

199—26.7(476) Rate case expense.

26.7(1) A utility making an application pursuant to Iowa Code section 476.6 shall file, within one week of the docketing of the rate case, the estimated or, if available, actual expenses incurred to date or to be incurred by the utility in litigating the rate case. Except for expenses incurred in preparation of the rate filing and notification of customers, the expenses shall be limited to expenses incurred in the time period from the date the initial application is filed through the filing of the utility's briefs unless the time period is extended by the commission on a case-by-case basis. Each expense shall be designated as either estimated or actual.

26.7(2) Estimated or, if available, actual expenses shall identify specifically:

a. Printing costs for the following:

- (1) Rate notification letters.
- (2) Initial filing.
- (3) Testimony.
- (4) Briefs.
- (5) Other (specify).

b. Postage costs.

c. Outside counsel costs, including support personnel:

- (1) The name of each attorney contracted for as outside counsel and the names of support personnel.
- (2) Hours worked by each attorney engaged as outside counsel and support personnel.
- (3) Cost per hour charged by each attorney and support personnel and support for the reasonableness

of the rate.

(4) Scope of work and reason outside counsel was needed.

d. Outside expert witness/consultant costs:

- (1) The name of each outside consultant employed.
- (2) Hours each outside consultant worked.
- (3) Cost/hour per consultant employed and support for the reasonableness of this rate.
- (4) Scope of work and reason consultant was needed.

If a flat-fee arrangement is used for the services of an outside expert witness/consultant, the other information in this paragraph is still required to be provided.

e. Expenses stated by individual for outside consultants, outside counsel, and utility personnel:

- (1) Travel.
 - (2) Hotel.
 - (3) Meals.
 - (4) Other (specify).
- f.* Other (specify).

26.7(3) Rate case expense shall not include recovery for expenses that are otherwise included in temporary or test year expenses, including salaries for staff preparing the filing, staff attorneys, and staff witnesses. Rate case expense approved for recovery from customers shall include only reasonable, nonrecurring, incremental expenses not covered by test year expenses for the period stated in subrule 26.7(1).

26.7(4) Total allowable rate case expense shall include expenses incurred by commission staff and the consumer advocate for the time period stated in subrule 26.7(1). The rate case expense to be filed by the utility shall not include these expenses.

26.7(5) Estimated rate case expense may be litigated during or after the rate case proceeding. At the request of the consumer advocate, another party, or the commission, the utility shall make witnesses available for cross-examination on any rate case expense item included in rate case expense.

26.7(6) Actual utility expenses shall be filed in the same format and detail as estimated expenses and shall be filed within two weeks after the utility files its reply brief or at some other point as approved by the commission. All material differences between estimated and actual expenses shall be fully supported and justified. Objections to actual utility expenses shall be filed within 15 days of the filing of actual expenses.

26.7(7) The commission may schedule any additional hearings to litigate the reasonableness of the final expenses. At the request of the consumer advocate, another party, or the commission, the utility shall make witnesses available for cross-examination on any item included in rate case expenses.

26.7(8) 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.

26.7(9) A utility may recover rate case expenses for the subsequent proceeding for the preparation of the information and filing required in rule 199—26.6(476) through the date of the filing. A utility may request recovery of additional rate case expenses on a case-by-case basis.

[ARC 5629C, IAB 5/19/21, effective 6/23/21; Editorial change: IAC Supplement 7/24/24]