

199—21.8(476) Applications for water costs for fire protection services.

21.8(1) Definition. For purposes of this rule, “water costs for fire protection service” means all or a part of the utility’s costs of fire hydrants and other improvements, maintenance, and operations for the purpose of providing adequate water production, storage, and distribution for public fire protection, as reflected in the utility’s current tariff for public fire protection water service.

21.8(2) Utility requirements. A utility that provides public fire protection water service to a city preparing an application pursuant to subrule 21.8(3) will provide the city all necessary information and affidavits to enable the city to meet its application filing requirements.

21.8(3) Application contents. Any city filing an application with the commission requesting inclusion of all or a part of the water costs for fire protection service in a utility’s rates or charges to customers covered by the city’s fire protection service will submit, at the time the application is filed, the following information with supporting testimony:

a. A statement showing (1) the proposed method of allocating costs to affected customers, and (2) both the proposed per-customer rate increase and the average percentage increase by customer class, based on the utility’s current tariff, if the costs for fire protection water service are included in rates charged to affected customers;

b. Copies of all bills rendered to the city by the utility for public fire protection water service during the preceding 24-month period;

c. The current number of utility customers served within the city’s corporate limits, by customer class, with an affidavit from the utility verifying the information;

d. A map illustrating both (1) the city’s corporate limits, and (2) the portion of the utility’s customer service area within the city’s corporate limits, with an affidavit from the utility verifying the customer service area; and

e. An affidavit from the utility showing that the notice required by Iowa Code section 476.6(14) “c” and subrule 21.8(4) has been provided and paid for by the applicant and mailed by the utility to all affected customers.

21.8(4) Customer notification.

a. Prior approval. The city will file with the commission for its approval, not less than 30 days before providing notification to affected customers, a copy of the proposed notice.

b. Content of notification. The notice will advise affected customers of the proposed increase in rates and charges, the proposed effective date of the increase, the percentage increase by customer class, and include a written explanation of the reason for the increase. The notice will advise customers that the city is requesting the increase and that customers have the right to file with the commission a written objection to the proposed increase and to request a public hearing.

c. Notice of deficiencies. Within 30 days of the filing of the proposed notice, the city will be notified either of the approval of the notice or of any deficiencies in the notice and the corrective measures required for approval.

d. Distribution. The city shall provide to the utility, for mailing, a sufficient number of copies of the approved notice and direct the utility either to (1) include the notice with the utility’s next regularly scheduled mailing to the affected customers, or (2) make a separate mailing of the notice to affected customers within 30 days of receiving from the city the requisite number of copies of the notice. The city will pay all expenses incurred by the utility in providing notice to affected customers. The utility may require payment prior to the mailing.

e. Delivery. The written notice to affected customers will be mailed or delivered by the utility not more than 90 days before the application is filed and no later than the date the application is filed.

21.8(5) Procedure.

a. Docketing. Within 30 days of the applicant filing the application with the commission, the commission will either approve the application or docket the case as a formal proceeding and establish a procedural schedule.

b. Decision. The commission will render its decision within six months of the date of the application. If the application is approved, the commission will order the utility providing the water service to the city to file tariffs implementing the commission’s decision. The utility will include annually a bill insert

explaining to customers that the customers are being charged for water-related fire protection costs. The city will pay all costs incurred by the utility to file and implement the required tariff.

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