agency to intervene on behalf of the consumer interests of the Federal *executive agencies* (see [41.301](#)).

(c) Pursuant to [52.241-7](#), Change in Rates or Terms and Conditions of Service for Regulated Services, if a regulatory body approves a rate change, any rate change *shall* be made a part of the contract by unilateral *contract modification* or otherwise documented in accordance with agency procedures. The approved applicable rate *shall* be effective on the date determined by the regulatory body and resulting rates and charges *shall* be paid promptly to avoid late payment provisions. Copies of the modification containing the approved rate change *shall* be sent to the agency's paying office or office responsible for verifying billed amounts (see [41.401](#)).

(d) If the utility supplier is not regulated and the rates, terms, and conditions of service are subject to negotiation pursuant to the clause at [52.241-8](#), Change in Rates or Terms and Conditions of Service for Unregulated Services, any rate change *shall* be made a part of the contract by *contract modification*, with copies sent to the agency's paying office or office responsible for verifying billed amounts.

**Parent topic:** [Subpart 41.4 - Administration](#)