

Re Enactment 3/20/87
Amend (3513) & Re Pass 4/10/87 (y 1217)

MAR 25 1987

Place On Calendar

HOUSE FILE 640

BY COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

(Formerly House Study Bill 292)

Passed House, Date 3-30-87 (y 932) Passed Senate, Date 4-14-87 (y 1303)

Vote: Ayes 89 Nays 5 Vote: Ayes 48 Nays 0

Approved June 4, 1987

Repassed House as amended by Senate
4/23/87 (y 1728)
91-3

Repassed Senate 4/30/87 (y 1654)
39-7

A BILL FOR

1 An Act relating to revenue adjustments and revised revenue
2 requirements to be reflected in rates and charges to customers
3 of certain public utilities based on the federal Tax Reform
4 Act of 1986, with civil penalties applicable and providing an
5 effective date.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

HF 640

1 Section 1. NEW SECTION. 476.8A TAX REFORM REVENUE
2 ADJUSTMENT.

3 1. APPLICABILITY. Each rate-regulated investor-owned
4 public utility shall include in its charges or rates to cus-
5 tomers an amount attributable to state and federal tax lia-
6 bility no greater than the tax liability based on the federal
7 Tax Reform Act of 1986.

8 2. GENERAL FILING REQUIREMENT. Each public utility sub-
9 ject to this section shall determine and file, on or before
10 May 1, 1987, the following information which shall be desig-
11 nated confidential documents under section 422.20:

- 12 1. The revenue adjustment and all supporting workpapers.
- 13 2. The revised revenue requirement and all supporting
14 workpapers.

15 3. REVENUE ADJUSTMENT FORMULA. The revenue adjustment
16 formula shall be adopted by rule by the board in accordance
17 with chapter 17A.

18 4. REVISED REVENUE REQUIREMENT. The revised revenue re-
19 quirement shall be the revenue collected for calendar year
20 1986 increased or decreased, as appropriate, by the revenue
21 adjustment.

22 5. RATE FILING. On or before June 1, 1987, each public
23 utility shall determine and file rates designed to collect an
24 amount no greater than the revised revenue requirement. The
25 rates shall be increased or decreased equitably among customer
26 classes.

27 6. BOARD APPROVAL. Upon approval by the board, each pub-
28 lic utility subject to the provisions of this section shall
29 implement rates based on the revised revenue requirement
30 beginning July 1, 1987. If a public utility has not yet re-
31 ceived board approval, the public utility shall file bond or
32 other undertaking approved by the board, conditioned, in a
33 manner to be prescribed by the board, upon refund of any
34 amount collected in excess of the revised revenue requirement.

35 Sec. 2. This Act, being deemed of immediate importance,

1 takes effect upon enactment.

2 EXPLANATION

3 This bill codifies many of the provisions of Iowa admin-
4 istrative code 199 -- chapter 30. The bill requires each
5 rate-regulated investor-owned public utility to include in its
6 charges or rates to customers an amount attributable to state
7 and federal tax liability no greater than the tax liability
8 based on the federal Tax Reform Act of 1986. Each public
9 utility is required to file information relating to the reve-
10 nue adjustment and revised revenue requirement on or before
11 May 1, 1987.

12 The bill creates new section 476.8A and takes effect upon
13 enactment.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

April 13, 1987

HOUSE FILE 640

513

1 Amend House File 640, as passed by the House as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. NEW SECTION. 476.8A TAX REFORM ACT
6 RATE ADJUSTMENT.

7 The utilities board may require a rate-regulated
8 investor-owned public utility to file revised rates to
9 reflect the provisions of applicable state tax reform
10 and the provisions of the Federal Tax Reform Act of
11 1986. In lieu of filing revised rates to reflect the
12 change in state and federal taxes, a public utility
13 may file for a general rate change under section
14 476.6. If the public utility has not received board
15 approval to collect the revised rates by July 1, 1987,
16 the utility shall file a bond or other undertaking
17 approved by the board conditioned upon the refund in a
18 manner to be prescribed by the board of any amounts
19 collected in excess of those amounts which would have
20 been collected under the rates finally approved by the
21 board. The utilities board shall adopt rules
22 implementing this section.

23 If requested, a utility may delay implementation of
24 the revised rates required by this section until April
25 30, 1988, if sufficient bond or corporate undertaking
26 is approved and on file with the board. The bond or
27 corporate undertaking shall be one and one-half times
28 the estimated refund obligation accrued during the
29 delay in implementing the revised rates.

30 Sec. 2. This Act, being deemed of immediate
31 importance, takes effect upon enactment."

S-3513

Filed April 10, 1987
Adopted 4/14/87 (p 1308)

BY COMMITTEE ON ENVIRONMENT
AND ENERGY UTILITIES
PATRICK J. DELUHERY, Chairperson

HOUSE FILE 640

S-3560

1 Amend amendment S-3513 to House File 640 as
2 passed by the House as follows:
3 1. Page 1, by striking lines 23 through 29.

S-3560

Filed April 14, 1987
LOST (p 1307)

BY AL STURGEON
JIM LIND
CHARLES BRUNER

May 1, 1987

HOUSE AMENDMENT TO
SENATE AMENDMENT TO
HOUSE FILE 640

S-3923

1 Amend the Senate amendment, H-3842, to House File
2 640 as passed by the House as follows:
3 1. Page 1, line 23, by striking the words "if
4 requested, a" and inserting the following: "A".
5 2. Page 1, line 24, by striking the word "April"
6 and inserting the following: "September".
7 3. Page 1, line 25, by striking the figure "1988"
8 and inserting the following: "1987".
9 4. Page 1, line 29, by inserting after the word
10 "rates." the following: "A utility having pledged a
11 bond or corporate undertaking pursuant to this section
12 may file for a general rate proceeding by September
13 30, 1987, with the historical test year ending June
14 30, 1987."

S-3923

Filed April 30, 1987
Adopted 4/30/87 (p 1624)

RECEIVED FROM THE HOUSE

SENATE AMENDMENT TO HOUSE FILE 640

H-3842

1 Amend House File 640, as passed by the House as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. NEW SECTION. 476.8A TAX REFORM ACT
6 RATE ADJUSTMENT.

7 The utilities board may require a rate-regulated
8 investor-owned public utility to file revised rates to
9 reflect the provisions of applicable state tax reform
10 and the provisions of the Federal Tax Reform Act of
11 1986. In lieu of filing revised rates to reflect the
12 change in state and federal taxes, a public utility
13 may file for a general rate change under section
14 476.6. If the public utility has not received board
15 approval to collect the revised rates by July 1, 1987,
16 the utility shall file a bond or other undertaking
17 approved by the board conditioned upon the refund in a
18 manner to be prescribed by the board of any amounts
19 collected in excess of those amounts which would have
20 been collected under the rates finally approved by the
21 board. The utilities board shall adopt rules
22 implementing this section.

23 If requested, a utility may delay implementation of
24 the revised rates required by this section until April
25 30, 1988, if sufficient bond or corporate undertaking
26 is approved and on file with the board. The bond or
27 corporate undertaking shall be one and one-half times
28 the estimated refund obligation accrued during the
29 delay in implementing the revised rates.

30 Sec. 2. This Act, being deemed of immediate
31 importance, takes effect upon enactment."

H-3842 FILED APRIL 16, 1987

RECEIVED FROM THE SENATE

Amended

HOUSE FILE 640

H-4000

1 Amend the Senate amendment, H-3842, to House File
2 640 as passed by the House as follows:
3 1. Page 1, line 23, by striking the words "if
4 requested, a" and inserting the following: "A".
5 2. Page 1, line 24, by striking the word "April"
6 and inserting the following: "September".
7 3. Page 1, line 25, by striking the figure "1988"
8 and inserting the following: "1987".
9 4. Page 1, line 29, by inserting after the word
10 "rates." the following: "A utility having pledged a
11 bond or corporate undertaking pursuant to this section
12 may file for a general rate proceeding by September
13 30, 1987, with the historical test year ending June
14 30, 1987."

BY PARKER of Jasper
ROSENBERG of Story
DVORSKY of Johnson

H-4000 FILED APRIL 24, 1987
Adopted 4/28/87 (p. 1722)

ENERGY AND ENVIRONMENTAL PROTECTION

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ENERGY AND ENVIRONMENTAL
PROTECTION BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to revenue adjustments and revised revenue
2 requirements to be reflected in rates and charges to customers
3 of certain public utilities based on the federal Tax Reform
4 Act of 1986, with civil penalties applicable and providing an
5 effective date.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

SUB COMMITTEE ASSIGNMENTS

CHAIR: *Lincoln*

COMMITTEE: *Energy*

3/1/87

1 Section 1. NEW SECTION. 476.8A TAX REFORM REVENUE
2 ADJUSTMENT.

3 1. APPLICABILITY. Each rate-regulated investor-owned
4 public utility shall include in its charges or rates to cus-
5 tomers an amount attributable to state and federal tax lia-
6 bility no greater than the tax liability based on the federal
7 Tax Reform Act of 1986.

8 2. GENERAL FILING REQUIREMENT. Each public utility sub-
9 ject to this chapter shall determine and file, on or before
10 May 1, 1987, the following information which shall be desig-
11 nated confidential documents under section 422.20:

12 1. The revenue adjustment and all supporting workpapers.

13 2. The revised revenue requirement and all supporting
14 workpapers.

15 3. REVENUE ADJUSTMENT FORMULA. The revenue adjustment
16 formula shall be adopted by rule by the board in accordance
17 with chapter 17A.

18 4. REVISED REVENUE REQUIREMENT. The revised revenue re-
19 quirement shall be the revenue collected for calendar year
20 1986 increased or decreased, as appropriate, by the revenue
21 adjustment.

22 5. RATE FILING. On or before June 1, 1987, each public
23 utility shall determine and file rates designed to collect an
24 amount no greater than the revised revenue requirement. The
25 rates shall be increased or decreased equitably among customer
26 classes.

27 6. BOARD APPROVAL. Upon approval by the board, each pub-
28 lic utility subject to the provisions of this chapter shall
29 implement rates based on the revised revenue requirement
30 beginning July 1, 1987. If a public utility has not yet re-
31 ceived board approval, the public utility shall file bond or
32 other undertaking approved by the board, conditioned, in a
33 manner to be prescribed by the board, upon refund of any
34 amount collected in excess of the revised revenue requirement.

35 Sec. 2. This Act, being deemed of immediate importance,

1 takes effect upon enactment.

2 EXPLANATION

3 This bill codifies many of the provisions of Iowa admin-
4 istrative code 199 -- chapter 30. The bill requires each
5 rate-regulated investor-owned public utility to include in its
6 charges or rates to customers an amount attributable to state
7 and federal tax liability no greater than the tax liability
8 based on the federal Tax Reform Act of 1986. Each public
9 utility is required to file information relating to the reve-
10 nue adjustment and revised revenue requirement on or before
11 May 1, 1987.

12 The bill creates new section 476.8A and takes effect upon
13 enactment.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 640

AN ACT

RELATING TO REVENUE ADJUSTMENTS AND REVISED REVENUE REQUIREMENTS TO BE REFLECTED IN RATES AND CHARGES TO CUSTOMERS OF CERTAIN PUBLIC UTILITIES BASED ON THE FEDERAL TAX REFORM ACT OF 1986, WITH CIVIL PENALTIES APPLICABLE AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 476.8A TAX REFORM ACT RATE ADJUSTMENT.

The utilities board may require a rate-regulated investor-owned public utility to file revised rates to reflect the provisions of applicable state tax reform and the provisions of the federal Tax Reform Act of 1986. In lieu of filing revised rates to reflect the change in state and federal taxes, a public utility may file for a general rate change under section 476.6. If the public utility has not received board approval to collect the revised rates by July 1, 1987, the utility shall file a bond or other undertaking approved by the board conditioned upon the refund in a manner to be prescribed by the board of any amounts collected in excess of those amounts which would have been collected under the rates finally approved by the board. The utilities board shall adopt rules implementing this section.

A utility may delay implementation of the revised rates required by this section until September 30, 1987, if sufficient bond or corporate undertaking is approved and on file with the board. The bond or corporate undertaking shall be one and one-half times the estimated refund obligation accrued during the delay in implementing the revised rates. A utility having pledged a bond or corporate undertaking pursuant to this section may file for a general rate

proceeding by September 30, 1987, with the historical test year ending June 30, 1987.

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 640, Seventy-second General Assembly.

Approved  1987

JOSEPH O'HERN
Chief Clerk of the House

TERRY E. BRANSTAD
Governor

HF 640