

**199—26.11(476) Rate proceedings for small utilities.** For purposes of this rule, a small utility shall mean a utility subject to rate regulation that serves fewer than 10,000 customers. A small utility that has had a rate case before the commission within the past ten years shall be eligible to file an application for a rate increase under this rule no more frequently than once every 24 months.

**26.11(1)** At least 60 days prior to filing an application under this rule, a utility shall participate in a public technical conference with commission staff and the consumer advocate at which the utility shall provide an overview of its planned rate increase application.

**26.11(2)** A utility filing under this rule is subject to the notice requirements of subrule 26.4(1) and the temporary rate provisions of subrule 26.4(3).

**26.11(3)** A utility's filing under this rule will take the form of a proposed tariff with a 30-day effective date along with supporting testimony and exhibits. The commission will docket the proposed tariff for further review.

**26.11(4)** A utility shall file information showing the revenue requirement and revenue deficiency for Iowa jurisdictional operations, a template for which can be found on the commission's website at [iuc.iowa.gov](http://iuc.iowa.gov). If the utility is applying for a gas rate increase, the utility shall file information utilizing the weather normalization model preferred by the commission, which is available on the commission's website.

**26.11(5)** The filing shall be based upon the following assumptions:

*a.* Adjustments to book values shall be limited to 400 series accounting entries that are required to be excluded from rates.

*b.* Return on equity (ROE) will be based on ROEs approved for utilities by the commission in the prior 24 months, or if the commission has not approved an ROE in the past 24 months, the utility shall use the average of the ROEs approved by other jurisdictions for the same utility service for the year preceding the date of filing, provided there was a minimum of five such approvals. If there was not a minimum of five such approvals, the commission may extend the one-year period as necessary to increase the number of approvals to five or more, or may make such other provision of ROE as the commission may determine to be just and reasonable.

*c.* Utility and parent capital structures will be the same as those approved in the utility's last rate case.

**26.11(6)** The proposed overall rate increase will be applied uniformly to all rates and charges so that no changes in class cost-of-service allocations occur.

**26.11(7)** No new rates, charges, or riders shall be proposed.

**26.11(8)** The commission establishes a rebuttable presumption that rate case expense in excess of \$150,000 for a filing under this rule is unreasonable.

**26.11(9)** The recovery mechanism for rate case expense shall be determined by the commission. Recovery may be through base rates, by means of a rider, or otherwise. The applicable recovery period will be determined in the rate proceeding. Recovery through a rider will end once the expense is fully recovered.

**26.11(10)** The commission shall issue an order granting, modifying, or rejecting the proposed rate increase within 90 days of the tariff required in subrule 26.11(3).

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