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SENATE FILE 444

By CARR, WILLITS, KINLEY,  
PALMER, ORR, GALLAGHER  
and MILLER of Cerro Gordo

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to rate increases by public utilities.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred seventy-six point six  
2 (476.6), Code 1979, is amended to read as follows:

3 476.6 CHANGE OF RATES--HEARING. No public utility subject  
4 to rate regulation shall make effective any new or changed  
5 rate, charge, schedule or regulation ~~except by filing the~~  
6 ~~same with the commission at least thirty days prior to the~~  
7 ~~effective date thereof~~ until the rate, charge, schedule or  
8 regulation has been approved by the commission except as  
9 otherwise provided in this section. The commission, for good  
10 cause shown, may allow changes in rates, charges, schedules  
11 or regulations to become effective on less than thirty days  
12 notice. The commission shall not approve a charge nor shall  
13 a public utility make a charge for telephone directory  
14 assistance.

15 All public utilities, including those exempted from rate  
16 regulation by the provisions of section 476.1, shall give  
17 written notice of any proposed increase of any rate or charge  
18 to all affected customers served by the public utility at  
19 ~~least thirty days prior to the effective date thereof~~ the  
20 time the request for the increase is filed with the commission.  
21 If the public utility is subject to rate regulation, the  
22 notice to affected customers shall also state that the customer  
23 has a right to file a written objection to such rate increase  
24 and that ~~he~~ the affected customer may request the commission  
25 to hold a public hearing to determine if such rate increase  
26 should be allowed. The notice shall state that upon the  
27 written request of fifty affected customers, a public hearing  
28 will be held at a central location in the affected area.  
29 The commission shall prescribe the manner and method that  
30 the written notice to each affected customer of the public  
31 utility shall be served.

32 Nothing in this chapter shall be taken to prohibit a public  
33 utility from establishing a sliding scale of rates and charges  
34 or from making provision for the automatic adjustment of rates  
35 and charges for public utility service provided that a schedule

1 showing such sliding scale or automatic adjustment of rates  
2 and charges is first filed with the commission.

3 Whenever there is filed with the commission by any public  
4 utility subject to rate regulation any new or changed rates,  
5 charges, schedules or regulations, the commission may, ~~prior~~  
6 ~~to the effective date thereof,~~ docket the case as a formal  
7 proceeding and set the case for hearing. The commission shall  
8 give such notice of such formal proceedings ~~as it deems~~  
9 appropriate at least sixty days prior to the date set for  
10 the hearing by publication in a newspaper in general  
11 circulation in the affected area.

12 ~~After the initiation of such formal proceedings and pending~~  
13 ~~the final decision thereon, the commission may, at any time~~  
14 ~~before they become effective, suspend the operation of such~~  
15 ~~new or changed rates, charges, schedules or regulations, but~~  
16 ~~not for a period longer than twelve months from the date when~~  
17 ~~they would have become effective if not suspended.~~

18 However, if a decision has not been rendered by the  
19 commission within six months a public utility shall have the  
20 right ~~at any time after said rates, charges, schedules or~~  
21 ~~regulations have been suspended for ninety days~~ to place in  
22 effect any or all of such suspended the requested rates,  
23 charges, schedules or regulations by filing with the commission  
24 a bond or other undertaking approved by the commission  
25 conditioned upon the refund in a manner to be prescribed by  
26 the commission of any amounts collected thereunder in excess  
27 of the amounts which would have been collected under rates,  
28 charges, schedules or regulations finally approved by the  
29 commission. The commission shall establish a rate of interest  
30 to be paid by a public utility to persons receiving refunds.  
31 Such rate of interest shall be not less than five percent  
32 per annum, nor more than nine percent per annum.

33 If, after hearing and decision on all issues presented  
34 for determination in such rate proceeding, the commission  
35 shall find the rates, charges, schedules or rules of the

1 utility to be unlawful, the same shall not be set-aside allowed  
2 and the commission shall by order authorize and direct the  
3 utility to file rates, charges, schedules or rules which,  
4 when approved by the commission and placed in effect, will  
5 satisfy the requirements of this chapter. The rates, charges,  
6 schedules or rules so approved shall be lawful and effective  
7 unless changed as herein provided. In the event a petition  
8 for rehearing is filed or a petition for judicial review is  
9 sought from an order concerning rates, charges, schedules  
10 or rules which are in effect under bond, those rates, charges,  
11 schedules or rules may, notwithstanding the terms of the Iowa  
12 administrative procedure Act, be continued in effect by the  
13 utility under the terms of a bond or other undertaking pending  
14 final determination of the application for rehearing or  
15 proceeding for judicial review of an order of the commission.

16 Sec. 2. This Act is effective January first following  
17 its enactment.

18 EXPLANATION

19 This bill prohibits utilities from putting increased rates  
20 or charges in effect until they have been approved by the  
21 commerce commission unless the commerce commission has not  
22 rendered a decision six months after the request if filed.  
23 The bill also requires the public hearing to be held in the  
24 area served by the utility upon the written request of fifty  
25 affected customers.

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