

## CHAPTER 9

### EXPENSES RELATED TO REGULATION OF PUBLIC UTILITIES — ASSESSMENTS

S.F. 279

**AN ACT** relating to allocation and payment of expenses arising from performance of duties by the Iowa utilities board and the consumer advocate, providing for a report by the Iowa utilities board, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 476.10, unnumbered paragraphs 1, 2, and 3, Code 2001, are amended to read as follows:

~~When the board deems it necessary in~~ In order to carry out the duties imposed upon it by this chapter for the purpose of determining rate matters to investigate the books, accounts, practices, and activities of, or make appraisals of the property of any public utility, or to render any engineering or accounting services to any public utility, or to review the operations or annual reports of the public utility under section 476.31 or 476.32, or to evaluate a proposal for reorganization under section 476.77, the public utility shall pay the expense reasonably attributable to the investigation, appraisal, service, or review ~~law, the board may, at its discretion, allocate and charge directly the expenses attributable to its duties to the person bringing a proceeding before the board or to persons participating in matters before the board.~~ The board shall ascertain the ~~expenses including~~ certified expenses incurred and directly chargeable by the consumer advocate division of the department of justice ~~directly chargeable to the public utility under section 475A.6, and shall render in the performance of its duties.~~ The board and the consumer advocate separately may decide ~~not to charge expenses to persons who, without expanding the scope of the proceeding or matter, intervene in good faith in a board proceeding initiated by a person subject to the board's jurisdiction, the consumer advocate, or the board on its own motion.~~ For assessments in any proceedings or matters before the board, the board and the consumer advocate separately may consider the financial resources of the person, the impact of assessment on participation by intervenors, the nature of the proceeding or matter, and the contribution of a person's participation to the public interest. ~~The board may present a bill for expenses under this paragraph to the public utility person, either at the conclusion of the investigation, appraisal, services, or review a proceeding or matter, or from time to time during its progress, which.~~ Presentation of a bill is for expenses under this paragraph constitutes notice of the direct assessment and shall demand request for payment in accordance with this section. The total amount of such expense in any one calendar year, for which any public utility shall become liable, shall not exceed two tenths of one percent of its gross operating revenues derived from intrastate public utility operations in the last preceding calendar year.

The board shall ascertain the total of the division's ~~expenditures~~ expenses incurred during each fiscal year ~~which are reasonably attributable to~~ in the performance of its duties under this chapter ~~law.~~ The board shall add to this ~~the total of the division's expenses~~ the certified expenses of the consumer advocate as provided under section 475A.6 ~~and.~~ The board shall deduct all amounts chargeable directly to any specific utility under any law charged directly to any person from the total expenses of the board and the consumer advocate. ~~The remainder shall be assessed by the board~~ may assess the amount remaining after the deduction to the public utilities ~~all persons providing service over which the board has jurisdiction~~ in proportion to their ~~the~~ respective gross operating revenues of such persons from intrastate operations during the last calendar year ~~derived from intrastate public utility operations and may be assessed by the board on a quarterly basis~~ over which the board has jurisdiction. For purposes of determining gross operating revenues under this section, the board shall not include gross receipts received by a cooperative corporation or

association for wholesale transactions with members of the cooperative corporation or association, provided that the members are subject to assessment by the board based upon the members' gross operating revenues, or provided that such a member is an association whose members are subject to assessment by the board based upon the members' gross operating revenues. Assessments may be made quarterly. If any portion of the remainder can be identified with a specific type of utility service, the board shall assess those expenses only to the entities providing that type of service over which the board has jurisdiction. The board may make the remainder assessments under this paragraph on a quarterly basis, based upon estimates of the utilities division's and the consumer advocate's expenditures for the fiscal year for the utilities division and the consumer advocate. Beginning with the fiscal year beginning July 1, 1987, the first assessment for any fiscal year may be made by the utilities division by May 15 of the preceding fiscal year and shall be paid by the utility on or before the following July 1. Not more than ninety days following the close of the fiscal year, the utilities division shall conform the amount of the prior fiscal year's assessments to the requirements of this section paragraph. Public utilities exempt from rate regulation under this chapter shall not be assessed for remainder expenses incurred during review of rate-regulated public utilities under section 476.31 or 476.32, but such remainder expenses shall be assessed proportionally as provided in this section among only the rate regulated public utilities. The total amount which may be assessed to the public utilities under authority of this paragraph shall not exceed two tenths of one percent of the total gross operating revenues of the public utilities during the calendar year derived from intrastate public utility operations. However, the total amount which may be assessed in any one calendar year to a public utility under this section shall not exceed three tenths of one percent of the utility's total gross operating revenues derived from intrastate public utility operation in the last preceding year. For gas and electric public utilities exempted from rate regulation under pursuant to this chapter, the remainder assessments under this paragraph shall be computed at one-half the rate used in computing the assessment for other utilities persons.

Each utility A person subject to a charge or assessment shall pay the division the amount charged or assessed against it the person within thirty days from the time the division mails provides notice to it the person of the amount due, unless it shall file with the board objections the person files an objection in writing with the board, setting out the grounds upon which it the person claims that such charge or assessment is excessive, unreasonable, erroneous, unlawful, or invalid. Upon the filing of such objections receipt of an objection, the board shall set the matter down for hearing and issue its order in accordance with its findings in such the proceeding, which.

The order shall be subject to review in the manner provided in this chapter. All amounts collected by the division pursuant to the provisions of this section shall be deposited with the state treasurer of state and credited to the general fund of the state. Such amounts shall be spent in accordance with the provisions of chapter 8.

Sec. 2. UTILITIES BOARD REPORT. The utilities board shall submit a written report to the general assembly on or before March 1, 2002, regarding the direct and remainder assessments made pursuant to this Act. The utilities board shall indicate for both direct and remainder assessments the amount of the assessment and the party to whom it was assessed. The utilities board shall also provide a comparison of the assessments made to the same parties under the previous statute. The utilities board may also address additional issues or information that it deems useful to the general assembly in reviewing the statutory changes.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 14, 2001